CSG SYSTEMS INTERNATIONAL INC

FORM 10-K
(Annual Report)

Filed 03/09/11 for the Period Ending 12/31/10

Address	9555 MAROON CIRCLE ENGLEWOOD, CO 80112
Telephone	3037962850
CIK	0001005757
Symbol	CSGS
SIC Code	7374 - Computer Processing and Data Preparation and Processing Services
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 0-27512

CSG SYSTEMS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-0783182**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

9555 Maroon Circle
Englewood, Colorado 80112
(Address of principal executive offices, including zip code)

(303) 200-2000
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, Par Value $0.01 Per Share	**NASDAQ Stock Market LLC**

Securities Registered Pursuant to Section 12(g) of the Act: None.

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☐ NO ☐

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, computed by reference to the last sales price of such stock, as of the close of trading on June 30, 2010, was $623,735,953.

Shares of common stock outstanding at March 4, 2011: 34,628,449

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for its 2011 Annual Meeting of Stockholders to be filed on or prior to April 30, 2011, are incorporated by reference into Part III of the Form 10-K.

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CSG SYSTEMS INTERNATIONAL, INC.

2010 FORM 10-K

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PART I

Item 1. Business

Overview

CSG Systems International, Inc. (the "Company", "CSG", or forms of the pronoun "we") was formed in October 1994 and acquired all of the outstanding stock of CSG Systems, Inc. (formerly Cable Services Group, Inc.) from First Data Corporation ("FDC") in November 1994. CSG Systems, Inc. had been a subsidiary or division of FDC from 1982 until this acquisition.

Our heritage is providing outsourced customer care and billing solutions to the North American cable and direct broadcast satellite ("DBS") markets. Our proven approach and solutions are based on our experience in serving clients in the communications industry as their businesses have evolved from a single product offering to a highly complex, highly competitive, multi-product service offering. Our approach has centered on using the best technology for the various functions required to provide world-class solutions.

Our solutions help service providers manage the customer experience from acquisition through the billing of their customers. Our broad suite of solutions help our clients improve their business operations by creating more compelling product offerings and an enhanced customer experience through more relevant and targeted interactions, while at the same time, managing the service provider's cost structure.

Most recently, our business was focused on the North American market, with approximately 85% of our revenues coming from the cable and satellite markets and the remaining 15% from a variety of other verticals. However, on November 30, 2010, we completed our acquisition of U.K.-based Intec Telecom Systems PLC ("Intec"). Intec is a recognized global Business Support Systems ("BSS") leader for retail billing, mediation, and wholesale business management, serving the majority of the world's top 100 communications service providers.

With the acquisition, we believe we are well-positioned to: (i) evolve our offerings; (ii) expand the markets we serve; and (iii) reach greater economic scale.

Evolve our Offerings. The combined capabilities of the two companies provide a broad portfolio of products and services that address the ever-expanding needs of communications service providers to manage and maximize customer interactions in real time, and provide a compelling combination of domain expertise in video, voice, and content. In addition to an expanded portfolio of products and services, Intec also allows us to expand our overall delivery model capabilities. CSG's historical business was predominantly focused on a very successful outsourced processing business, with less than 10% of its revenues coming from software license, professional services, and software maintenance fees. Intec's business adds greater software and professional service delivery capabilities to our mix. We now expect that approximately 80% of our revenues will be generated from our outsourced processing solutions, managed services, and software maintenance revenue streams (which are all highly recurring in nature), with the remaining 20% comprised of software license and professional services revenues. This expanded product and solution portfolio and diversification in our delivery model, provides us with additional means to help our clients solve their business problems.

Expand the Markets We Serve. The combined entity will have a diverse customer base serving customers around the world in cable, DBS, telecommunications, and a variety of other industries where highly scaleable customer care and billing solutions are needed. This will allow us to reduce our geographic, market, and customer concentration risk, summarized as follows:

- While we still expect to generate a significant portion of our revenues from the North and South American regions (approximately 85%), we now have a more diversified global presence, with approximately 10% of our revenues expected to come from the Europe, Middle East and Africa ("EMEA") region and the remaining amount expected to come from the Asia Pacific ("APAC") region.

- We expect to generate approximately 60% of our total revenues from the North American cable and DBS market, 30% from the global wireline and wireless telecommunications market, and the balance of our revenues in other growing industries, including financial services, healthcare, utilities, entertainment, and content distribution.
- With the addition of revenues from over 400 Intec clients, our four largest clients are now expected to make up approximately 45% of our total revenues, down from approximately two-thirds of our total revenues in our most recent past years.

Reach Greater Economic Scale. The combined entity creates a global leader in the BSS market, with over 3,500 employees in 24 countries and over 1,000 clients worldwide, providing us greater scale to grow our business and achieve economic benefits from operating a larger, more diverse business.

Our principal executive offices are located at 9555 Maroon Circle, Englewood, Colorado 80112, and the telephone number at that address is (303) 200-2000. Our common stock is listed on the NASDAQ Stock Market LLC ("NASDAQ") under the symbol "CSGS". We are a S&P SmallCap 600 company.

Industry Overview

Background. We provide BSS solutions to clients in several complex and highly competitive industries. Our solutions coordinate and manage many aspects of a service provider's customer interactions, from the initial activation of customer accounts, to the support of various service activities, and through the presentment, collection, and accounts receivables management of monthly customer statements. While our heritage is in serving the North American communications markets, through acquisition and organic growth, we have broadened and enhanced our solutions to extend our business both globally and to a growing number of other industries including communications, financial services, healthcare, utilities, entertainment, and content distribution.

Market Conditions of the Communications Industry. Over the past few years, the global marketplace has experienced a significant economic downturn and difficulties within the financial and credit markets, which has negatively impacted a broad number of industries, including the global communications industry that we serve. While it is too early to say that an economic recovery is underway in the global markets, there have been reports of economic improvement in both emerging markets with new subscriber acquisitions, and in more mature markets where providers are focused on rolling out differentiated product offerings to retain and up-sell their existing customer base. However, the timing, duration, and degree of a sustained, meaningful economic turnaround are uncertain and will likely vary by region.

We believe that our recurring revenue and predictable cash flow business model, our sufficient sources of liquidity, and our stable capital structure lessen the risk of a significant negative impact to our business if the current economic conditions linger into future periods. However, these market conditions could result in continued tight client spending and/or extended sales cycles which could impact our revenues related to our clients' discretionary spending for such things as special project work, marketing activities, new product sales, and software and professional services projects, and thus, hinder our ability to grow our revenues and earnings.

Market Trends of Communications Industry. The communications industry is undergoing a dramatic transformation. Consumers have more choices for content, devices, and providers than ever before. Operators continue to invest heavily in networks to handle the exponential increase of data and content that is being distributed and consumed over their networks. Mobile data traffic is estimated to increase seven- to tenfold in the coming years, while the revenues that operators generate from that network traffic are currently not expected to increase at a commensurate rate. As a result, it is expected that service providers will need to evolve their business models in order to better monetize the traffic that goes across their plant.

In addition, new content providers like Netflix, Hulu, and YouTube, as well as new devices such as the iPad, the iPhone, and GoogleTV, have created an increased sense of urgency for traditional service providers to be more

creative in their approaches to rolling out new products and services, and enhancing the customer experience. These new competitors and new technologies have created a disintermediation in the marketplace, enabling the consumer to now receive content on a variety of different devices, over different networks at anytime. While this development poses challenges to traditional service providers, it also provides us with an opportunity to service the customer needs of this evolving market. We believe that in order to continue to be the primary source for information, content, and entertainment, service providers' investments will turn more towards acquiring new customers, rolling out new and differentiated product offerings, and reducing and managing their overall costs of operations.

As the lines of distinction between services and providers continue to blur, and competition for the same consumer increases between the traditional cable, wireless, and telecom provider, more emphasis is being placed on providing a superior customer experience. This experience includes the types of content and products operators offer as well as how every interaction between the operator and the consumer is handled. Our ability to facilitate our clients' offerings of world-class products and services is dependent upon our continuous enhancement of our existing solutions and the introduction of new solutions that meet their business needs. As a result, we historically have invested a significant amount of our revenues in research and development ("R&D") annually and have acquired companies that have enabled us to expand our offerings in a more timely and efficient manner.

Overall, these market trends drive the demand for scalable, flexible, and cost-efficient customer interaction management solutions, which we believe will provide us with revenue opportunities. While we recognize that operators may choose to develop their own internal solutions or utilize a competitor's solution, we believe that our scalable, modular, and flexible solutions provide the industry with proven solutions to improve their profitability and customer experiences.

Business Strategy

Our business strategy is designed to achieve growth of revenues and profitability. The key elements of our business strategy include the following items:

Grow Our Business Within Our Core Communications Industry . The communications industry is going through a dramatic change, as discussed directly above. Consumers are demanding more choice, while communications service providers are being asked to provide content, voice, and data to the end consumer at any time and on any device and in any location. Services, technology, and networks are converging and increasing the complexity involved in meeting the end consumers' needs and, consumers are demanding a more simplified, reliable and personalized customer experience. Communications service providers are looking for new ways to leverage and monetize their networks and infrastructure. With our broad solution offering, we believe that we are well positioned to help operators meet these demands today, and in the future.

Our goal is to increase the penetration of our solutions within our current clients by enabling our clients to achieve both their short-term and long-term business objectives. As our clients continue to introduce new products and services to their consumers, we benefit by helping our clients monetize those services and interactions. With the explosion of content and devices, service providers need to be able to provide a more immersive, interactive, and intelligent interaction with the end consumer. Our extensive solution suite provides operators with the tools to build a cost-efficient operation that can respond quickly and manage very large amounts of data. While the end consumer does not care what it takes to deliver content to any device at any time, our solutions help service providers simplify and standardize the customer experience. As our clients' businesses evolve, our opportunities to provide additional solutions to our clients increases as well.

As our clients deploy more of our business critical products and services into their operations, we develop a greater understanding of their businesses and the tools necessary for them to remain competitive and profitable. This approach has led to us establishing and maintaining very long-term relationships with our clients.

Grow Our Relationships with Providers in New Vertical Markets. Prior to the Intec acquisition, we received approximately 85% of our revenues from the North American cable and DBS markets. With over 400 new relationships in the wireline, wireless, financial services, retail, and content industries, we plan to leverage our solution sets and international infrastructure to strengthen our relationships with these service providers through our extensive suite of solutions.

Similar to the cable and DBS markets, numerous other industries, such as communications, utilities, healthcare, home security, financial services, and content distribution markets have specific business needs directed towards improving interactions and monetizing transactions with customers. We believe that by continuing to pursue the development of our customer interaction management solutions, we have the opportunity to further expand our solution footprint and increase our addressable markets and revenue opportunities.

In order to grow our relationships with our core communications clients or clients in new markets, two key strategies are required:

- *Continue Technology Leadership* . We believe that our product technology and pre-integrated suite of software solutions gives communications service providers a competitive advantage. Our continuing investment in R&D is designed to position us to meet the growing and evolving needs of existing and potential clients. Over the last five years, we have invested approximately $320 million, or approximately 14% of our total revenues, into R&D.
- *Enhance Growth Through Focused Acquisitions* . We follow a disciplined approach in acquiring assets and businesses which provide the technology and technical personnel to expedite our product development efforts and provide complementary products and services to our North American communications clients, and/or provide access to new markets and clients. Our acquisition strategy focuses on extending our solution capabilities that have relevance to our core communications market, while also providing us opportunities to extend our solution capabilities and penetration with new clients, and within new markets. The Intec acquisition is consistent with our philosophy and was undertaken as a way to help our existing North American communications clients more effectively and efficiently manage the explosion of traffic on their network, roll out new product offerings that require more real-time data collection, monetization and customer interaction and expand their offerings into large-scale commercial enterprises.

Improve Profitability. Finally, we continue to seek new ways to grow our profitability, and believe that various initiatives underway will help us expand our operating margins over time, such as the scale benefits from adding new subscribers to our solutions, increasing the utilization of new solutions, expanding our footprint within our client base, improving operational performance of recently acquired businesses, and various cost savings and efficiency efforts, such as integrating and improving our development and delivery methodologies between the acquired Intec and CSG historical organizations.

In summary, our R&D initiatives and recent acquisitions have enhanced our capabilities to assist our clients to grow and improve their business operations, enabling us to grow our business with new and existing clients. We have continually demonstrated our commitment to deliver solutions and services to our clients with the highest level of performance and functionality; and with our continued investment in R&D and acquisition activities, we believe we will continue to find ways to solve our clients' business challenges and provide them with a competitive advantage. While continuing to strive to provide superior solutions and services to our existing clients, we will also continue to focus on growing and diversifying our business and finding new ways to further expand our footprint in new vertical markets we have entered with our recent acquisitions.

Description of Business

Key Clients . We work with the leading communication providers located around the world. A partial list of those service providers as of December 31, 2010 is included below:

AT&T
Charter Communications, Inc. (“Charter”)
Comcast Corporation (“Comcast”)
Cox Communications
China Unicom
DISH Network Corporation (“DISH”)
France Telecom
Mediacom Communications
Orange
T-Mobile
Telefonica,
Time Warner, Inc. (“Time Warner”)
Vodafone
Vivo
Verizon

The North American communications industry has experienced significant consolidation over the past decade, resulting in a large percentage of the market being served by a limited number of service providers with greater size and scale. Consistent with this market concentration, a large percentage of our historical revenues have been generated from our four largest clients, which are Comcast, DISH, Time Warner, and Charter. Revenues from these clients represented the following percentages of our total revenues for 2010 and 2009:

	2010	2009
Comcast	24%	24%
DISH	18%	18%
Time Warner	12%	13%
Charter	10%	9%

See the Significant Client Relationships section of our MD&A for additional information regarding our business relationships with these key clients.

Research and Development . Our clients around the world are facing competition from new entrants, and at the same time, are deploying new services at a rapid pace, dramatically increasing the complexity of their business operations. Therefore, we continue to invest heavily in R&D to ensure that we stay ahead of our clients’ needs and advance our clients’ businesses as well as our own. We recognize these challenges and believe our value proposition is to provide solutions that help our clients ensure that each customer interaction is an opportunity to create value and deepen the business relationship. As a result of our R&D efforts, we have not only broadened our footprint within our client base with many new innovative product offerings, but have also found traction in penetrating new markets with portions of our suite of customer interaction management solutions.

Our total R&D expenses were $78.1 million and $70.1 million, respectively, for 2010 and 2009, or approximately 14% of total revenues in each year. In the near term, we expect that the percentage of our total revenues to be spent on R&D to increase slightly going into 2011, with the level of our R&D spend highly dependent upon the opportunities that we see in our markets.

There are certain inherent risks associated with significant technological innovations. Some of these risks are described in this report in our Risk Factors section below.

Products and Services. Our historical primary product offerings include our core customer care and billing solution, ACP, and related services and software products, to include our Intelligent Customer Communications solutions. However, with the acquisition of Intec in November of 2010, we have added leading solutions in retail billing, mediation, and wholesale business management to our product offerings.

In addition, we have expanded the delivery models by which we can help our clients execute on their business objectives. Today, we now offer high-volume transaction processing and statement production, complemented

with world-class applications software, as well as customized software solutions, allowing us to offer one of the most comprehensive, flexible, pre-integrated products and services solutions to the communications market.

We believe this pre-integrated approach and multiple delivery models allows our clients to bring new product offerings to market quickly and provide high-quality customer service in a cost effective manner. While our primary value proposition to our clients is the breadth and depth of this integrated offering, we are evolving many of our product solutions to be more modular-based to allow clients to utilize certain of our products as independent point solutions.

We license certain software products (e.g., Wholesale Business Management Solutions, Total Service Mediation, Singl.eView, Workforce Express, etc.) and provide our professional services to implement these software products, increase the efficiency and productivity of our clients' operations, and allow clients to effectively roll out new products as well as attract and retain customers.

Historically, a substantial percentage of our total revenues have been generated from our ACP processing solution, Intelligent Customer Communications, and related software products. These products and services are expected to provide a large percentage of our total revenues in the foreseeable future as well.

Business Acquisitions. As noted above, our strategy includes acquiring assets and businesses which provide the technology and technical personnel to expedite our product development efforts, provide complementary products and services, increase market share, and/or provide access to new markets and clients. Consistent with this strategy, we have acquired the following businesses over the last five years:

Intec. In November of 2010, we acquired Intec to expand our BSS footprint and capabilities. With this acquisition, we added the leading mediation and wholesale billing solution to our product suite, as well as a pre-paid/post-paid convergent customer care and billing solution. In addition, the acquisition increased our presence, as well as our domain expertise, in the wireless and wireline industries worldwide. The addition of Intec enables us to support flexible delivery models, from on-site software delivery to outsourced processing models, supported by complementary services offerings.

Quaero. In December of 2008, we acquired Quaero Corporation, a marketing services provider with expertise in customer strategy, analytics, and marketing performance management. This acquisition broadened our solution suite with powerful customer intelligence capabilities that further assist our clients in maximizing the value of their customer interactions. The Quaero acquisition has also allowed us to further diversify our revenue base and extend our reach into new industry verticals including financial services, pharmaceutical/healthcare, media/publishing, travel/hospitality, consumer, and high tech.

DataProse. In April of 2008, we acquired DataProse, Inc., ("DataProse") to further our objective of helping our clients maximize every customer interaction by both strengthening and broadening our portfolio of print solutions capabilities. Additionally, this acquisition has allowed us to diversify our client base into the utilities, financial services, and telecommunications markets, and add clients in the non-profit sectors of healthcare and higher education.

Prairie. In August of 2007, we acquired Prairie Voice Services, Inc. ("Prairie") to extend our suite of products and solutions that help our clients maximize the value of their interactions with their customers. Prairie provides inbound and outbound automated voice, text/SMS, email, and fax messaging services to manage workforce communications, collections, lead generation, automated order capture, service outage notifications, and other key business functions. We acquired Prairie to extend our capabilities within our core cable and DBS markets, while also providing an established customer base in new industry verticals such as financial services and telecommunications.

ComTec. In July of 2007, we acquired ComTec, Inc. ("ComTec"), to expand our Intelligent Customer Communications footprint and capabilities. With this acquisition, we added enhanced statement production

and electronic statement presentation hardware and software technologies. In addition, the acquisition increased our presence in our core cable and DBS markets, while also providing an established customer base in new industry verticals such as utilities, healthcare, home security, and financial services markets.

Telution. As part of our product evolution strategy, we acquired Telution, Inc. ("Telution") in March of 2006 to further expand the capabilities around our ACP platform. Our recent R&D efforts include the integration of these acquired technologies into our solution set. In particular, the acquired software assets are an integral part of the new functionality that has been added to our ACP platform since the acquisition.

Data Center Processing Facilities. We have historically outsourced to FDC the data processing and related computer services required for the operation of our outsourced ACP processing solution. Our proprietary software applications were run in FDC's facility to obtain the necessary enterprise server computer capacity and other computer support services without us having to make the substantial capital and infrastructure investments that would be necessary for us to provide these services internally. Our clients were connected to the FDC facility through a combination of private and commercially-provided networks. Our contract with FDC went through December 31, 2010.

In December 2008, we entered into an agreement with Infocrossing LLC ("Infocrossing"), a Wipro Limited company, to transition these outsourced data center services to Infocrossing. Infocrossing has been in the business of providing end-to-end information technology management solutions for over 25 years and operates world-class data centers throughout the U.S. for multiple computing environments and platforms. As part of the transition, we setup and replicated the computing environment at the new Infocrossing data center location to mitigate the risk of service disruption. We started to transition certain systems during 2009, with the transition of services to Infocrossing from FDC completed in the third quarter of 2010. We changed data center providers to partner with a global provider that focuses on data center operations in greater scale, and as their core business focus. This allows us to further improve the delivery of our solutions while benefiting from an improved cost structure.

Client and Product Support. Our clients typically rely on us for ongoing support and training needs related to our products. We have a multi-level support environment for our clients, which include account management teams to support the business, operational, and functional requirements of each client. These account teams help clients resolve strategic and business issues and are supported by our Solution Support Center ("SSC") and Customer Support Services ("CSS"), which we operate 24 hours a day, seven days a week. Clients call a telephone number, and through an automated voice response unit, have their calls directed to the appropriate SSC or CSS personnel to answer their questions. We have a full-time training staff and conduct ongoing training sessions both in the field and at our training facilities.

Sales and Marketing. We organize our sales efforts to existing clients primarily within our geographically dispersed, dedicated account teams, with senior level account managers who are responsible for new revenues and renewal of existing contracts within a client account. The account teams are supported by sales support personnel who are experienced in the various products and services that we provide. In addition, we have dedicated staff engaged in selling our products and services to prospective clients.

Competition. The market for customer interaction management products and services in the converging communications industry, as well as in other industries we serve, is highly competitive. We compete with both independent outsourced providers and in-house developers of customer management systems. We believe that our most significant competitors in our primary markets are Amdocs Limited, Convergys Corporation, Oracle Corporation, and internally-developed systems. Some of our actual and potential competitors have substantially greater financial, marketing, and technological resources than us.

We believe service providers in our industry use the following criteria when selecting a vendor to provide customer care and billing products and services: (i) functionality, scalability, flexibility, interoperability, and

architecture of the software assets; (ii) the breadth and depth of pre-integrated product solutions; (iii) product quality, client service, and support; (iv) quality of R&D efforts; and (v) price. We believe that our products and services allow us to compete effectively in these areas.

Proprietary Rights and Licenses

We rely on a combination of trade secret, copyright, trademark, and patent laws in the United States and similar laws in other countries, and non-disclosure, confidentiality, and other types of contractual arrangements to establish, maintain, and enforce our intellectual property rights in our solutions. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented, or misappropriated. Although we hold a limited number of patents and patent applications on some of our newer solutions, we do not rely upon patents as a primary means of protecting our rights in our intellectual property. In any event, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties. Also, much of our business and many of our solutions rely on key technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms. Our failure to adequately establish, maintain, and protect our intellectual property rights could have a material adverse impact on our business, financial condition, and results of operations. For a description of the risks associated with our intellectual property rights, see “Item 1A—Risk Factors—Failure to Protect Our Intellectual Property Rights or Claims by Others That We Infringe Their Intellectual Property Rights Could Substantially Harm Our Business, Financial Condition and Results of Operations.”

Employees

As of December 31, 2010, we had a total of 3,512 employees, an increase of 1,451 employees when compared to the number of employees we had as of December 31, 2009, with the increase attributed primarily to the Intec acquisition. Our success is dependent upon our ability to attract and retain qualified employees. None of our employees are subject to a collective bargaining agreement. We believe that our relations with our employees are good.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy materials, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act are available free of charge on our website at www.csgsystems.com. Additionally, these reports are available at the SEC’s Public Reference Room at 100 F Street, NE., Washington, D.C. 20549 or on the SEC’s website at www.sec.gov. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330.

Code of Business Conduct and Ethics

A copy of our Code of Business Conduct and Ethics (the “Code of Conduct”) is maintained on our website. Any future amendments to the Code of Conduct, or any future waiver of a provision of our Code of Conduct, will be timely posted to our website upon their occurrence. Historically, we have had minimal changes to our Code of Conduct, and have had no waivers of a provision of our Code of Conduct.

Item 1A. Risk Factors

We or our representatives from time-to-time may make or may have made certain forward-looking statements, whether orally or in writing, including without limitation, any such statements made or to be made in MD&A contained in our various SEC filings or orally in conferences or teleconferences. We wish to ensure that such statements are accompanied by meaningful cautionary statements, so as to ensure, to the fullest extent possible, the protections of the safe harbor established in the Private Securities Litigation Reform Act of 1995.

Accordingly, the forward-looking statements are qualified in their entirety by reference to and are accompanied by the following meaningful cautionary statements identifying certain important risk factors that could cause actual results to differ materially from those in such forward-looking statements. This list of risk factors is likely not exhaustive. We operate in rapidly changing and evolving markets throughout the world addressing the complex needs of communication service providers, financial institutions, healthcare providers and many others, and new risk factors will likely emerge. Further, as we enter new market sectors such as healthcare and financial services, as well as new geographic markets, we are subject to new regulatory requirements that increase the risk of non-compliance and the potential for economic harm to us and our clients. Management cannot predict all of the important risk factors, nor can it assess the impact, if any, of such risk factors on our business or the extent to which any risk factor, or combination of risk factors, may cause actual results to differ materially from those in any forward-looking statements. Accordingly, there can be no assurance that forward-looking statements will be accurate indicators of future actual results, and it is likely that actual results will differ from results projected in forward-looking statements and that such differences may be material.

We Derive a Significant Portion of Our Revenues From a Limited Number of Clients, and the Loss of the Business of a Significant Client Could Have a Material Adverse Effect on Our Financial Position and Results of Operations.

Over the past decade, the North American communications industry has experienced significant consolidation, resulting in a large percentage of the market being served by a limited number of service providers with greater size and scale. Consistent with this market concentration, approximately two-thirds of our current revenues are generated from our four largest clients, which are (in order of size) Comcast, DISH, Time Warner, and Charter. Although we expect this percentage to decrease to approximately 45% as a result of the Intec Acquisition, we still expect to generate a significant percentage of our revenues from these four clients in the future. See the Significant Client Relationships section of MD&A for key renewal dates and a brief summary of our business relationship with these clients.

There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of clients. One such risk is that a significant client could: (i) undergo a formalized process to evaluate alternative providers for services we provide; (ii) terminate or fail to renew their contracts with us, in whole or in part for any reason; (iii) significantly reduce the number of customer accounts processed on our solutions, the price paid for our services, or the scope of services that we provide; or (iv) experience significant financial or operating difficulties. Any such development could have a material adverse effect on our financial position and results of operations and/or trading price of our common stock.

Our industry is highly competitive, and while we recently have succeeded in gaining customers at the expense of competitors and entered into a long term renewal with our second largest customer, there is no guarantee that this success will continue. It is possible that a competitor could increase its footprint and share of customers processed at our expense or a provider could develop their own internal solutions. While our clients may incur some costs in switching to our competitors or their own internally-developed solutions, they may do so for a variety of reasons, including: (i) price; (ii) if we do not provide satisfactory solutions; or (iii) if we do not maintain favorable relationships.

We May Not Be Successful in the Integration of Our Acquisitions.

As part of our growth strategy, we seek to acquire assets, technology, and businesses which will provide the technology and technical personnel to expedite our product development efforts, provide complementary solutions, or provide access to new markets and clients.

Our recent acquisition of Intec provides us with many opportunities and challenges. Intec represents an approximate 40% increase in revenue, adds approximately 1,500 employees, and gives us operations in 24 countries where we did not previously have operations. Integrating this many people, processes, and operations presents new risks to the business that must be managed carefully. If not, it could have a material impact on operations and cause results to differ significantly from expectations.

Acquisitions involve a number of risks and difficulties, including: (i) expansion into new markets and business ventures; (ii) the requirement to understand local business practices; (iii) the diversion of management's attention to the assimilation of acquired operations and personnel; (iv) being bound by client or vendor contracts with unfavorable terms; and (v) potential adverse effects on a company's operating results for various reasons, including, but not limited to, the following items: (a) the inability to achieve financial targets; (b) the inability to achieve certain operating goals and synergies; (c) costs incurred to exit current or acquired contracts or activities; (d) costs incurred to service any acquisition debt; and (e) the amortization or impairment of intangible assets.

Due to the multiple risks and difficulties associated with any acquisition, there can be no assurance that we will be successful in achieving our expected strategic, operating, and financial goals for any such acquisition.

Variability of Our Quarterly Revenues and Our Failure to Meet Revenue and Earnings Expectations Would Negatively Affect the Market Price for Our Common Stock.

Variability in quarterly revenues and operating results are inherent characteristics of the software and professional services industries. Common causes of a failure to meet revenue and operating expectations in these industries include, among others:

- The inability to close and/or recognize revenue on one or more material software transactions that may have been anticipated by management in any particular period;
- The inability to renew timely one or more material software maintenance agreements, or renewing such agreements at lower rates than anticipated; and
- The inability to complete timely and successfully an implementation project and meet client expectations, due to factors discussed in greater detail below.

We expect software license, software maintenance services, and professional services revenues to become an increasingly larger percentage of our total revenues in the future. As our total revenues grow, so too does the risk associated with meeting financial expectations for revenues derived from our software licenses, software maintenance services, and professional services offerings. As a result, there is a proportionately increased likelihood that we may fail to meet revenue and earnings expectations of the analyst community. Should we fail to meet analyst expectations, by even a relatively small amount, it would most likely have a disproportionately negative impact upon the market price of our common stock.

The Delivery of Our Solutions is Dependent on a Variety of Computing Environments and Communications Networks Which May Not Be Available or May Be Subject to Security Attacks.

Our solutions are generally delivered through a variety of computing environments operated by us, which we will collectively refer to herein as "Systems." We provide such computing environments through both outsourced arrangements, such as our current data processing arrangement with Infocrossing, as well as internally operating numerous distributed servers in geographically dispersed environments. The end users are connected to our

Systems through a variety of public and private communications networks, which we will collectively refer to herein as "Networks." Our solutions are generally considered to be mission critical customer management systems by our clients. As a result, our clients are highly dependent upon the high availability and uncompromised security of our Networks and Systems to conduct their business operations.

Our Networks and Systems are subject to the risk of an extended interruption or outage due to many factors such as: (i) planned changes to our Systems and Networks for such things as scheduled maintenance and technology upgrades, or migrations to other technologies, service providers, or physical location of hardware; (ii) human and machine error; (iii) acts of nature; and (iv) intentional, unauthorized attacks from computer "hackers."

In addition, we continue to expand our use of the Internet with our product offerings thereby permitting, for example, our clients' customers to use the Internet to review account balances, order services or execute similar account management functions. Allowing access to our Networks and Systems via the Internet has the potential to increase their vulnerability to unauthorized access and corruption, as well as increasing the dependency of our Systems' reliability on the availability and performance of the Internet and end users' infrastructure they obtain through other third party providers.

The method, manner, cause and timing of an extended interruption or outage in our Networks or Systems are impossible to predict. As a result, there can be no assurances that our Networks and Systems will not fail, or that our business continuity plans will adequately mitigate the negative effects of a disruption to our Networks or Systems. Further, our property and business interruption insurance may not adequately compensate us for losses that we incur as a result of such interruptions. Should our Networks or Systems: (i) experience an extended interruption or outage, (ii) have their security breached, or (iii) have their data lost, corrupted or otherwise compromised, it would impede our ability to meet product and service delivery obligations, and likely have an immediate impact to the business operations of our clients. This would most likely result in an immediate loss to us of revenue or increase in expense, as well as damaging our reputation. An information breach in our Systems or Networks and loss of confidential information such as credit card numbers and related information could have a longer and more significant impact on our business operations than a hardware-related failure. The loss of confidential information could result in losing the customers' confidence, as well as imposition of fines and damages. Any of these events could have both an immediate, negative impact upon our financial position and our short-term revenue and profit expectations, as well as our long-term ability to attract and retain new clients.

The Occurrence or Perception of a Security Breach or Disclosure of Confidential Personally Identifiable Information Could Harm Our Business.

In providing solutions to our customers, we process, transmit, and store confidential and personally identifiable information, including social security numbers and financial and health information. Our treatment of such information is subject to contractual restrictions and federal, state, and foreign data privacy laws and regulations. While we take measures to protect against unauthorized access to such information and comply with these laws and regulations, these measures may be inadequate, and any failure on our part to protect the privacy of personally identifiable information or comply with data privacy laws and regulations may subject us to contractual liability and damages, loss of business, damages from individual claimants, fines, penalties, criminal prosecution, and unfavorable publicity. Even the mere perception of a security breach or inadvertent disclosure of personally identifiable information could inhibit market acceptance of our solutions. In addition, third party vendors that we engage to perform services for us may unintentionally release personally identifiable information or otherwise fail to comply with applicable laws and regulations. The occurrence of any of these events could have an adverse effect on our business, financial position, and results of operations.

We May Not Be Able to Respond to Rapid Technological Changes.

The market for customer interaction management solutions, such as customer care and billing solutions, is characterized by rapid changes in technology and is highly competitive with respect to the need for timely

product innovations and new product introductions. As a result, we believe that our future success in sustaining and growing our revenues depends upon: (i) our ability to continuously adapt, modify, maintain, and operate our solutions to address the increasingly complex and evolving needs of our clients, without sacrificing the reliability or quality of the solutions; (ii) the integration of the Intec assets and its widely distributed, complex worldwide operations; and (iii) the integration of other acquired technologies such as rating, wholesale billing, customer intelligence with ACP, as well as creating an integrated suite of customer care and billing solutions, which are portable to new verticals such as utilities, healthcare, home security, financial services, and content distribution. In addition, the market is demanding that our solutions have greater architectural flexibility and interoperability, and that we are able to meet the demands for technological advancements to our solutions at a greater pace. Attempts to meet these demands subjects our R&D efforts to greater risks.

As a result, substantial R&D will be required to maintain the competitiveness of our solutions in the market. Technical problems may arise in developing, maintaining and operating our solutions as the complexities are increased. Development projects can be lengthy and costly, and may be subject to changing requirements, programming difficulties, a shortage of qualified personnel, and/or unforeseen factors which can result in delays. In addition, we may be responsible for the implementation of new solutions and/or the migration of clients to new solutions, and depending upon the specific solution, we may also be responsible for operations of the solution.

There is an inherent risk in the successful development, implementation, migration, and operations of our solutions as the technological complexities, and the pace at which we must deliver these solutions to market, continue to increase. The risk of making an error that causes significant operational disruption to a client, or results in incorrect customer or vendor billing calculations we perform on behalf of our clients, increases proportionately with the frequency and complexity of changes to our solutions and new delivery models. There can be no assurance: (i) of continued market acceptance of our solutions; (ii) that we will be successful in the development of enhancements or new solutions that respond to technological advances or changing client needs at the pace the market demands; or (iii) that we will be successful in supporting the implementation, migration and/or operations of enhancements or new solutions.

Our International Operations Subject Us to Additional Risks.

We maintain development facilities in South Africa, Ireland, Malaysia, India, Australia, and the United States, and have operations in North America, Europe, Latin America, and the Asia-Pacific region. Although a substantial percentage of our revenue is derived from customers in North America and Europe, we obtain significant revenue from customers in the Asia-Pacific, African, and Latin America regions. Our strategy is to continue to broaden our presence in those geographies with the greatest growth potential, which will likely result in an increase in business outside of the United States. We are subject to certain risks associated with operating internationally including the following:

- Difficulties with product development meeting local requirements;
- Fluctuations in foreign currency exchange rates for which a natural or purchased hedge does not exist or is ineffective;
- Difficulties in staffing and managing foreign operations;
- Longer sales cycles for new contracts;
- Longer collection cycles for client billings or accounts receivable, as well as heightened client collection risks, especially in countries with highly inflationary economies and/or with restrictions on the movement of cash out of the country;
- Trade barriers;
- Difficulties in complying with varied legal and regulatory requirements across jurisdictions;

- Reduced protection for intellectual property rights in some countries;
- Inability to recover value added taxes and/or goods and services taxes in foreign jurisdictions;
- Political instability and threats of terrorism; and
- A potential adverse impact to our overall effective income tax rate resulting from, among other things:
    - Operations in foreign countries with higher tax rates than the United States;
    - The inability to utilize certain foreign tax credits; and
    - The inability to utilize some or all of losses generated in one or more foreign countries.

One or more of these factors could have a material adverse effect on our international operations, which could adversely impact our results of operations and financial position.

Our Use of Open Source Software May Subject Us to Certain Intellectual Property-Related Claims or Require Us to Re-Engineer Our Software, Which Could Harm Our Business.

We use open source software in connection with our solutions, processes, and technology. Companies that use or incorporate open source software into their products have, from time to time, faced claims challenging their use, ownership and/or licensing rights associated with that open source software. As a result, we could be subject to suits by parties claiming certain rights to what we believe to be open source software. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code in their software and make any derivative works of the open source code available on unfavorable terms or at no cost. In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls with respect to origin of the software. While we take measures to protect our use of open source software in our solutions, open source license terms may be ambiguous, and many of the risks associated with usage of open source software cannot be eliminated. If we were found to have inappropriately used open source software, we may be required to release our proprietary source code, re-engineer our software, discontinue the sale of certain solutions in the event re-engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, financial position, and results of operations.

The Current Macroeconomic Environment Could Adversely Impact Our Business.

Over the past few years, major economies where we operate have experienced significant economic stress and difficulties within the financial and credit markets. The timing, duration, and degree of an economic turnaround are uncertain and thus, these adverse economic conditions may continue into the foreseeable future. The possible adverse impacts to companies during these times include a reduction in revenues, decreasing profits and cash flows, distressed or default debt conditions, and/or difficulties in obtaining necessary operating capital. All companies are likely to be impacted by the current economic downturn to a certain degree, including CSG, our clients, and/or key vendors in our supply chain. There can be no assurances regarding the performance of our business, and the potential impact to our clients and key vendors, resulting from the current economic conditions.

A Reduction in Demand for Our Key Customer Care and Billing Solutions Could Have a Material Adverse Effect on Our Financial Position and Results of Operations.

Historically, a substantial percentage of our total revenues have been generated from our core outsourced processing product, ACP, and related solutions. These solutions are expected to continue to provide a large percentage of our total revenues in the foreseeable future. Any significant reduction in demand for ACP and related solutions could have a material adverse effect on our financial position and results of operations.

Likewise, a large percentage of revenues derived from the Intec business have been derived from wholesale billing, retail billing and mediation products which are typically associated with large implementation projects. A sudden downward shift in demand for these products or for our professional services engagements for these products could have a material adverse effect on our financial position and results of operations.

We May Not Be Able to Efficiently and Effectively Implement New Solutions or Convert Clients onto Our Solutions.

Our continued growth plans include the implementation of new solutions, as well as converting both new and existing clients to our solutions. Such implementations or conversions, whether they involve new solutions or new customers, have become increasingly more difficult because of the sophistication, complexity and interdependencies of the various computing and network environments impacted, combined with the increasing complexity of the underlying business processes. For these reasons, there is a risk that we may experience delays or unexpected costs associated with a particular implementation or conversion, and our inability to complete implementation or conversion projects in an efficient and effective manner could have a material adverse effect on our results of operations.

Our Business is Dependent Upon the Economic and Market Condition of the Global Communications Industry.

Since the majority of our clients operate within this industry sector, the economic state of this industry directly impacts our business. The global communications industry has undergone significant fluctuations in growth rates and capital investment cycles in the past decade. Current economic indices suggest a slow stabilization of the industry, but it is impossible to predict whether this stabilization will persist or be subject to future instability. In addition, consolidation amongst providers continues as service providers look for ways to expand their markets and increase their revenues.

Continued consolidation, a significant retrenchment in investment by communications providers, or even a material slowing in growth (whether caused by economic, competitive or consolidation factors) could cause delays or cancellations of sales and services currently included in our forecasts. This could cause us to either fall short of revenue expectations or have a cost model that is misaligned with revenues, either or both of which could have a material adverse effect on operations and financial results.

More specific, approximately 60% of our future revenues are expected to be generated from our North American cable and DBS operations. These clients operate in a highly competitive environment. Competitors range from traditional wireline and wireless providers to new entrants like new content aggregators such as Hulu, YouTube, and Netflix. Should these competitors be successful in their video strategies, it could threaten our clients' market share, and thus our source of revenues, as generally speaking these companies do not use our core solutions and there can be no assurance that new entrants will become our clients. In addition, demand for spectrum, network bandwidth and content continues to increase and any changes in the regulatory environment could have a significant impact to not only our clients' businesses, but in our ability to help our clients be successful.

We Face Significant Competition in Our Industry.

The market for our solutions is highly competitive. We directly compete with both independent providers and in-house solutions developed by existing and potential clients. In addition, some independent providers are entering into strategic alliances with other independent providers, resulting in either new competitors, or competitors with greater resources. Many of our current and potential competitors have significantly greater financial, marketing, technical, and other competitive resources than our company, many with significant and well-established domestic and international operations. There can be no assurance that we will be able to compete successfully with our existing competitors or with new competitors.

Failure to Protect Our Intellectual Property Rights or Claims by Others That We Infringe Their Intellectual Property Rights Could Substantially Harm Our Business, Financial Position and Results of Operations.

We rely on a combination of trade secret, copyright, trademark, and patent laws in the United States and similar laws in other countries, and non-disclosure, confidentiality, and other types of contractual arrangements to establish, maintain, and enforce our intellectual property rights in our solutions. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented, or misappropriated. Further, our contractual arrangements may not effectively prevent disclosure of our confidential information or provide an adequate remedy in the event of unauthorized disclosure of our confidential information. Others may independently discover trade secrets and proprietary information, and in such cases we could not assert any trade secret rights against such parties. Costly and time consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. In addition, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions, we may be unable to protect our proprietary technology adequately against unauthorized third party copying or use, which could adversely affect our competitive position.

Although we hold a limited number of patents and patent applications on some of our newer solutions, we do not rely upon patents as a primary means of protecting our rights in our intellectual property. In any event, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties. Also, much of our business and many of our solutions rely on key technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

Finally, third parties may claim that we, our customers, licensees or other parties indemnified by us are infringing upon their intellectual property rights. Even if we believe that such claims are without merit, they can be time consuming and costly to defend and distract management’s and technical staff’s attention and resources. Claims of intellectual property infringement also might require us to redesign affected solutions, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our solutions. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not license the infringed technology on reasonable pricing terms or at all, or substitute similar technology from another source, our business, financial position, and results of operations could be adversely impacted. Our failure to adequately establish, maintain, and protect our intellectual property rights could have a material adverse impact on our business, financial position, and results of operations.

Client Bankruptcies Could Adversely Affect Our Business.

In the past, certain of our clients have filed for bankruptcy protection. As a result of the current economic conditions and the additional financial stress this may place on companies, the risk of client bankruptcies is significantly heightened. Companies involved in bankruptcy proceedings pose greater financial risks to us, consisting principally of the following: (i) a financial loss related to possible claims of preferential payments for certain amounts paid to us prior to the bankruptcy filing date, as well as increased risk of collection for accounts receivable, particularly those accounts receivable that relate to periods prior to the bankruptcy filing date; and/or (ii) the possibility of a contract being unilaterally rejected as part of the bankruptcy proceedings, or a client in bankruptcy may attempt to renegotiate more favorable terms as a result of their deteriorated financial condition, thus, negatively impacting our rights to future revenues subsequent to the bankruptcy filing. We consider these risks in assessing our revenue recognition and our ability to collect accounts receivable related to our clients that have filed for bankruptcy protection, and for those clients that are seriously threatened with a possible bankruptcy filing. We establish accounting reserves for our estimated exposure on these items which can materially impact the results of our operations in the period such reserves are established. There can be no assurance that our accounting reserves related to this exposure will be adequate. Should any of the factors

considered in determining the adequacy of the overall reserves change adversely, an adjustment to the accounting reserves may be necessary. Because of the potential significance of this exposure, such an adjustment could be material.

We May Incur Material Restructuring Charges in the Future.

In the past, we have recorded restructuring charges related to involuntary employee terminations, various facility abandonments, and various other restructuring activities. We continually evaluate ways to reduce our operating expenses through new restructuring opportunities, including more effective utilization of our assets, workforce, and operating facilities. As a result, there is a risk, which is increased during economic downturns and with expanded global operations, that we may incur material restructuring charges in the future.

Substantial Impairment of Goodwill and Other Long-lived Assets in the Future May Be Possible.

As a result of various acquisitions and the growth of our company over the last several years, we have approximately $209 million of goodwill, and $200 million of long-lived assets other than goodwill (principally, property and equipment, software, and client contracts). These long-lived assets are subject to ongoing assessment of possible impairment summarized as follows:

- Goodwill is required to be tested for impairment on an annual basis. We have elected to do our annual test for possible impairment as of July 31 of each year. In addition to this annual requirement, goodwill is required to be evaluated for possible impairment on a periodic basis (e.g., quarterly) if events occur or circumstances change that could indicate a possible impairment may have occurred.
- Long-lived assets other than goodwill are required to be evaluated for possible impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

We utilize cash flow models as the primary basis to estimate the fair value amounts used in our goodwill and other long-lived asset impairment valuations. Our estimates of fair value are based upon various key modeling assumptions such as: (i) projected future sales, which include assumptions around market penetration and growth, and the success of any new product and service offerings; (ii) the profitability of future operations; and (iii) the appropriate discount rate. If we do not achieve our near-term or long-term financial or operating goals for a variety of reasons (e.g., a significant adverse change in the legal environment or in the business climate, unanticipated or increased competition, an unexpected change in strategic direction towards product solutions, or target markets, and/or loss of key personnel), it may require us to modify our assumptions in future periods such that the estimated fair value of one or more of our long-lived assets is materially changed, which may result in an impairment loss. If an impairment was to be recorded in the future, it would likely materially impact our results of operations in the period such impairment is recognized, but such an impairment charge would be a non-cash expense, and therefore would have no impact on our cash flows, or on the financial position of our company.

Failure to Attract and Retain Our Key Management and Other Highly Skilled Personnel Could Have a Material Adverse Effect on Our Business.

Our future success depends in large part on the continued service of our key management, sales, product development, professional services, and operational personnel. We believe that our future success also depends on our ability to attract and retain highly skilled technical, managerial, operational, and marketing personnel, including, in particular, personnel in the areas of R&D, professional services, and technical support. Competition for qualified personnel at times can be intense, particularly in the areas of R&D, conversions, software implementations, and technical support. This risk is heightened with a widely dispersed customer base and employee populations. For these reasons, we may not be successful in attracting and retaining the personnel we require, which could have a material adverse effect on our ability to meet our commitments and new product delivery objectives.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2010 we were operating from over 30 leased sites around the world, representing approximately 640,000 square feet.

Our corporate headquarters is located in Englewood, Colorado. In addition, we lease office space in the United States in Atlanta, Georgia; Broomfield, New Jersey; Burlington, Massachusetts; Charlotte, North Carolina; Chicago, Illinois; Dallas County, Texas; Fairfield, Connecticut; New York, New York; Omaha, Nebraska; and San Antonio, Texas. The leases for these office facilities expire in the years 2011 through 2020. We also maintain leased facilities internationally in Australia, Brazil, Canada, China, France, India, Ireland, Malaysia, Poland, Singapore, South Africa, United Arab Emirates, and the United Kingdom ("U.K."). The leases for these international office facilities expire in the years 2011 through 2019. We utilize these office facilities primarily for the following: (i) client services, training, and support; (ii) product and operations support; (iii) systems and programming activities; (iv) professional services staff; (v) R&D activities; (vi) sales and marketing activities; and (vii) general and administrative functions.

Additionally, we lease four statement production and mailing facilities totaling approximately 245,000 square feet. These facilities are located in: (i) Omaha, Nebraska; (ii) Wakulla County, Florida; (iii) Coppell, Texas; and (iv) Oxnard, California. The leases for these facilities expire in the years 2011 through 2019.

We believe that our facilities are adequate for our current needs and that additional suitable space will be available as required. We also believe that we will be able to either: (i) extend our current leases as they terminate; or (ii) find alternative space without experiencing a significant increase in cost. See Note 9 to our Consolidated Financial Statements for information regarding our obligations under our facility leases.

Item 3. Legal Proceedings

From time-to-time, we are involved in litigation relating to claims arising out of our operations in the normal course of business. In the opinion of our management, we are not presently a party to any material pending or threatened legal proceedings.

Item 4. (Removed and Reserved).

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Executive Officers of the Registrant

As of December 31, 2010, our executive officers were Peter E. Kalan (Chief Executive Officer and President), Randy R. Wiese (Executive Vice President and Chief Financial Officer), Joseph T. Ruble (Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer), Bret C. Griess (Executive Vice President and Chief Operating Officer), and Michael J. Henderson (Executive Vice President-Sales and Marketing).

We have employment agreements with each of the executive officers.

Peter E. Kalan
Chief Executive Officer and President

Mr. Kalan, 51, joined the Company in January 1997, was appointed as Chief Financial Officer in October 2000, and named an Executive Vice President in 2004. In April 2006, he became Executive Vice President of Business

and Corporate Development. In December 2007, Mr. Kalan was appointed Chief Executive Officer and President, and elected to the Board. Prior to joining the Company, he was Chief Financial Officer at Bank One, Chicago, and he also held various other financial management positions with Bank One in Texas and Illinois from 1985 through 1996. Mr. Kalan holds a BA degree in Business Administration from the University of Texas at Arlington. Mr. Kalan is a member of The Cable Center board of directors and is also a member of the Board of Pensions of the Presbyterian Church USA.

Randy R. Wiese
Executive Vice President and Chief Financial Officer

Mr. Wiese, 51, joined CSG in 1995 as Controller and later served as Chief Accounting Officer. He was named Executive Vice President and Chief Financial Officer in April 2006. Prior to joining CSG, he was manager of audit and business advisory services and held other accounting-related positions at Arthur Andersen & Co. Mr. Wiese is a member of the AICPA and the Nebraska Society of Certified Public Accountants, and serves as a board member for the Habitat for Humanity Board – Omaha Chapter. He holds a BS degree in Accounting from the University of Nebraska-Omaha.

Joseph T. Ruble
Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer

Mr. Ruble, 50, joined CSG in 1997 as Vice President and General Counsel. In November 2000, he was appointed Senior Vice President of Corporate Development, General Counsel and Corporate Secretary. In February 2007, he was named Executive Vice President. Prior to joining CSG, Mr. Ruble served from 1991 to 1997 as Vice President, General Counsel and Corporate Secretary for Intersolv, Inc., and as counsel to Pansophic Systems, Inc. for its international operations from 1988 to 1991. Prior to that, he represented the software industry in Washington, D.C. on legislative matters. Mr. Ruble holds a JD from Catholic University of America and a BS degree from Ohio University.

Bret C. Griess
Executive Vice President and Chief Operating Officer

Mr. Griess, 42, joined CSG in 1996 as a project manager and held a variety of positions in Operations and Information Technology, until being appointed Executive Vice President of Operations in February 2009 and Chief Operating Officer in March 2011. Prior to joining CSG, Mr. Griess was Genesis Product Manager with Chief Automotive Systems from 1995 to 1996, and an information systems analyst with the Air Force from 1990 to 1995. Mr. Griess holds a Master of Arts in Management degree and a BS degree from Bellevue University in Nebraska, an Associate of Applied Science degree from the Community College of the Air Force, and an Associate of Science in Business Administration degree from Brevard Community College in Florida.

Michael J. Henderson
Executive Vice President-Sales and Marketing

Mr. Henderson, 53, joined CSG in 2010 as Executive Vice President of Sales and Marketing to oversee all new business development, marketing, and management of account relationships for CSG. Prior to joining CSG, he served as Chief Sales Officer with Call Genie from 2008 to 2010, and as a partner with BVM Consulting, LLC from 2007 until 2008. Mr. Henderson was President for Telcordia Technologies' Global Solutions division from 2004 to 2007, and was at ADC's Software Systems division as Executive Vice President of Global Sales and Marketing from 1999 until 2004. He also was co-founder and CEO of PCI, a venture-backed software company, and held senior executive positions with Nortel, Frontier Corporation, and Volt Delta Resources. Mr. Henderson earned an MBA in Marketing and Finance from the University of Rochester and a BS in Management Information Systems from the University of Arizona

Board of Directors of the Registrant

Information related to our Board of Directors as of December 31, 2010, is provided below.

Donald B. Reed
Former Chief Executive Officer
Cable & Wireless Global

Mr. Reed, 66, was elected to the Board in May 2005 and presently serves as the Company's non-executive Chairman of the Board. He currently is retired, having served as Chief Executive Officer of Cable & Wireless Global from May 2000 to January 2003. Cable & Wireless Global, Cable & Wireless PLC's wholly-owned operations in the United States, United Kingdom, Europe and Japan, is a provider of internet protocol (IP) and data services to business customers. From June 1998 until May 2000, Mr. Reed served Cable & Wireless in various other executive positions. Mr. Reed's career includes 30 years at NYNEX Corporation (now part of Verizon), a regional telephone operating company. From 1995 to 1997, Mr. Reed served NYNEX Corporation as President and Group Executive with responsibility for directing the company's regional, national and international government affairs, public policy initiatives, legislative and regulatory matters, and public relations. Mr. Reed currently is a director of Oceus Networks. Mr. Reed has also previously served as a director of Intervoice, Inc., Idearc Media (formerly Verizon Yellow Pages), Bell Atlantic, St. Lawrence Cement, and Aggregate Industries in London, England.

Peter E. Kalan
Chief Executive Officer and President
CSG Systems International, Inc.

Mr. Kalan's biographical information in included in "Executive Officers of the Registrant" section shown directly above.

Ronald H. Cooper
President and Chief Executive Officer
Clear Channel Outdoor Americas, Inc.

Mr. Cooper, 54, was elected to the Board in November 2006. Mr. Cooper is currently the President and Chief Executive Officer of Clear Channel Outdoor Americas, Inc. He previously spent nearly 25 years in the cable and telecommunications industry, most recently at Adelphia Communications where he served as President and Chief Operating Officer from 2003 to 2006. Prior to Adelphia, Mr. Cooper held a series of executive positions at AT&T Broadband, RELERA Data Centers & Solutions, and MediaOne and its predecessor Continental Cablevision, Inc. He has held various board and committee seats with the National Cable Television Association, California Cable & Telecommunications Association, Cable Television Association for Marketing and the New England Cable Television Association. In addition, Mr. Cooper is a director of the Outdoor Advertising Association of America, a trustee at the Denver Art Museum and a director for Colorado Public Radio.

Edward C. Nafus
Former Chief Executive Officer and President
CSG Systems International, Inc.

Mr. Nafus, 70, was elected to the Board in March 2005. Mr. Nafus joined CSG in August 1998 as Executive Vice President and became the President of our Convergent Services and Solutions Division in January 2002. In April 2005, Mr. Nafus assumed the position of Chief Executive Officer and President of CSG and held that position until his retirement in December 2007. Prior to joining CSG, Mr. Nafus held numerous management positions within First Data Corporation from 1978 to 1998. From 1992 to 1998, he served as Executive Vice President of First Data Corporation; from 1989 to 1992, he served as President of First Data International; and Executive Vice President of First Data Resources from 1984 to 1989. From 1971 to 1978, Mr. Nafus worked in sales management, training and sales for Xerox Corporation. From 1966 to 1971, Mr. Nafus was a pilot and division officer in the United States Navy. Mr. Nafus holds a BS degree from Jamestown College. Mr. Nafus currently is a director of a privately held company, WageWorks, Inc.

Janice I. Obuchowski
President
Freedom Technologies, Inc.

Ms. Obuchowski, 59, was elected to the Board in November 1997. She is the founder and has been President of Freedom Technologies, Inc., a business that provides public policy and strategic advice to a wide range of companies in the communications sector, to the United States Department of Defense, and to the international agencies of government, since 1992. In 2003, Ms. Obuchowski was appointed by President George W. Bush to serve as Ambassador and Head of the U.S. Delegation to the World Radio Communication Conference. She has served as Assistant Secretary for Communications and Information at the Department of Commerce and as Administrator for the National Telecommunications and Information Administration. Ms. Obuchowski currently is a director of Orbital Sciences Corporation and Inmarsat. Ms. Obuchowski was also a director for Stratos Global Corporation and Qualcomm. Ms. Obuchowski also serves on several non-profit boards, including as a trustee of the Federal Communications Bar Association.

Bernard W. Reznicek
Consultant
The Premier Group

Mr. Reznicek, 74, was elected to the Board in January 1997 and served as the Company's non-executive Chairman of the Board from 2005 until 2009. He currently provides consulting services as President of Premier Enterprises, and is Chairman of Erra, Inc., a startup clean technology company. Mr. Reznicek previously was an Executive with Central States Indemnity Company of Omaha, a Berkshire Hathaway company, from 1997 to 2003. He has 40 years of experience in the electric utility industry, having served as Chairman, President and Chief Executive Officer of Boston Edison Company, and President and Chief Executive Officer of Omaha Public Power District. Mr. Reznicek currently is a director of Pulte Homes, Inc. (NYSE) and CSI. Mr. Reznicek has previously been a director of State Street Corporation, Stone and Webster, Guarantee Life, infoGROUP Inc. and Central States Indemnity.

Frank V. Sica
Managing Partner
Tailwind Capital

Mr. Sica, 60, has served as a director of the Company since its formation in 1994. He is currently a Managing Partner of Tailwind Capital. From 2004 to 2005, Mr. Sica was a Senior Advisor to Soros Private Funds Management. From 2000 until 2003, he was President of Soros Private Funds Management which oversaw the direct real estate and private equity investment activities of Soros. In 1998, he joined Soros Fund Management where he was a Managing Director responsible for Soros' private equity investments. Mr. Sica was previously Managing Director for Morgan Stanley Merchant Banking Division. Mr. Sica currently is a director of JetBlue Airways, Kohl's Corporation, Oceus Networks, and Safe Bulkers. Mr. Sica has previously been a director for NorthStar Realty Finance Corporation and Emmis Communications.

Donald V. Smith
Former Senior Managing Director
Houlihan Lokey Howard & Zukin, Inc.

Mr. Smith, 68, was elected to the Board in January 2002. He is presently retired and providing financial consulting services through Donald V. Smith LLC. Previously he served as Senior Managing Director of Houlihan Lokey Howard & Zukin, Inc., an international investment banking firm with whom he had been associated from 1988 through 2009, and where he served on the board of directors of the firm. From 1978 to 1988, he served as Principal with Morgan Stanley & Co. Inc., where he headed their valuation and reorganization services. Mr. Smith is director of the Princeton (NJ) Health Care System Foundation and on the board of directors and executive committee of Business Executives for National Security.

James A. Unruh
Managing Principal
Alerion Capital Group

Mr. Unruh, 70, was elected to the Board in June 2005. He became a founding principal of Alerion Capital Group, LLC (a private equity investment company) in 1998 and currently holds such position. Mr. Unruh was an executive with Unisys Corporation from 1987 to 1997 and served as its Chairman and Chief Executive Officer from 1990 to 1997. From 1982 to 1986, Mr. Unruh held various executive positions, including Senior Vice President—Finance and Chief Financial Officer, with Burroughs Corporation, a predecessor of Unisys Corporation. Mr. Unruh currently is a director of Prudential Financial, Inc., Tenet Healthcare Corporation, and Qwest Communications International Inc. Mr. Unruh has also previously served as a director of LumenIQ, as well as non-executive Chairman of Apex Microtechnology and Tiros Corporation.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on NASDAQ under the symbol "CSGS". The following table sets forth, for the fiscal quarters indicated, the high and low sale prices of our common stock as reported by NASDAQ.

	High	Low
2010		
First quarter	$22.29	$17.29
Second quarter	23.85	18.28
Third quarter	21.39	17.22
Fourth quarter	20.34	17.69

	High	Low
2009		
First quarter	$17.82	$12.27
Second quarter	15.45	12.83
Third quarter	17.28	13.14
Fourth quarter	19.66	15.65

On March 4, 2011, the last sale price of our common stock as reported by NASDAQ was $19.79 per share. On January 31, 2011, the number of holders of record of common stock was 222.

Dividends

We have not declared or paid cash dividends on our common stock since our incorporation. We intend to retain any earnings to finance the growth and development of our business, and at this time, we do not plan to pay cash dividends in the foreseeable future.

The payment of dividends has certain impacts to our senior subordinated convertible contingent debt (the 2004 Convertible Debt Securities and the 2010 Convertible Notes) and our Credit Agreement. See Note 6 to our Consolidated Financial Statements for additional discussion of our long-term debt and the impact the payment of dividends may have on these items.

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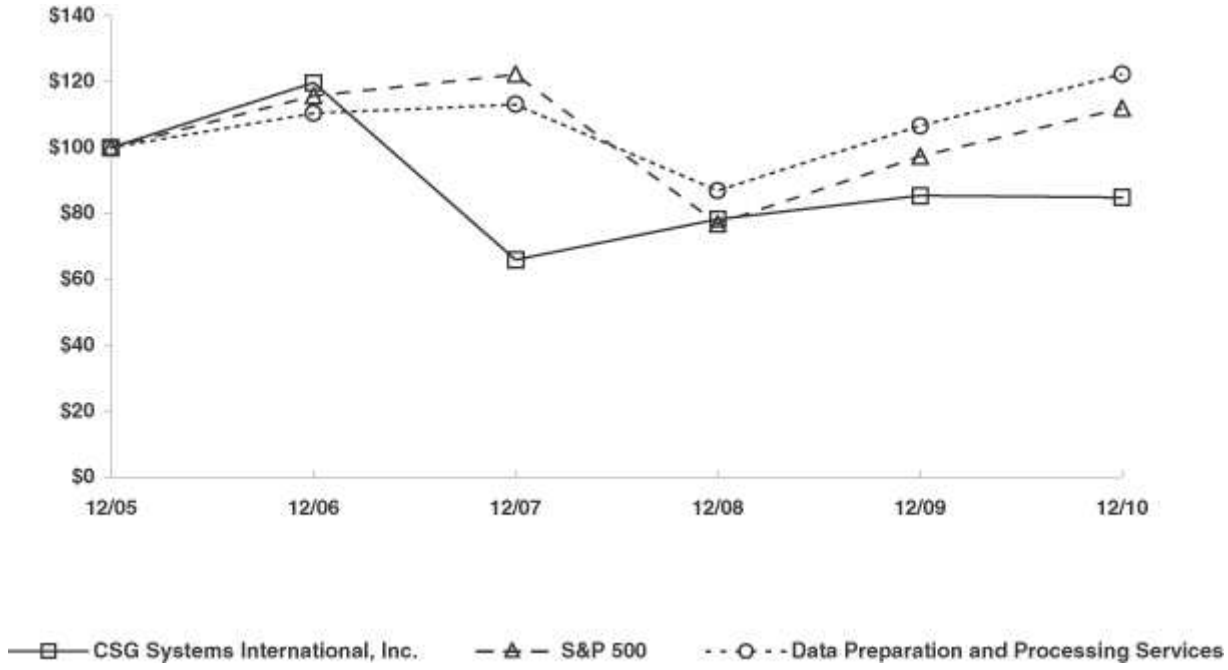
Stock Price Performance

The following graph compares the cumulative total stockholder return on our common stock, the S&P 500 Index, and our Standard Industrial Classification ("SIC") Code Index: Computer Processing and Data Preparation and Processing Services during the indicated five-year period. The graph assumes that $100 was invested on December 31, 2005, in our common stock and in each of the two indexes and that all dividends, if any, were reinvested.



	As of December 31,					
	2005	2006	2007	2008	2009	2010
CSG Systems International, Inc.	$100.00	$119.76	$ 65.95	$78.27	$ 85.53	$ 84.86
S&P 500 Index	100.00	115.80	122.16	76.96	97.33	111.99
Data Preparation & Processing Services	100.00	110.40	113.11	86.91	106.71	122.29

Equity Compensation Plan Information

The following table summarizes certain information about our equity compensation plans as of December 31, 2010:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders	120,533	$ 32.45	5,461,763
Equity compensation plan not approved by security holders	48,067	25.25	952
Total	168,600	$ 30.40	5,462,715

Of the total number of securities remaining available for future issuance, 5,387,230 shares can be used for various types of stock-based awards, as specified in the individual plans, with the remaining 75,485 shares to be used for our employee stock purchase plan. See Note 11 to our Consolidated Financial Statements for additional discussion of our equity compensation plans.

Issuer Repurchases of Equity Securities

The following table presents information with respect to purchases of our common stock made during the three months ended December 31, 2010 by CSG Systems International, Inc. or any "affiliated purchaser" of CSG Systems International, Inc., as defined in Rule 10b-18(a)(3) under the Exchange Act.

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plan or Programs
October 1—October 31	1,349	$ 18.45	—	4,204,096
November 1—November 30	1,897	19.10	—	4,204,096
December 1—December 31	1,342	18.79	—	4,204,096
Total	4,588	$ 18.82	—	

(1) The total number of shares purchased that are not part of the Stock Repurchase Program represents shares purchased and cancelled in connection with stock incentive plans.

Item 6. Selected Financial Data

The following selected financial data have been derived from our audited financial statements. The selected financial data presented below should be read in conjunction with, and is qualified by reference to, our MD&A and our Consolidated Financial Statements. The information below is not necessarily indicative of the results of future operations.

	Year Ended December 31,				
	2010(1)	2009	2008	2007	2006
	(in thousands, except per share amounts)				
Statements of Income Data:					
Revenues(2):					
Processing and related services	$497,775	$464,970	$439,975	$382,070	$351,764
Software, maintenance and services	51,604	35,747	32,082	37,191	31,342
Total revenues	549,379	500,717	472,057	419,261	383,106
Cost of revenues (exclusive of depreciation, shown separately below):					
Processing and related services(3)	258,638	249,335	226,343	193,135	173,536
Software, maintenance and services	31,166	26,344	19,007	24,674	20,975
Total cost of revenues	289,804	275,679	245,350	217,809	194,511
Other operating expenses:					
Research and development	78,050	70,113	67,278	58,342	46,191
Selling, general and administrative(1)	82,586	59,510	53,857	45,743	43,127
Depreciation(3)	22,428	20,069	16,194	12,900	10,438
Restructuring charges(1)(6)	2,169	599	79	630	2,368
Total operating expenses	475,037	425,970	382,758	335,424	296,635
Operating income(2)	74,342	74,747	89,299	83,837	86,471
Other income (expense):					
Interest expense	(6,976)	(5,660)	(7,132)	(6,797)	(7,103)
Amortization of original issue discount	(6,893)	(8,382)	(9,767)	(9,198)	(8,493)
Gain (loss) on repurchase of convertible debt securities(5)	(12,714)	1,468	3,351	—	—
Interest and investment income, net(6)	754	1,194	4,998	16,529	21,984
Loss on foreign currency transactions(1)	(14,023)	—	—	—	—
Other, net	(817)	2	15	221	(21)
Total other	(40,669)	(11,378)	(8,535)	755	6,367
Income from continuing operations before income taxes	33,673	63,369	80,764	84,592	92,838
Income tax provision	(11,244)	(21,507)	(27,514)	(29,942)	(35,331)
Income from continuing operations	22,429	41,862	53,250	54,650	57,507
Discontinued operations(6):					
Income (loss) from discontinued operations	—	—	—	547	(6,555)
Income tax benefit	—	1,471	323	61	3,764
Discontinued operations, net of tax	—	1,471	323	608	(2,791)
Net income	$ 22,429	$ 43,333	$ 53,573	$ 55,258	$ 54,716
Diluted net income (loss) per common share:					
Income from continuing operations	$ 0.67	$ 1.22	$ 1.53	$ 1.33	$ 1.19
Discontinued operations, net of tax	—	0.04	0.01	0.01	(0.06)
Net income	$ 0.67	$ 1.26	$ 1.54	$ 1.34	$ 1.13
Weighted-average diluted shares outstanding:					
Common stock	32,822	33,352	33,240	39,743	46,730
Participating restricted stock	543	1,097	1,602	1,334	1,247
Total	33,365	34,449	34,842	41,077	47,977
Other Data (at Period End):					
Number of ACP clients' customers processed	48,913	48,645	45,312	45,104	45,354
Balance Sheet Data (at Period End):					
Cash, cash equivalents and short-term investments(6)	$215,550	$198,377	$141,217	$132,832	$415,490
Working capital(1)	171,085	224,281	184,675	180,983	454,117
Goodwill(1)	209,164	107,052	103,971	60,745	14,228
Total assets(1)	879,698	561,714	484,771	412,128	634,887
Total debt(1)(4)(5)	374,687	157,447	175,788	191,892	182,694
Total treasury stock(7)	704,963	675,623	671,841	667,858	360,259
Total stockholders' equity	237,078	212,110	164,687	105,708	346,431
Cash Flow Data:					
Cash flows from operating activities	$121,309	$153,059	$114,647	$115,379	$118,150

(1) On November 30, 2010, we completed the Intec Acquisition, and as a result, one month of Intec's operations are included in our 2010 results. See Note 2 to our Consolidated Financial Statements and MD&A for a discussion of the Intec Acquisition and its impact on our Consolidated Financial Statements as of and for the year ended December 31, 2010. The overall cost of the acquisition was approximately $400 million, which includes the purchase price of approximately $364 million, (or approximately $255 million, net of cash acquired of $109 million) acquisition-related expenses of $26.2 million, and debt issuance costs of $10.2 million. The $26.2 million of acquisition-related charges consist of: (i) $10.2 million of investment banking, legal, accounting and other professionals services, and are reflected in selling, general and administrative costs; (ii) $2.0 million of restructuring charges related primarily to changes in senior management of Intec after the closing of the transaction; and (iii) $14.0 million of non-operating losses related primarily to foreign currency financial instrument transactions, which are reflected in other income (expense). We financed the Intec Acquisition by borrowing against the Credit Agreement, which consists of a $200 million, five-year term loan and a $100 million, five-year revolving loan facility, with the remaining purchase price satisfied by using our existing cash. As of December 31, 2010, we had outstanding the entire $200 million term loan and $35 million of the revolving loan facility. See Note 6 to our Consolidated Financial Statements for additional discussion of our Credit Agreement.

(2) During 2010, 2008, and 2007 we acquired several businesses as part of our growth and diversification strategy which resulted in top line revenue growth for 2010, 2009, 2008, and 2007 of 9.7%, 6.1%, 12.6% and 9.4%, respectively, of which approximately 37% of the 2010 growth rate, 57% of the 2009 growth rate, 75% of the 2008 growth rate, and 45% of the 2007 growth rate can be attributed to these acquired entities, with the remaining growth in each year attributed to organic growth factors. These acquired businesses have historically operated at a lower operating margin percentage than our legacy business, thus, have had a slightly dilutive impact to our operating income margin percentage. Refer to the Business Section for additional discussion regarding these acquisitions.

(3) In the first quarter of 2009, we began to transition our outsourced data center processing services from FDC to Infocrossing. As a result, during 2010 and 2009, we incurred $20.5 million and $15.5 million of expense, respectively, related to these efforts, of which $18.3 million and $13.6 million, respectively, are included in cost of processing and related services and $2.2 million and $1.9 million, respectively, are included in depreciation in our Consolidated Statements of Income. See the Data Center Transition section included in MD&A for additional discussion of this matter.

(4) In March 2010, we completed an offering of $150 million of 3.0% senior subordinated convertible notes due March 1, 2017 to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. We used the proceeds, along with available cash, cash equivalents and short-term investments to: (i) repurchase $119.9 million (par value) of our 2004 Convertible Debt Securities for $125.0 million (see Note 5 below); and (ii) repurchase 1.5 million shares of our common stock for $29.3 million under our existing Stock Repurchase Program (see Note 7 below). See Note 6 to our Consolidated Financial Statements for additional discussion of our long-term debt.

(5) In 2010, 2009, and 2008, we repurchased $145.2 million (par value), $30.0 million (par value) and $29.7 million (par value) of our 2004 Convertible Debt Securities for $151.0 million, $26.7 million, and $22.4 million, respectively, and recognized a gain (loss) on the repurchases of $(12.7) million, $1.5 million, and $3.4 million, respectively, after the write-off of deferred financing costs. See Note 6 to our Consolidated Financial Statements for additional discussion of our long-term debt.

(6) We sold our GSS business in 2005, and any subsequent activity related to the GSS business is reflected as discontinued operations for all periods presented in our Consolidated Statements of Income. We received approximately $233 million in net cash proceeds from the sale of this business, which is the primary reason for the large cash balance as of December 31, 2006, and the higher interest and investment income in 2006 and 2007. Additionally, the large restructuring expense in 2006 was almost entirely related to the changes we made in our business as a result of the sale of the GSS business.

(7) In August 1999, our Board of Directors approved our Stock Repurchase Program which authorized us to purchase shares of our common stock from time-to-time as business conditions warrant. During 2010, 2009, 2008, 2007, and 2006, we repurchased 1.5 million, 0.3 million, 0.3 million, 13.2 million, and 2.5 million shares, respectively, for $29.3 million, $3.8 million, $4.0 million, $307.6 million, and $63.3 million, respectively. The significant stock repurchases made during 2007 was the primary reason for the decrease in our cash balance between 2006 and 2007. As of December 31, 2010, 4.2 million shares of the 35.0 million shares authorized under the Stock Repurchase Program remain available for repurchase. See Note 10 to our Consolidated Financial Statements for additional discussion of the Stock Repurchase Program.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report contains a number of forward-looking statements relative to our future plans and our expectations concerning our business and the industries we serve. These forward-looking statements are based on assumptions about a number of important factors, and involve risks and uncertainties that could cause actual results to differ materially from estimates contained in the forward-looking statements. Some of the risks that are foreseen by management are outlined above within Item 1A., "Risk Factors". Item 1A. constitutes an integral part of this report, and readers are strongly encouraged to review this section closely in conjunction with MD&A.

Intec Acquisition

Acquisition. On September 24, 2010, we issued an announcement pursuant to Rule 2.5 of the U.K. City Code on Takeovers and Mergers, announcing our intention to make an offer to acquire 100% of the issued and to be issued shares of U.K.-based Intec in an all-cash transaction of 72 pence per Intec share (the "Intec Acquisition").

Intec is a leading provider of mediation, wholesale, and retail billing solutions, serving 60 of the world's top 100 telecom providers and over 400 clients worldwide. Over 90% of Intec's revenues are generated from telecommunications providers. Intec provides product software, associated professional services and software maintenance services to its clients.

On November 3, 2010, Intec's Board of Directors announced that, at the court meeting and general meeting of eligible Intec shareholders, Intec shareholders voted to approve, by the necessary majorities, the transaction and other associated matters to implement the acquisition of Intec. On November 29, 2010, the transaction was sanctioned and the capital reduction was confirmed by the court. On November 30, 2010, the documents to finalize the transaction were filed and the transaction became effective.

We acquired Intec to: (i) evolve our offerings; (ii) expand the markets we serve; and (iii) reach greater economic scale, as discussed earlier in the Overview section of Item 1., "Business".

Purchase Price. The purchase price for the Intec Acquisition was approximately £234 million, or approximately $364 million, based upon the an exchange rate of 1.56:1.00 between the U.S. dollar and the pound sterling as of November 30, 2010.

In September 2010, we entered into a pound sterling call/U.S. dollar put (the "Currency Option") at a strike price of 1.62 in conjunction with the Intec Acquisition to limit our exposure to adverse movements in the exchange rate between the two currencies leading up to the expected closing date. Upon the approval of the acquisition by Intec's shareholders in November 2010, we sold the Currency Option, and entered into a forward contract for the delivery of approximately 240 million pounds sterling (which included estimated Intec Acquisition costs at that time) at an exchange rate of approximately 1.61 (the "Currency Forward"). During December 2010, as part of the payment process for the pound sterling purchase price, we closed out our position in the Currency Forward at an average rate of 1.58. Under U.S. GAAP, the costs and proceeds (including gains and losses) from financial instruments that are used to reduce the risks of a change in the value of the acquiree's net assets or the consideration to be issued by the acquirer before the date of acquisition, are not part of the consideration transferred, or purchase price, and should be recorded currently in earnings. As a result, for the year ended December 31, 2010, we recorded net expense of $14.0 million related to these financial instrument transactions, and the foreign currency impact of intercompany notes established to structure the Intec Acquisition, which we reflected in Other income (expense) in our Consolidated Statement of Income.

Acquisition Financing . We financed the Intec Acquisition by borrowing against a new credit agreement that consists of a $200 million, five-year term loan and a $100 million, five-year revolving loan facility that we entered into on September 24, 2010 and amended on November 24, 2010 (collectively, the "Credit Agreement") as part of this transaction. See Note 6 to our Financial Statements for further information regarding our Credit Agreement.

Financing and Other Acquisition-Related Expenses. In conjunction with the Credit Agreement, we incurred debt issuance costs of approximately $10 million. These costs are being amortized to interest expense over the lives of the term loan and revolving loan facility components of the Credit Agreement.

In addition to the loss on foreign currency transactions of $14.0 million discussed above, through December 31, 2010, we incurred certain direct and incremental acquisition-related costs, totaling $12.2 million related to the following:

- $10.2 million attributed primarily to investment banking, legal, accounting, and other professional services, which have been reflected in the Selling, general and administrative expenses in our Consolidated Statement of Income; and
- $2.0 million of restructuring charges primarily related to changes in senior management of Intec after the closing of the transaction, which have been reflected in Restructuring charges in our Consolidated Statement of Income.

MD&A Basis of Discussion. Our Consolidated Statement of Income for the year ended December 31, 2010, reflects the results of operations for Intec for the period from December 1, 2010 through December 31, 2010. As a result, amounts presented for prior years may not be comparable to the 2010 amounts. Such comparable differences have been described below where relevant or significant.

Management Overview

Results of Operations. A summary of our results of operations for 2010 and 2009, and other key performance metrics are as follows (in thousands, except percentages and per share amounts):

	Year Ended December 31,	
	2010	2009
Revenues	$549,379	$500,717
ACP Customer Accounts (end of period)	48,913	48,645
Operating Results:		
Operating Income	$ 74,342	$ 74,747
Operating Income Margin	13.5%	14.9%
Diluted earnings per share from continuing operations (“EPS”)	$ 0.67	$ 1.22
Supplemental Data:		
Data center transition expenses	$ 20,480	$ 15,486
Intec acquisition-related charges:		
Operating acquisition-related expenses	12,242	—
Non-operating loss on foreign currency transactions	14,023	—
Stock-based compensation	12,338	12,632
Amortization of acquired intangible assets	6,206	6,104
Amortization of OID	6,893	8,382
(Gain) loss on repurchase of convertible debt securities	12,714	(1,468)

Revenues. Our revenues for 2010 were $549.4 million, an increase of 9.7% when compared to $500.7 million for 2009. Totals revenues consisted of $17.8 million coming from the one month of Intec’s operations under our ownership, and $531.6 million coming from our historical operations. The increases in total revenues are reflective of the success we have experienced in our plan to grow top-line revenues and achieve market diversification through both acquisitions and organic growth, as discussed in further detail below.

Operating Results. Operating income for 2010 was $74.3 million, or a 13.5% operating income margin percentage, compared to $74.7 million, or a 14.9% operating income margin percentage, for 2009. Our operating results were impacted by the following key items:

- the data center transition expenses reduced operating income by $20.5 million for 2010, compared to $15.5 million for 2009; and
- Intec acquisition-related expenses reduced operating income by $12.2 million for 2010, which consist of $10.2 million of costs related primarily to investment banking, legal, accounting, and other professional services, and $2.0 million of restructuring costs.

EPS. EPS for 2010 was $0.67 per diluted share, which compares to $1.22 per diluted share for 2009. EPS for 2010, when compared to EPS for 2009, was impacted by the following items:

- a negative EPS impact of $0.11 related to the $5.0 million increase in the data center transition expenses between years;
- a negative EPS impact of $0.52 related to the $26.2 million of Intec acquisition-related charges incurred during 2010 (which includes the $12.2 million of operating expenses and the $14.0 million losses related to foreign currency transactions, discussed earlier); and
- a negative EPS impact of $0.28 related to a $12.7 million loss, or $0.25 per diluted share impact, on the repurchase of our convertible debt securities in 2010, as compared to a $1.5 million gain, or $0.03 per diluted share impact, that occurred in 2009 for similar debt repurchases.

Balance Sheet and Cash Flows. As of December 31, 2010, we had cash, cash equivalents, and short-term investments of $215.6 million, as compared to $198.4 million as of December 31, 2009. We continue to generate strong cash flows from operations. Cash flows from operating activities for 2010 were $121.3 million, compared to $153.1 million for 2009, with the fluctuations between periods primarily attributed to changes in operating assets and liabilities, discussed in further detail in the Liquidity section.

Significant Client Relationships

Comcast . Comcast continues to be our largest client. For 2010 and 2009, revenues from Comcast represented approximately 24% of our total revenues. Our processing agreement with Comcast, which runs through December 31, 2012, contains certain financial commitments associated with the number of Comcast customer accounts that are processed on our solutions, with such commitments decreasing over the life of the agreement. The Comcast processing agreement and related material amendments, with confidential information redacted, are included in the exhibits to our periodic filings with the SEC.

DISH. DISH is our second largest client. For 2010 and 2009, DISH represented approximately 18% of our total revenues.

On November 24, 2009, we entered into a multi-year, non-exclusive processing agreement with DISH (the “Current Agreement”), which became effective January 1, 2010, and extended our contractual relationship with DISH through December 31, 2012 for processing and related services, and through December 31, 2014 for print and mail services. The Current Agreement was consistent with the structure of the previous DISH contract in that the fees for processing and related services generated under the agreement were based on a fixed monthly amount, while the fees for print and mail services were based on the number of statements produced and the usage of ancillary print services, with annual guaranteed minimums, both subject to certain inflationary protections. The Current Agreement also provided DISH an option (hereafter referred to as Schedule L) to extend the processing and related services portion for an additional three years, and the print and mail services portion for an additional one year, such that each would run to December 31, 2015. The Schedule L option terms included pricing incentives for DISH in exchange for an extension of the term of the agreement, and other contractual rights and obligations for both DISH and CSG.

On January 15, 2011, DISH executed an amended version of Schedule L of the Current Agreement (the "Amended Schedule L"). The key terms of the Amended Schedule L are summarized as follows:

- The Amended Schedule L extends our contractual relationship with DISH for processing and related services, and for print and mail services, through December 31, 2017. DISH intends to migrate to ACP in the 2012 time frame, otherwise, the expected scope of the products and services to be utilized by DISH under the Amended Schedule L is consistent with those that we have provided under the Current Agreement. DISH is the last of our customers to migrate to the ACP platform from an older version of our processing application, which will allow us to cease support and development on this older platform after the intended migration is complete. The migration to ACP will also allow DISH greater access to many of our newer products and services. Consistent with past migrations by our clients to ACP, the costs of the migration to ACP is our responsibility. However, we do not expect these migration costs to significantly increase our total current expense levels.
- We will be the exclusive provider of processing and related services for DISH's DBS customer accounts with financial minimum commitments through 2017. As a result of DISH executing the Amended Schedule L, we will begin invoicing DISH for processing and related services on a per-customer-account basis (rather than based on a fixed monthly amount as outlined in the Current Agreement) in February 2011, and will provide DISH with volume-based tiered pricing, subject to certain inflationary protections.
- We will also be the exclusive provider of print and mail services for DISH's DBS customer accounts with guaranteed minimum fees through 2017. Consistent with the Current Agreement, the fees for print and mail services will be based on the number of statements produced and the usage of ancillary print services, with the per-unit fees subject to certain inflationary protections.
- The expected annual fees that we will generate under the Amended Schedule L will decrease in exchange for the extended term of the contract and the migration to the ACP platform. The Amended Schedule L provides us with visibility into the revenues expected to be generated from DISH over the next seven years. During the initial years under the Amended Schedule L pricing, annual revenues generated could be approximately 10% to 15% less than those generated in 2010, depending upon the level of products and services that DISH decides to purchase from us under the Current Agreement; however, the total fees expected to be generated during the extended term of the Current Agreement as a result of the Amended Schedule L option exercise would increase significantly, when compared to the previous terms of the Current Agreement prior to the exercise of the Amended Schedule L option.
- We have also provided DISH with two, 2-year renewal options, that if both were exercised, would extend the term for processing and related services and print and mail services through December 31, 2021.
- Under the Amended Schedule L, the timing of certain advance deposits and monthly invoicing terms were also modified. The previous terms of the Current Agreement required certain advance deposits and allowed for invoicing of monthly fees in advance of such services. These advanced payment terms, which were put in place in November 2009 when the Current Agreement became effective, resulted in favorable timing of payments from DISH at that time, which caused a $20 million increase in deferred revenues and cash flows provided by operating activities for the quarter ended December 31, 2009. Upon the execution of the Amended Schedule L, DISH is allowed to apply certain of those advance payments to its first quarter 2011 invoices, and the invoicing of monthly services will revert back to our normal practice of invoicing one month in arrears. As a result, our 2011 cash flows from operating activities will be negatively impacted by approximately $20 million to bring the advance payments and invoicing terms in-line with the terms of the Amended Schedule L. These payment adjustments are one-time in nature and we do not anticipate that this will have a significant impact on our liquidity.

The Current Agreement and related material amendments, with confidential information redacted, is included in the exhibits to our periodic filings with the SEC. A copy of the Amended Schedule L, with confidential information redacted, will be filed as an exhibit to CSG's Form 10-Q for the quarter ended March 31, 2011.

Time Warner. Time Warner is our third largest client. For 2010 and 2009, revenues from Time Warner represented approximately 12% and 13%, respectively, of our total revenues. Our processing agreement with Time Warner runs through March 31, 2013. The Time Warner processing agreement contains provisions establishing annual minimum customer account levels that have to be processed on our solutions, which we expect Time Warner to exceed based on the number of Time Warner customers currently on our solutions. The Time Warner processing agreement and related material amendments, with confidential information redacted, are included in the exhibits to our periodic filings with the SEC.

Charter. Charter is our fourth largest client. For 2010 and 2009, revenues from Charter represented approximately 10% and 9%, respectively, of our total revenues. Our processing agreement with Charter runs through December 31, 2014, and contains minimum financial commitments over the life of the agreement.

2011 Client Concentration Expectations. The total percentage of our 2010 revenues generated from our four largest clients mentioned above was approximately 64%. Primarily because of the additional revenues anticipated from the Intec business in 2011, we anticipate that the total concentration of our 2011 revenues from these same four clients will fall below 50%, and that revenues from Time Warner and Charter are expected to each individually fall below 10% of our total revenues. Revenues from Comcast and DISH in 2011 are anticipated to be approximately 17% and 11%, respectively, but could vary slightly from these amounts based on their buying decisions with us in 2011.

Data Center Transition

Prior to 2010, we utilized First Data Corporation (“FDC”) to provide the data center computing environment for the delivery of our outsourced ACP customer care and billing services and related solutions under a contract that expired on December 31, 2010. FDC had provided these data center services to us since the inception of our company in 1994. In December 2008, we entered into an agreement with Infocrossing LLC (“Infocrossing”), a Wipro Limited company, to transition these outsourced data center services from FDC to Infocrossing. The term of the Infocrossing agreement runs through May 2015. We changed data center providers to partner with a global provider that focuses on data center operations in greater scale, and as their core business focus. This allowed us to further improve the delivery of our solutions while benefiting from an improved cost structure.

We began our transition efforts to the new Infocrossing data center in the first quarter of 2009, and migrated various computer systems and communication networks to the new data center using a multi-year, phased approach. We finished our transition efforts to the Infocrossing data center during the third quarter of 2010.

We have tracked the expenses attributable to our decision to change data center service providers separately, as these expenses are not considered reflective of our recurring core business operating results. These costs related primarily to our efforts to set-up, replicate, transition, and operate the computing environment at Infocrossing, while maintaining and operating the computing environment at the FDC data center. The network and computing environment were transitioned from FDC to Infocrossing in various planned stages over the project period, requiring us to incur certain costs to operate two separate data centers. This staged and replicated data center approach was designed to mitigate the risk of disruption to our clients during the transition period, but did result in certain cost inefficiencies during the transition period due to such things as redundant data processing costs, accelerated and redundant hardware- and software-related purchases, and costs incurred to maintain communications and data integrity between the two data center locations.

During 2010 and 2009, we incurred the following expenses related to our data center transition efforts that are included in the following captions in the Consolidated Statements of Income (in thousands, except per share amounts):

	2010	2009
Cost of processing and related services.	$18,272	$13,570
Depreciation	2,208	1,916
Total data center transition expenses	$20,480	$15,486
Estimated per diluted share impact(1)	$ 0.40	$ 0.29

(1) This represents the after-tax impact to net income on a per diluted share basis using an assumed effective income tax rate of approximately 35% and 34%, respectively, for the years ended December 31, 2010 and 2009.

These costs included such things as the following: (i) equipment- and software-related costs; (ii) data communications and data processing costs; and (iii) labor and third-party consulting fees for the transition team. Since we have completed our migration to the Infocrossing data center during 2010, we do not anticipate any further data center transition expenses going forward into 2011.

Additionally, during 2010 and 2009, we spent approximately $14 million and $16 million, respectively, on capital expenditures related to network and computer equipment needed to set-up and replicate the computing environment at the new Infocrossing data center location.

The Infocrossing agreement, with confidential information redacted, is included in the exhibits to our periodic filings with the SEC.

Stock-Based Compensation Expense

Stock-based compensation expense is included in the following captions in the Consolidated Statements of Income (in thousands):

	2010	2009	2008
Cost of processing and related services	$ 3,137	$ 3,650	$ 3,451
Cost of software, maintenance and services	791	907	611
Research and development	1,639	1,635	1,664
Selling, general and administrative	6,771	6,440	5,879
Total stock-based compensation expense	$12,338	$12,632	$11,605

See Notes 3 and 11 to our Consolidated Financial Statements for additional discussion of our stock-based compensation expense.

Critical Accounting Policies

The preparation of our financial statements in conformity with accounting principles generally accepted in the U.S. requires us to select appropriate accounting policies, and to make judgments and estimates affecting the application of those accounting policies. In applying our accounting policies, different business conditions or the use of different assumptions may result in materially different amounts reported in our Consolidated Financial Statements.

We have identified the most critical accounting policies that affect our financial position and the results of our operations. These critical accounting policies were determined by considering our accounting policies that involve the most complex or subjective decisions or assessments. The most critical accounting policies identified

relate to: (i) revenue recognition; (ii) allowance for doubtful accounts receivable; (iii) impairment assessments of goodwill and other long-lived assets; (iv) income taxes; and (v) business combinations and asset purchases. These critical accounting policies, as well as our other significant accounting policies, are disclosed in the notes to our Consolidated Financial Statements.

Revenue Recognition. The revenue recognition policy that involves the most complex or subjective decisions or assessments that may have a material impact on our business' operations relates to the accounting for multiple-element arrangements when determining a revenue arrangement's separate units of accounting.

Processing and Related Services. For multiple-element revenue arrangements that do not fall within the scope of specific authoritative accounting literature, such as our processing and related services agreements, we evaluate all deliverables in the arrangement to determine whether they represent separate units of accounting. Deliverables are generally accounted for as separate units of accounting if the following criteria are met: (i) the delivered item(s) have standalone value to the customer; and (ii) there is objective and reliable evidence of fair value of the undelivered items(s). The best evidence of objective and reliable evidence of fair value is entity-specific or vendor-specific evidence ("VSOE") of fair value, or third-party evidence ("TPE") of fair value. If the deliverables qualify as separate units of accounting, the arrangement consideration is allocated among the separate units of accounting based upon their relative fair values, and applicable revenue recognition criteria are considered for the separate units of accounting. If the deliverables do not qualify as separate units of accounting, the consideration allocable to delivered items is combined with the consideration allocable to the undelivered items, and the appropriate recognition of revenue is then determined for those combined deliverables as a single unit of accounting. The determination of separate units of accounting, and the determination of objective and reliable evidence of fair value of the undelivered items, if applicable, both require judgments to be made by us.

For our processing and related services, we have generally concluded that the multiple deliverables present in the agreements do not qualify as separate units of accounting, and thus have treated the deliverables as a single unit of accounting, with the revenue recognized somewhat ratably over the term of the processing agreement.

Effective January 1, 2011, the criteria that must be met to separate deliverables in multiple element arrangements changed. The requirement to have either VSOE or TPE of fair value for undelivered items to account for deliverables as separate units of accounting has been eliminated. If VSOE or TPE of fair value does not exist for the undelivered items, we must use estimated selling price. We do not expect this rule change to have a material impact in the timing of our processing and related services revenue recognition.

Software Licenses and Related Maintenance and Professional Services. Software arrangements fall within the scope of specific authoritative accounting literature. The accounting for software arrangements, especially when software is sold in a multiple-element arrangement, can be complex and requires considerable judgment. Key factors considered in accounting for software and related services include the following criteria: (i) the identification of the separate elements of the arrangement; (ii) the determination of whether any undelivered elements are essential to the functionality of the delivered elements; (iii) the assessment of whether the software, if hosted, should be accounted for as a services arrangement and thus outside the scope of the software revenue recognition literature; (iv) the determination of VSOE of fair value for the undelivered element(s) of the arrangement; (v) the assessment of whether the software fees are fixed or determinable; (vi) the determination as to whether the fees are considered collectible; and (vii) the assessment of whether services included in the arrangement represent significant production, customization or modification of the software. The evaluation of these factors, and the ultimate revenue recognition decision, requires significant judgments to be made by us. The judgments made in this area could have a significant effect on revenues recognized in any period by changing the amount and/or the timing of the revenue recognized. In addition, because software licenses typically have little or no direct, incremental costs related to the recognition of the revenue, these judgments could also have a significant effect on our results of operations.

Our more recent historical professional services revenues have generally consisted of software implementation projects with a relatively short duration period, and business consulting services related to

the use of our solutions. These revenues were generally recognized as the installation or consulting work was performed. As a result of the Intec Acquisition, we expect that a large percentage of our professional services engagements will now include software implementation services of a greater project length and complexity that will represent significant production, customization or modification of the software, and/or will be considered essential to the functionality of the software being licensed, and thus will be accounted for using the percentage of completion ("POC") method of accounting. Under the POC method of accounting, software license and professional services revenues are typically recognized as the professional services related to the software implementation project are performed. We are using hours performed on the project as the measure to determine the percentage of the work completed.

A portion of our professional services revenues do not include an element of software delivery (e.g., business consulting services, etc.), and thus, do not fall within the scope of specific authoritative accounting literature for software arrangements. In these cases, revenues from fixed-price, professional service contracts are recognized using a method consistent with the proportional performance method, which is relatively consistent with our POC methodology mentioned directly above. Under a proportional performance model, revenue is recognized by allocating revenue between reporting periods based on relative service provided in each reporting period, and costs are generally recognized as incurred. We utilize an input-based approach (i.e., hours worked) for purposes of measuring performance on these types of contracts. Our input measure is considered a reasonable surrogate for an output measure. In instances when the work performed on fixed price agreements is of relatively short duration, or if we are unable to make reasonably dependable estimates at the outset of the arrangement, we use the completed contract method of accounting whereby revenue is recognized when the work is completed.

Our use of the POC and proportional performance methods of accounting on professional services engagements requires estimates of the total project revenues, total project costs and the expected hours necessary to complete a project. Changes in estimates as a result of additional information or experience on a project as work progresses are inherent characteristics of the POC and proportional performance methods of accounting as we are exposed to various business risks in completing these engagements. The estimation process to support these methods of accounting is more difficult for projects of greater length and/or complexity. The judgments and estimates made in this area could: (i) have a significant effect on revenues recognized in any period by changing the amount and/or the timing of the revenue recognized; and/or (ii) impact the expected profitability of a project, including whether an overall loss on an arrangement has occurred. To mitigate the inherent risks in using the POC and proportional performance methods of accounting, we track our performance on projects and reevaluate the appropriateness of our estimates as part of our monthly accounting cycle.

Software maintenance services revenues are recognized ratably over the service period. Our software maintenance services consist primarily of client and product support, technical updates (e.g., bug fixes, etc.), and unspecified upgrades or enhancements. If specified upgrades or enhancements are offered in an arrangement, which is rare, they are accounted for as a separate element of the arrangement.

Revenues are recognized only if we determine that the collection of the fees included in an arrangement is considered probable (i.e., we expect the client to pay all amounts in full when invoiced). In making our determination of collectibility for revenue recognition purposes, we consider a number of factors depending upon the specific aspects of an arrangement, which may include, but is not limited to, the following items: (i) an assessment of the client's specific credit worthiness, evidenced by its current financial position and/or recent operating results, credit ratings, and/or a bankruptcy filing status (as applicable); (ii) the client's current accounts receivable status and/or its historical payment patterns with us (as applicable); (iii) the economic condition of the industry in which the client conducts the majority of its business; and/or (iv) the economic conditions and/or political stability of the country or region in which the client is domiciled and/or conducts the majority of its business. The evaluation of these factors, and the ultimate determination of collectibility, requires significant judgments to be made by us. The judgments made in this area could have a significant effect on revenues recognized in any period by changing the amount and/or the timing of the revenue recognized.

Allowance for Doubtful Accounts Receivable. We maintain an allowance for doubtful accounts receivable based on client-specific allowances, as well as a general allowance. Specific allowances are maintained for clients which are determined to have a high degree of collectibility risk based on such factors, among others, as: (i) the aging of the accounts receivable balance; (ii) the client's past payment experience; (iii) the economic condition of the industry in which the client conducts the majority of its business; and (iv) a deterioration in a client's financial condition, evidenced by weak financial position and/or continued poor operating results, reduced credit ratings, and/or a bankruptcy filing. In addition to the specific allowance, we maintain a general allowance for all our accounts receivable which are not covered by a specific allowance. The general allowance is established based on such factors, among others, as: (i) the total balance of the outstanding accounts receivable, including considerations of the aging categories of those accounts receivable; (ii) past history of uncollectible accounts receivable write-offs; and (iii) the overall creditworthiness of the client base. Our credit risk is heightened due to our concentration of clients within the global communications industry, and the fact that a large percentage of our outstanding accounts receivable are further concentrated with our four largest clients. A considerable amount of judgment is required in assessing the realizability of accounts receivable. Should any of the factors considered in determining the adequacy of the overall allowance change significantly, an adjustment to the provision for doubtful account receivables may be necessary. Because of the overall significance of our gross billed account receivables balance ($156.8 million as of December 31, 2010), such an adjustment could be material.

Impairment Assessments of Goodwill and Other Long-Lived Assets.

Goodwill . Goodwill is required to be tested for impairment on an annual basis. We have elected to do our annual test for possible impairment as of July 31 of each year. In addition to this annual requirement, goodwill is required to be evaluated for possible impairment on a periodic basis (e.g., quarterly) if events occur or circumstances change that could indicate a possible impairment may have occurred. Goodwill is considered impaired if the carrying value of the reporting unit which includes the goodwill is greater than the estimated fair value of the reporting unit. If it is determined that an impairment has occurred, an impairment loss (equal to the excess of the carrying value of the goodwill over its estimated fair value) is recorded. As of July 31, 2010, we had goodwill of approximately $108 million, which was assigned to two different reporting units. In each case, the fair value of each reporting unit significantly exceeded its carrying value, and therefore, we concluded there was no impairment of goodwill.

We utilize discounted cash flow models as the primary basis to estimate the fair value amounts used in our goodwill impairment valuation. Our estimates of fair value are based upon various key modeling assumptions such as: (i) projected future sales, which include assumptions around market penetration and growth, and the success of any new product and service offerings; (ii) the profitability of future operations; and (iii) the appropriate discount rate. These assumptions, by their nature, are subject to significant judgments by management of the company, and the subjectivity in determining such assumptions increases as cash flows are modeled further into the future, especially during times of economic uncertainties. The outcome of a discounted cash flow model can be highly sensitive to small changes in one or more of these key assumptions. As a result, small changes to one or more of these assumptions due to such factors as: (i) a significant adverse change in the legal environment or in the business climate; (ii) unanticipated or increased competition; (iii) an unexpected change in strategic direction towards product solutions, or target markets, and (iv) loss of key personnel, could materially affect the determination of fair value which could result in a future impairment of goodwill.

We believe that the assumptions utilized in our discounted cash flow models are reasonable. However, if we do not achieve our near-term or long-term financial or operating goals, and/or the economic downturn becomes more severe, or recovers at a slower pace than anticipated, resulting in additional tightening of client spending and/or further lengthening of client sales cycles, it may require us to modify our assumptions in future periods such that the estimated fair value of one or more of the reporting units is materially changed, which may result in an impairment loss. If a goodwill impairment was to be recorded in the future, it would likely materially impact our results of operations in the period such impairment is recognized, but such an impairment charge would be a non-cash expense, and therefore would have no impact on our cash flows, or on the financial position of our company.

Other Long-lived Assets. Long-lived assets other than goodwill, which for us relates primarily to property and equipment, software, and client contracts, are required to be evaluated for possible impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. A long-lived asset is impaired if estimated future undiscounted cash flows associated with that asset, without consideration of interest, are insufficient to recover the carrying amount of the long-lived asset. Once deemed impaired, even if by $1, the long-lived asset is written down to its fair value which could be considerably less than the carrying amount or future undiscounted cash flows. The determination of estimated future cash flows and, if required, the determination of the fair value of a long-lived asset, are by their nature, highly subjective judgments. Changes to one or more of the assumptions utilized in such an analysis could materially affect our impairment conclusions for long-lived assets.

We added approximately $101 million of goodwill, $19 million of software intangible assets, and $78 million of customer contracts as part of our allocation of the purchase price to these intangible assets acquired in the Intec Acquisition, which are reflected in our December 31, 2010 Consolidated Balance Sheet. As a result, the criticality of our accounting policy related to impairment assessments of goodwill and other long-lived assets, and the related estimates and judgments utilized in applying that policy, will increase because of the additional complexity and risks in estimating the fair value of these assets going forward into 2011.

Income Taxes. We are required to estimate our income tax liability in each jurisdiction in which we operate, which includes the U.S. (including both Federal and state income taxes) and numerous foreign countries. The criticality of our accounting policies related to income taxes, and the related estimates and judgments utilized in applying those policies, will increase as we expand our operations on a more global basis as a result of the Intec Acquisition.

Various judgments are required in evaluating our income tax positions and determining our provisions for income taxes. During the ordinary course of our business, there are certain transactions and calculations for which the ultimate income tax determination may be uncertain. In addition, we may be subject to examination of our income tax returns by various tax authorities which could result in adverse outcomes. For these reasons, we establish a liability associated with unrecognized tax benefits based on estimates of whether additional taxes and interest may be due. We adjust this liability based upon changing facts and circumstances, such as the closing of a tax audit, the closing of a tax year upon the expiration of a statute of limitations, or the refinement of an estimate. Should any of the factors considered in determining the adequacy of this liability change significantly, an adjustment to the liability may be necessary. Because of the potential significance of these issues, such an adjustment could be material.

Business Combinations and Asset Purchases. Accounting for business combinations and asset purchases, including the allocation of the purchase price to acquired assets and assumed liabilities based on their estimated fair values, requires us in certain circumstances to estimate fair values for items that have no ready market or for which no independent market exists. Under such circumstances, we use our best judgment to determine a fair value based upon inference to other transactions and other data. As a result, the amounts determined by us for such items as accounts receivable, identifiable intangible assets, goodwill, and deferred revenue are not individually the result of an arm’s length transaction, but are the result of management estimates of the fair value and the allocation of the purchase price. Accordingly, revenue recognized by us related to fulfillment of assumed contractual obligations under revenue arrangements is based on fair value estimates made by us.

For larger and/or more complex acquisitions, the assignment of value to individual assets and liabilities generally requires the use of a specialist, such as an appraiser or valuation expert. The assumptions we use in the appraisal or valuation process are forward-looking, and thus are subject to significant judgments and interpretations by us. Because individual assets and liabilities may be: (i) amortized over their estimated useful life (e.g., acquired software); (ii) not amortized at all (e.g., goodwill); and (iii) re-measured to fair value at a future reporting date until the acquisition accounting is finalized and/or a contingency is resolved (e.g., contingent consideration, preliminary measurements of assets or liabilities, etc.), the assigned values could have a material impact on our results of operations in current and future periods.

Detailed Discussion of Results of Operations

Total Revenues. Total revenues for: (i) 2010 increased 9.7% to $549.4 million, from $500.7 million for 2009; and (ii) 2009 increased 6.1% to $500.7 million, from $472.1 million for 2008.

- Total revenues for 2010 consisted of $17.8 million coming from the one month of Intec's operations under our ownership, discussed earlier, and $531.6 million coming from our historical operations. Of the 9.7% year-over-year increase between 2010 and 2009, approximately 6 percentage points can be attributed to the organic growth experienced from our historical operations and approximately 4 percentage points can be attributed to the one month impact of the acquired Intec operations.
- The 6.1% year-over-year increase between 2009 and 2008 can be attributed almost equally between organic growth and growth from acquisitions.

The components of total revenues are discussed in more detail below.

Processing and Related Services Revenues. Processing and related services revenues for: (i) 2010 increased 7.1% to $497.8 million, from $465.0 million for 2009; and (ii) 2009 increased 5.7% to $465.0 million, from $440.0 million for 2008.

- The increase in processing and related services revenues between 2010 and 2009 can almost entirely be attributed to organic growth resulting from the continued adoption and use of our solutions, and conversions of customer accounts onto our solutions during the second half of 2009. Intec's managed services business provided approximately $3 million of revenue for 2010.
- Approximately 40% of the increase in processing revenues between 2009 and 2008 is related to the year-over-year impact of the acquired DataProse and Quaero businesses (acquired on April 30, 2008, and December 31, 2008, respectively), with the remaining portion attributed to organic growth resulting from continued adoption and use of our solutions, and conversions of customer accounts onto our solutions during the second half of 2009.

Additional information related to processing revenues is as follows:

- Total customer accounts on our outsourced processing solutions as of December 31, 2010, 2009, and 2008, were 48.9 million, 48.6 million, and 45.3 million, respectively. During 2009, we converted approximately 3 million customer accounts onto our solutions from competitor solutions.
- Amortization of the client contracts intangible asset (reflected as a reduction of processing revenues) for 2010, 2009, and 2008, was $6.7 million, $4.5 million, and $9.2 million, respectively. The decrease in amortization from 2008 to 2009 is due to the change in the life of the Comcast client contract intangible asset as a result of the extension of the contractual arrangement with Comcast effective July 1, 2008.

Software, Maintenance and Services Revenues. Software, maintenance and services revenues for: (i) 2010 increased 44.4% to $51.6 million, from $35.7 million for 2009; and (ii) 2009 increased 11.4% to $35.7 million, from $32.1 million for 2008.

- The increase in software, maintenance and services revenue can be almost entirely attributed to the one month of Intec operations included in our 2010 results, as Intec's business generated approximately $15 million of software, maintenance and services revenues during December 2010.
- The increase in software, maintenance and services revenue between 2009 and 2008 is due to the additional revenues generated in 2009 from the Quaero acquisition (as a portion of Quaero's revenues fall within the professional services revenues classification). This increase is partially offset by lower professional services in other areas of our business, as a result of the timing and type of work our professional services team have been engaged in (e.g., set-up/implementation efforts which require the fees be deferred upfront and recognized over the life of the services agreement).

Prior to the Intec acquisition, we generated over 90% of our revenues from processing and related services, with the balance of our total revenues coming from software, maintenance, and professional services. Going forward into 2011, as a result of the Intec Acquisition, we anticipate approximately 70% of our revenues will come from processing and related services (to include Intec's managed services offerings), and the balance of our revenues coming from software, maintenance and professional services.

Total Operating Expenses. Our operating expenses for: (i) 2010 increased 11.5% to $475.0 million, from $426.0 million for 2009; and (ii) 2009 were $426.0 million, up 11.3% when compared to $382.8 million for 2008.

- The $49.0 million increase in total expenses between 2010 and 2009 can be mainly attributed to the following items:
  - Total operating expenses for 2010 include one month of Intec operations, or approximately $20 million of expense, which includes $2.0 million of restructuring charges associated with the acquisition.
  - During 2010, we incurred $10.2 million of operating expenses related to the Intec Acquisition, which is made up of investment banking, legal, accounting, and other professional services incurred as part of the acquisition.
  - During 2010, we incurred $20.5 million of costs related to our data center transition efforts, as compared to $15.5 million during 2009 (a $5.0 million increase).
  - The remaining balance of the increase relates primarily to the additional operating expenses needed to support the growth in revenues.
- The $43.2 million increase in total expenses between 2009 and 2008 can be mainly attributed to the following items:
  - During 2009, we incurred $15.5 million of costs related to our data center transition efforts, with no comparable amounts in 2008.
  - Total operating expense for 2009 include a full year of DataProse and Quaero operations, resulting in an approximately $18 million year-over-year impact.
  - The remaining balance of the increase relates primarily to the additional operating expenses needed to support the growth in revenues.

The components of total expenses are discussed in more detail below.

Cost of Processing and Related Services (Exclusive of Depreciation). The cost of processing and related services revenues consists principally of the following: (i) data processing and network communications costs; (ii) statement production costs (e.g., labor, paper, envelopes, equipment, equipment maintenance, etc.); (iii) client support organizations (e.g., our client support call center, account management, etc.); (iv) various product support organizations (e.g., product management and delivery, product maintenance, etc.); (v) facilities and infrastructure costs related to the statement production and support organizations; and (vi) amortization of acquired client contracts. The costs related to new product development (including significant enhancements to existing products and services) are included in R&D expenses.

The cost of processing and related services for: (i) 2010 increased 3.7% to $258.6 million, from $249.3 million for 2009; and (ii) 2009 increased 10.2% to $249.3 million, from $226.3 million for 2008. Total processing and related services cost of revenues as a percentage of our processing and related services revenues for 2010, 2009, and 2008 were 52.0%, 53.6%, and 51.4%, respectively.

Processing and related services cost, and processing and related services cost as a percentage of our processing and related services revenues, were significantly impacted by our data center transition expenses, which had the following effect (in thousands, except percentages):

	2010		2009		2008	
	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Cost of processing and related services revenues, all other	$240,366	48.3%	$235,765	50.7%	$226,343	51.4%
Data center transition expenses (exclusive of depreciation)	18,272	3.7%	13,570	2.9%	—	—
Cost of processing and related services revenues	$258,638	52.0%	$249,335	53.6%	$226,343	51.4%

Absent the impact of the data center transition expenses, processing and related services cost of revenues as a percentage of our processing and related services revenues would have decreased between years. This decrease is reflective of the scale benefits we have been able to achieve from the increased number of customer accounts on our systems and is also due to the operational and financial benefits that we began to experience during the second quarter of 2010, following the substantial completion of our migration efforts to the new data center location.

Cost of Software, Maintenance and Services (Exclusive of Depreciation). The cost of software, maintenance and services revenues consists principally of the following: (i) client support organizations (e.g., our client support call center, account management, etc.); (ii) various product support organizations (e.g., product management and delivery, product maintenance, etc.); (iii) professional services organization; (iv) facilities and infrastructure costs related to these organizations; (v) third-party software costs and/or royalties related to certain software products; and (vi) amortization of acquired software and acquired client contracts. The costs related to new product development (including significant enhancements to existing products and services) are included in R&D expenses.

The cost of software, maintenance and services for: (i) 2010 increased 18.3% to $31.2 million, from $26.3 million for 2009; and (ii) 2009 increased 38.6% to $26.3 million, from $19.0 million for 2008.

- The increase between 2010 and 2009 can be entirely attributed to the one month of Intec operations under our ownership, which contributed approximately $8 million of expense. Excluding the Intec amounts, cost of software maintenance and services for 2010 would have decreased between years as a result of a reallocation of personnel and related costs assigned internally to software maintenance and consulting projects to other projects.
- The increase between 2009 and 2008 is almost entirely attributed to increases in employee-related costs, primarily as a result of the Quaero acquisition.

Total cost of software, maintenance and services as a percentage of our software, maintenance and services revenues for 2010, 2009, and 2008 were 60.4%, 73.7%, and 59.2%, respectively. As a result of the Intec Acquisition, we expect revenues from software and professional services to increase and become a larger percentage of total revenues. Variability in quarterly revenues and operating results are inherent characteristics of companies that sell software licenses and perform professional services. Our quarterly revenues for software licenses and professional services may fluctuate, depending on various factors, including the timing of executed contracts and revenue recognition, and the delivery of contracted services or products. However, the costs associated with software and professional services revenues are not subject to the same degree of variability (i.e., these costs are generally fixed in nature within a relatively short period of time), and thus, fluctuations in our cost of software, maintenance and services as a percentage of our software, maintenance and services revenues will likely occur between periods.

R&D Expense (Exclusive of Depreciation) . R&D expense for: (i) 2010 increased 11.3% to $78.1 million, from $70.1 million for 2009; and (ii) 2009 increased 4.2% to $70.1 million, from $67.3 million for 2008. The increases in R&D expense between years was the result of: (i) an increase in personnel and related costs on R&D projects, as more employees were redirected to R&D efforts during 2010 and 2009, reflective of our increased focus on product development and enhancement efforts; and (ii) one month of Intec development efforts being included in our 2010 amounts. We did not capitalize any software development costs related to our client solutions in 2010, 2009, or 2008.

Over the past few years, our R&D efforts have been focused on the continued evolution of our solutions, both functionally and architecturally, in response to market demands that our solutions have certain functional features and capabilities, as well as architectural flexibilities (such as service oriented architecture, or SOA). This evolution will result in the modularization of certain functionality that historically has been tightly integrated within our solution suite, which will allow us to respond more quickly to required changes to our solutions and provide greater interoperability with other computer systems. Additionally, our R&D efforts include creating an integrated suite of customer interaction management solutions that provide additional customer insight, communications channels, and an enhanced customer experience across all delivery vehicles, whether that be more traditional methods like print or more interactive means like electronic and digital communications. Our customer interaction management solutions are aimed at both of our core cable/DBS market as well as new verticals such as communications, financial services, healthcare, utilities, healthcare, entertainment, content distribution and more.

As a percentage of total revenues, R&D expense for 2010, 2009, and 2008, was 14.2%, 14.0%, and 14.3%, respectively. At this time, we see significant opportunities for investment, in both CSG and Intec assets, to include some near-term product integration efforts to bring Intec's real-time billing and charging capabilities to our core cable and DBS clients. As a result, we expect our R&D expense as a percentage of our total revenues to increase slightly going into 2011.

Selling, General and Administrative Expense (Exclusive of Depreciation) ("SG&A") . SG&A expense for: (i) 2010 increased 38.8% to $82.6 million, from $59.5 million for 2009; and (ii) 2009 increased 10.5% to $59.5 million, from $53.9 million for 2008.

- The increase in SG&A between 2010 and 2009 can be attributed to 2010 amounts including $10.2 million of Intec acquisition-related charges and one month of Intec operations' SG&A expense. The remainder of the year-over-year increase reflects our increased sales and marketing efforts to expand into other vertical markets.
- The increase in SG&A between 2008 and 2009 reflects the impact of the sales and marketing costs of the acquired Quaero and Dataprose businesses.

As a percentage of total revenues, SG&A expense for 2010, 2009, and 2008, was 15.0%, of which 1.9% relates to the Intec acquisition-related charges, 11.9%, and 11.4%, respectively. We anticipate our SG&A costs as a percentage of our revenues to increase going into 2011 as a result of the Intec acquisition, as is typical with many global software companies, Intec's SG&A expenses as a percentage of total revenues are greater than CSG's historical levels as a domestic outsourced processing company.

Depreciation Expense . Depreciation expense for all property and equipment is reflected separately in the aggregate and is not included in the cost of revenues or the other components of operating expenses. Depreciation expense for 2010, 2009, and 2008, was $22.4 million, $20.1 million, and $16.2 million, respectively. Included in the 2010 and 2009 amounts are $2.2 million and $1.9 million, respectively, of depreciation expense related to our data center transition efforts, discussed earlier. The sequential increases in depreciation expense is reflective of the increased capital expenditures we have made over the last several years (mainly related to statement production equipment, to include our investments in new color print technologies, and computer hardware, software, and related equipment) and the acquired property and equipment from our acquisition activities.

Operating Income. Operating income and operating income margin for: (i) 2010 was $74.3 million, or 13.5% of total revenues, compared to $74.7 million, or 14.9% of total revenues for 2009; and (ii) 2009 was $74.7 million, or 14.9% of total revenues, compared to $89.3 million, or 18.9% of total revenues for 2008. Operating income and operating income margin between years were significantly impacted by the data center transition expenses and Intec acquisition-related charges, which had the following effect on our operating income and operating income margins (in thousands, except percentages):

	2010		2009		2008	
	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Operating income, all other	$107,064	19.5%	$90,233	18.0%	$89,299	18.9%
Data center transition expenses	20,480	3.7%	15,486	3.1%	—	—
Intec acquisition-related charges(1)	12,242	2.2%	—	—	—	—
Operating income	$ 74,342	13.5%	$74,747	14.9%	$89,299	18.9%

(1) The Intec acquisition-related charges include $10.2 million of costs related primarily to investment banking, legal, accounting, and other professional services and $2.0 million of restructuring costs related to the Intec Acquisition.

- Operating income and operating income margin, absent the impact of the data center transition expenses and the Intec acquisition-related charges, improved between 2010 and 2009 as a result of:
  - strong revenue growth;
  - the scale benefits that we were able to achieve from the increased number of customer accounts on our systems;
  - the operational and financial benefits that we began to experienced following our migration efforts to the new data center location; and
  - our continued good expense management.
- Operating income, absent the impact of the data center transition expenses, increased slightly from 2009 to 2008, however, operating income margin decreased 0.9% as a result of the dilutive impact of the acquired DataProse and Quaero businesses.

Interest Expense and Amortization of Original Issue Discount ("OID"). Our interest expense relates primarily to our 2004 Convertible Debt Securities, our 2010 Convertible Notes, and our Credit Agreement. See Note 6 to our Consolidated Financial Statements for additional discussion of our long-term debt to include the non-cash interest expense related to the amortization of the OID related to our convertible debt.

Gain (Loss) on Repurchase of Convertible Debt Securities. During 2010, we repurchased $145.2 million (par value) of our 2004 Convertible Debt Securities for a total purchase price of $151.0 million. As a result of this transaction, we recognized a non-cash loss on the repurchase of $12.7 million (pretax impact). During 2009, we repurchased $30.0 million (par value) of our 2004 Convertible Debt Securities for a total purchase price of $26.7 million and recognized a non-cash gain of $1.5 million (pretax impact).

Loss on Foreign Currency Transactions. During 2010, we recorded net expense of $14.0 million related to financial instrument transactions and the foreign currency impact of intercompany notes established to structure the Intec Acquisition, discussed earlier in the Intec Acquisition section.

Income Tax Provision. Our effective income tax rates for 2010, 2009, and 2008 were as follows:

2010	2009	2008
33%	34%	34%

Our historical effective tax rate has been at or below the statutory Federal income tax rate due to our consistent generation of research and experimentation credits.

During 2010, we had two unusual income tax matters impact our effective income tax rate.

- The Internal Revenue Service ("IRS") completed their examination of our 2006, 2007, and 2008 Federal income tax returns in the second quarter of 2010. Under current accounting rules, we were required to establish a liability for unrecognized income tax benefits (i.e., income tax reserves) related to the uncertainty in the realization of certain tax credits and incentives over the last several years. The realization uncertainty was due to the complexity of the income tax regulations associated with the tax credits and incentives, and the judgments and estimates involved in calculating the tax credits and incentives claimed. The completion of the IRS examination essentially validated our calculation methodology and assumptions utilized in determining our credit and incentive amounts. Therefore, favorable adjustments to our income tax reserves of approximately $4 million were necessary in accordance with our accounting policies.
- During the fourth quarter, we incurred additional income tax expense of approximately $4 million related to the difference in the book and income tax treatments of certain Intec acquisition-related charges and the loss on foreign currency transactions.

These two matters essentially offset each other such that the net impact left the overall effective income tax rate for 2010 relatively in-line with the 2009 rate. Going forward into 2011, we expect that our effective income tax rate will increase from our historic levels as a result of the complexities associated with our expanded international operations due to the Intec Acquisition. Additionally, as we work to implement our longer term global tax planning strategy during 2011, we may see some volatility in our quarterly effective income tax rate.

Liquidity

Cash and Liquidity . As of December 31, 2010, our principal sources of liquidity included cash, cash equivalents, and short-term investments of $215.6 million, compared to $198.4 million as of December 31, 2009. We generally invest our excess cash balances in low-risk, short-term investments to limit our exposure to market and credit risks.

As part of the Credit Agreement, we have a five-year, $100 million senior secured revolving loan facility with a syndicate of financial institutions that expires in December 2015 (See Note 6 to the Consolidated Financial Statements). In December 2010, we borrowed $35 million against the revolving loan facility as part of the funding sources for the Intec Acquisition, leaving $65 million of available to us at December 31, 2010. In January 2011, we repaid the $35 million outstanding balance, and as of the date of this filing, there were no borrowings outstanding. The Credit Agreement contains customary affirmative covenants and financial covenants. As of the date of this filing, we believe that we are in compliance with the provisions of the Credit Agreement.

Our cash, cash equivalents, and short-term investment balances as of the end of the indicated periods were located in the following geographical regions (in thousands):

	December 31, 2010	December 31, 2009
Americas (principally the U.S.)	$ 153,674	$ 198,377
Europe, Middle East and Africa (principally Europe)	58,595	—
Asia Pacific	3,281	—
Total cash, equivalents and short-term investments	$ 215,550	$ 198,377

We generally have ready access to substantially all of our cash, cash equivalents, and short-term investment balances, but may face limitations on moving cash out of certain foreign jurisdictions due to currency controls. As of December 31, 2010, the cash and short-term investments subject to such limitations were not significant.

Cash Flows From Operating Activities. We calculate our cash flows from operating activities beginning with net income, adding back the impact of non-cash items or non-operating activity (e.g., depreciation, amortization, amortization of OID, deferred income taxes, stock-based compensation, etc.), and then factoring in the impact of changes in operating assets and liabilities.

Our primary source of cash is from our operating activities. Our current business model consists of a significant amount of recurring revenue sources related to our long-term processing arrangements (mostly billed monthly), and software maintenance agreements (billed monthly, quarterly, or annually). This recurring revenue base provides us with a reliable and predictable source of cash. In addition, software license fees and professional services revenues are sources of cash, but the payment streams for these items are not as predictable.

The primary use of our cash is to fund our operating activities. Slightly over half of our total operating costs relate to labor costs (both employees and contracted labor) for the following: (i) compensation; (ii) related fringe benefits; and (iii) reimbursements for travel and entertainment expenses. The other primary cash requirements for our operating expenses consist of: (i) postage; (ii) data processing and related services and communication lines for our outsourced processing business; (iii) paper, envelopes, and related supplies for our statement processing solutions; (v) hardware and software; and (v) rent and related facility costs. These items are purchased under a variety of both short-term and long-term contractual commitments. A summary of our material contractual obligations is provided below.

See “Cash Flows From Investing Activities” and “Cash Flows From Financing Activities” below for the other primary sources and uses of our cash.

Our 2009 and 2010 consolidated net cash flows from operating activities, broken out between operations and changes in operating assets and liabilities, for the indicated periods are as follows (in thousands):

	Operations	Changes in Operating Assets and Liabilities	Net Cash Provided by Operating Activities—Totals
Cash Flows from Operating Activities:			
2009:			
March 31	$ 30,449	$(14,436)	$ 16,013
June 30	29,658	13,895	43,553
September 30	30,593	7,289	37,882
December 31	24,320	31,291	55,611
Year-to-date total	$115,020	$ 38,039	$ 153,059
2010:			
March 31	$ 27,376	$ 3,948	$ 31,324
June 30	25,052	(641)	24,411
September 30	27,305	(8,805)	18,500
December 31	32,529	14,545	47,074
Year-to-date total	$112,262	$ 9,047	$ 121,309

Our cash flows from operating activities include a negative impact of approximately $11 million for 2010, and approximately $8 million for 2009, related to the costs incurred for our data center transition efforts. As discussed earlier, upon the execution of the Amended Schedule L, DISH is allowed to apply certain of those

advance payments to its first quarter 2011 invoices, and the invoicing of monthly services will revert back to our normal practice of invoicing one month in arrears. As a result, our 2011 cash flows from operating activities will be negatively impacted by approximately $20 million to bring the advance payments and invoicing terms in-line with the terms of the Amended Schedule L.

We believe the above table illustrates our ability to consistently generate strong quarterly and annual cash flows, and the importance of managing our working capital items. As the table above illustrates, the operations portion of our cash flows from operating activities remains relatively consistent between periods. The variations in our net cash provided by operating activities are related mostly to the changes in our operating assets and liabilities related to our operations (related mostly to normal fluctuations in timing at quarter-end for such things as client payments and changes in accrued expenses), and generally over longer periods of time, do not significantly impact our cash flows from operations.

Significant fluctuations in key operating assets and liabilities between 2010 and 2009 that impacted our cash flows from operating activities are as follows:

Billed Trade Accounts Receivable

Management of our billed accounts receivable is one of the primary factors in maintaining strong quarterly cash flows from operating activities. In our legacy customer care and billing operations, our billed trade accounts receivable balance includes billings for several non-revenue items (primarily postage, sales tax, and deferred revenue items). As a result, we evaluate our performance in collecting our accounts receivable through our calculation of days billings outstanding ("DBO") rather than a typical days sales outstanding ("DSO") calculation. DBO is calculated based on the billings for the period (including non-revenue items) divided by the average monthly net trade accounts receivable balance for the period. Although the Intec operations do not have all of these non-revenue items, we will continue to use DBO to evaluate our performance in collecting our accounts receivable as we believe this is the appropriate metric in which to evaluate the combined performance.

Our gross and net billed trade accounts receivable and related allowance for doubtful accounts receivable ("Allowance") as of the end of the indicated quarterly periods, and the related DBOs for the quarters then ended, are as follows (in thousands, except DBOs):

Quarter Ended	Gross	Allowance	Net Billed	DBOs
2009:				
March 31	$133,041	$ (2,831)	$130,210	58
June 30	112,612	(2,148)	110,464	58
September 30	114,403	(2,079)	112,324	54
December 31	109,846	(2,036)	107,810	50
2010:				
March 31	109,456	(2,289)	107,167	51
June 30	102,523	(2,130)	100,393	51
September 30	115,674	(2,355)	113,319	50
December 31	156,842	(1,837)	155,005	48

The increase in gross and net billed accounts receivable in the fourth quarter of 2010 is due to the Intec acquisition. The other changes in our gross and net billed trade accounts receivable shown in the table above reflect the normal fluctuations in the timing of client payments made at quarter-end, evidenced by our consistent DBO metric over the past several quarters.

As a result of the Intec Acquisition, a greater percentage of our accounts receivable balance as of December 31, 2010, relates to clients outside the U.S. This greater diversity in the geographic composition of our client base is expected to impact our DBO (when compared to our historical experience prior to the Intec Acquisition) as longer billing cycles (i.e., billing terms and cash collection cycles) are an inherent

characteristic of international software and professional services transactions. For example, our ability to bill (i.e., send an invoice) and collect arrangement fees may be dependent upon, among other things: (i) the completion of various client administrative matters, local country billing protocols and processes (including local cultural differences), and/or non-client administrative matters; (ii) us meeting certain contractual invoicing milestones; or (iii) the overall project status in certain situations in which we act as a subcontractor to another vendor on a project.

Income Taxes Payable /Receivable

The $10.0 million of cash flows used in operating activities related to income taxes payable/receivable for 2010, is primarily due to the timing of our estimated Federal and state income tax payments.

Trade Accounts Payable and Accrued Liabilities

Trade accounts payable and accrued liabilities provided $22.3 million of cash flows from operating activities due to increases in: (i) accrued employee compensation; and (ii) other current liabilities, primarily related to accruals related to Intec acquisition-related charges.

Cash Flows From Investing Activities . Our typical investing activities consist of purchases/sales of short-term investments, purchases of property and equipment, and investments in client contracts, which are discussed below. However, as discussed above, during the years presented, we made the following acquisitions, which are included in our cash flows from investing activities: (i) Intec on November 30, 2010; (ii) Quaero on December 31, 2008; and (iii) DataProse on April 30, 2008.

Purchases/Sales of Short-term Investments.

During 2010, 2009, and 2008, we purchased $64.6 million, $57.0 million, and $83.1 million, respectively, and sold or had mature $81.9 million, $79.7 million, and $36.2 million, respectively, of short-term investments. We continually evaluate the possible uses of our excess cash balances and will likely purchase additional short-term investments in the future.

Property and Equipment/Client Contracts.

Our annual capital expenditures for property and equipment, and investments in client contracts were as follows (in thousands):

	2010	2009	2008
Property and equipment	$14,277	$40,313	$21,577
Client contracts	4,797	16,423	4,000

Of the $14 million and $40 million spent on property and equipment during 2010 and 2009, approximately $2 million and $16 million, respectively, were related to various network and computing equipment related to our data center transition efforts. The remaining expenditures consisted principally of: (i) statement production equipment to include our investments in new color print technologies; and (ii) computer hardware, software, and related equipment.

Our investments in client contracts for 2010, 2009, and 2008, relate primarily to: (i) cash incentives provided to clients to convert their customer accounts to, or retain their customer’s accounts on, our customer care and billing systems; and (ii) direct and incremental costs incurred for conversion/set-up services related to long-term processing arrangements where we are required to defer conversion/set-up services fees and recognize those fees as the related processing services are performed. For 2010, 2009, and 2008, our: (i) investments in client contracts related to cash incentives were $2.4 million, $11.5 million, and $2.4 million, respectively; and (ii) the deferral of costs related to conversion/set-up services provided under long-term processing contracts were $2.4 million, $4.9 million, and $1.6 million, respectively.

Cash Flows From Financing Activities. Our financing activities typically consist of various debt-related transactions and activities with our common stock, which are discussed below.

Issuance of Common Stock.

Proceeds from the issuance of common stock for 2010, 2009, and 2008, were $1.4 million, $1.5 million, and $1.2 million, respectively, and relates primarily to employee stock purchase plan purchases.

Repurchase of Common Stock.

During 2010, 2009, and 2008, we repurchased 1.5 million, 250,000 shares and 250,000 shares of our common stock under the guidelines of our Stock Repurchase Program for $29.3 million, $3.8 million, and $4.0 million, respectively. In addition, outside of our Stock Repurchase Program, during 2010, 2009, and 2008, we repurchased from our employees and then cancelled approximately 232,000 shares, 195,000 shares, and 136,000 shares, of our common stock for $4.7 million, $2.8 million, and $1.8 million, respectively, in connection with minimum tax withholding requirements resulting from the vesting of restricted stock under our stock incentive plans.

Long-term debt.

In March 2010, we completed an offering of $150 million of our 2010 Convertible Notes. In connection with the issuance of the convertible notes, we paid deferred financing costs of $5.0 million. We used a portion of the $145 million net proceeds from the offering to repurchase $119.9 million (par value) of our 2004 Convertible Debt Securities for $125.0 million. Additionally, during the remainder of 2010, we repurchased $25.3 million (par value) of our 2004 Convertible Debt Securities for $26.0 million. In 2009, we repurchased $30.0 million (par value) of our 2004 Convertible Debt Securities for $26.7 million.

In December 2010, in conjunction with the closing of the Intec Acquisition, we fully borrowed against the $200 million principal five-year term loan and borrowed $35 million of the $100 million, five-year revolving loan facility. We used the proceeds of the Credit Agreement, along with available corporate funds, to: (i) fund the Intec Acquisition; (ii) pay deferred financing costs of $10.0 million; and (iii) pay $14.0 million for foreign currency transactions related to the Intec Acquisition.

See Note 6 to our Consolidated Financial Statements for additional discussion of our long-term debt.

Contractual Obligations and Other Commercial Commitments and Contingencies

We have various contractual obligations that are recorded as liabilities in our Consolidated Balance Sheet. Other items, such as certain purchase commitments and other executory contracts are not recognized as liabilities in our Consolidated Balance Sheet, but are required to be disclosed.

The following table summarizes our significant contractual obligations and commercial commitments as of December 31, 2010, and the future periods in which such obligations are expected to be settled in cash (in thousands).

	Total	Less than 1 year	Years 2– 3	Years 4-5	More than 5 Years
Long-term debt	$474,414	$ 85,837	$ 74,564	$158,763	$155,250
Capital and operating leases	66,463	21,106	23,418	11,981	9,958
Purchase obligations	186,563	52,396	76,047	58,021	99
Total	$727,440	$159,339	$174,029	$228,765	$165,307

Our long-term debt obligations are discussed in more detail in Note 6 to our Consolidated Financial Statements. The contractual obligation amounts reflected for our long-term debt is based upon the following assumptions:

(i) our 2004 Convertible Debt Securities are put back to us by the holders at the first put date of June 15, 2011; upon settlement, our cash obligation will not exceed their principal amount; and interest paid through their life is at a rate of 2.5% per annum;

(ii) our 2010 Convertible Notes are outstanding through their maturity date of March 1, 2017; upon settlement, our cash obligation will not exceed their principal amount; and interest paid through their life is at a rate of 3.0% per annum;

(iii) as it relates to our Credit Agreement, we repaid the outstanding balance of $35 million on the revolving loan facility in the first quarter of 2011; we make no more than the mandatory quarterly amortization payments on the term loan; there are no mandatory prepayments required on the term loan; and the interest paid throughout the life of the term loan is based upon the rate applicable as of December 31, 2010.

The operating leases are discussed in Note 9 to our Consolidated Financial Statements. Our purchase obligations consist primarily of our expected minimum base fees under the Infocrossing service agreement (discussed in Note 9 to our Consolidated Financial Statements), and data communication and business continuity planning services.

Of the total contractual obligations and commercial commitments above, approximately $419 million is reflected on our Consolidated Balance Sheet and approximately $309 million is not.

Off-Balance Sheet Arrangements

None

Capital Resources

The following are the key items to consider in assessing our sources and uses of capital resources:

Current Sources of Capital Resources.

- Cash, Cash Equivalents and Short-term Investments. As of December 31, 2010, we had cash, cash equivalents, and short-term investments of $215.6 million. Of the approximately $198 million of cash and cash equivalents as of December 31, 2010, 72%, 14% and 10%, respectively, were denominated in U.S Dollars, Euros and Pounds Sterling, and approximately $5 million was restricted as to use to collateralize outstanding letters of credit.
- Operating Cash Flows. As described in the “Liquidity” section above, we believe we have the ability to consistently generate strong cash flows to fund our operating activities.
- Revolving Loan Facility. We have a five-year, $100 million senior secured revolving loan facility with a syndicate of financial institutions that expires in December 2015. In December 2010, we borrowed $35 million against the revolving loan facility as part of the Intec Acquisition, and in January 2011, we repaid the $35 million outstanding balance.

Uses of Capital Resources. Below are the key items to consider in assessing our uses of capital resources:

- Common Stock Repurchases. We have made significant repurchases of our common stock in the past under our Stock Repurchase Program. During 2010, we repurchased 1.5 million shares of our common stock for $29.3 million (weighted-average price of $19.56 per share). As of December 31, 2010, we have 4.2 million shares authorized for repurchase remaining under our Stock Repurchase Program. Our Credit Agreement places certain limitations on our ability to repurchase our common stock. We continue to evaluate the best use of our capital going forward, which from time-to-time, may include additional share repurchases as market and business conditions warrant.

- Acquisitions. We have made six acquisitions in the last five years. The most recent acquisition, and the only acquisition in 2010, was the Intec Acquisition on November 30, 2010 where we paid cash of approximately $364 million (or $255 million, net of cash acquired), as well as approximately $14 million for foreign currency transaction losses related to the Intec Acquisition, as discussed in Note 2 to our Consolidated Financial Statements. In addition, during 2010, we paid contingent purchase price payments of $4.3 million related to prior year acquisitions. As of December 31, 2010, there were no contingent purchase price payments remaining to be paid.
- Capital Expenditures. In 2010, we spent $14.3 million on capital expenditures, of which approximately $2 million related to the data center transition to Infocrossing. At this time, we expect our 2011 capital expenditures to be approximately $20 to $25 million, which will consist principally of: (i) hardware and software infrastructure to support our clients' expanding business needs around the world; (ii) statement production equipment to continue to offer enhanced functionalities to our U.S. clients; and (iii) internal use systems to support the integration of Intec. As of December 31, 2010, we have made no significant capital expenditure commitments.
- Investments in Client Contracts. In the past, we have provided incentives to new or existing U.S. processing clients to convert their customer accounts to, or retain their customer's accounts on, our customer care and billing solutions. During 2010, we made client incentive payments of $2.4 million. In addition, during 2010, we capitalized costs related to the deferral of conversion/set-up services revenue of $2.4 million. As of December 31, 2010, we did not have any material commitments for investments in client contracts which are payable by us only upon the successful conversion of certain additional customer accounts to our processing solutions.

  Long-Term Debt. As of December 31, 2010, our long-term debt consisted of: (i) convertible debt, which is made up of our 2004 Convertible Debt Securities with a par value of $25.1 million, and our 2010 Convertible Notes with a par value of $150.0 million; and (ii) the Credit Agreement borrowings, which are made up of a five-year, $200 million term loan which was fully borrowed as of December 31, 2010, and a five-year $100 million revolving loan facility discussed above, whose $35.0 million outstanding balance as of December 31, 2010 was repaid in January 2011.

  During 2010, we voluntarily repurchased a total of $145.2 (par value) of our 2004 Convertible Debt Securities for $151.0 million. As a result of these repurchases, beginning in 2014, we will have to pay cash of approximately $30 million ratably over five years related to the deferred income tax liabilities associated with the repurchased securities.

  Our 2004 Convertible Debt Securities are callable by us for cash on or after June 20, 2011, at a redemption price equal to 100% of par value, plus accrued interest. Our 2004 Convertible Debt Securities can be put back to us by the holders for cash at June 15, 2011, at a redemption price equal to 100% of par value, plus accrued interest. Our debt service cash outlay related to the 2004 Convertible Debt Securities during the next twelve months could equal the remaining par value of $25.1 million, plus interest payments of $0.3 million. In addition, if the remaining 2004 Convertible Debt Securities are put back to us on June 15, 2011, we will have to pay in cash during 2011 approximately $6 million of deferred tax liabilities associated with the outstanding securities.

  During the next twelve months, there are no scheduled conversion triggers on our 2010 Convertible Notes. As a result, at this time, we expect our required debt service cash outlay during the next twelve months related to the 2010 Convertible Notes to be limited to interest payments of $4.5 million.

  Under the Credit Agreement term loan, we will make mandatory annual amortization payments (payable quarterly) equal to $10 million, $20 million, $30 million, $40 million, and $50 million, respectively, in 2011, 2012, 2013, 2014, and 2015, with the remaining principal balance due at the maturity date. Under certain circumstances, mandatory prepayments are required (e.g., as a result of defined excess cash flow, asset sale or casualty proceeds, or proceeds of debt issuances). We have the right to voluntarily prepay any of the borrowings under the Credit Agreement without significant penalty.

  Refer to Note 6 to our Financial Statements for further details of our long-term debt.

In summary, we expect to continue to make material investments in client contracts, capital equipment, and R&D, and we expect to continue to evaluate the possibility of early debt repayments and equity repurchases in the future. In addition, as part of our growth strategy, we are continually evaluating potential business and/or asset acquisitions and investments in market share expansion with our existing and potential new clients. We believe that our current cash, cash equivalents and short-term investments balances and our revolving loan facility, together with cash expected to be generated in the future from our current operating activities, will be sufficient to meet our anticipated cash requirements for at least the next 12 months. We also believe we could obtain additional capital through other debt sources which may be available to us if deemed appropriate.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices. As of December 31, 2010, we are exposed to various market risks, including changes in interest rates, foreign currency exchange rates, and fluctuations and changes in the market value of our cash equivalents and short-term investments. We have not historically entered into derivatives or other financial instruments for trading or speculative purposes.

Interest Rate Risk.

Market Risk Related to Long-Term Debt. The interest rates on our convertible debt are fixed, and thus, as it relates to our convertible debt borrowings, we are not exposed to changes in interest rates.

The interest rates under the Credit Agreement are based upon an adjusted LIBOR rate plus an applicable margin, or an alternate base rate plus an applicable margin. The Eurocurrency applicable margin for the Term Loan is 3.75% throughout the term of the Credit Agreement and the applicable margin for the Revolver is based on our then-current leverage ratio, which at December 31, 2010 was 3.75%. We have the option of selecting the length of time (ranging from one to six months) that we lock in the LIBOR contract rate, and initially entered into a 3-month LIBOR contract rate of 0.31% per annum (for a combined rate for the Term Loan of 4.06%) that is effective through March 14, 2011. We expect to enter into similar length LIBOR contracts during 2011 as a means to manage our interest rate risk on long-term debt. See Note 6 to our Consolidated Financial Statements for additional information related to our long-term debt.

We are currently evaluating whether we should enter into derivative financial instruments for the purposes of managing our interest rate risk related to our Credit Agreement, but as of the date of this filing, we have not entered into such instruments.

Market Risk Related to Cash Equivalents and Short-term Investments. Our cash and cash equivalents as of December 31, 2010 and 2009 were $197.9 million and $163.5 million, respectively. Certain of our cash balances are “swept” into overnight money market accounts on a daily basis, and at times, any excess funds are invested in low-risk, somewhat longer term, cash equivalent instruments and short-term investments. Our cash equivalents are invested primarily in institutional money market funds, commercial paper, and time deposits held at major banks. We have minimal market risk for our cash and cash equivalents due to the relatively short maturities of the instruments.

Our short-term investments as of December 31, 2010 and 2009 were $17.7 million and $34.9 million, respectively. Currently, we utilize short-term investments as a means to invest our excess cash only in the U.S. The day-to-day management of our short-term investments is performed by a large financial institution in the U.S., using strict and formal investment guidelines approved by our Board of Directors. Under these guidelines, short-term investments are limited to certain acceptable investments with: (i) a maximum maturity, (ii) a maximum concentration and diversification; and (iii) a minimum acceptable credit quality. At this time, we believe we have minimal liquidity risk associated with the short-term investments included in our portfolio.

Foreign Currency Exchange Rate Risk.

As the result of the Intec Acquisition, we are exposed to the impact of the changes in foreign currency exchange rates.

Due to foreign operations around the world, our balance sheet and income statement are exposed to foreign currency exchange risk due to the fluctuations in the value of currencies in which we conduct business. While we attempt to maximize natural hedges by incurring expenses in the same currency in which we contract revenue, the related expenses for that revenue could be in one or more differing currencies than the revenue stream.

Our percentage of total revenues generated outside the U.S. for the year ended December 31, 2010, as determined by contracting legal entity, was approximately 2%. We expect that in the foreseeable future, the percentage of our total revenues to be generated outside the U.S. will grow significantly.

As of December 31, 2010, the carrying amounts of our monetary assets and monetary liabilities on the books of our non-U.S. subsidiaries in currencies denominated in a currency other than the functional currency of those non-U.S. subsidiaries are as follows (in thousands):

	Monetary Liabilities	Monetary Assets
Pounds sterling	$ —	$ 481
Euro	(41)	5,607
U.S. Dollar	(472)	19,061
New Zealand Dollar	—	488
Other	(13)	345
Totals	$ (526)	$25,982

We are evaluating whether we should enter into derivative financial instruments for the purposes of managing our foreign currency exchange rate risk, but as of the date of this filing, we have not entered into such instruments. A hypothetical adverse change of 10% in the December 2010 exchange rates would not have had a material impact upon our results of operations.

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Item 8. Financial Statements and Supplementary Data

CSG SYSTEMS INTERNATIONAL, INC.
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Management's Report on Internal Control Over Financial Reporting

Management of CSG Systems International, Inc. and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. 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 U.S. 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 and procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* . We have excluded from our evaluation the internal control over financial reporting of Intec Telecom Systems PLC (Intec), which we acquired on November 30, 2010, as discussed in Note 2 to our Consolidated Financial Statements. At December 31, 2010, Intec had $439.0 million and $332.2 million of total assets and net assets, respectively. For the year ended December 31, 2010, our Consolidated Statement of Income included total revenue associated with Intec of $17.8 million. In accordance with guidance issued by the Securities and Exchange Commission, companies are allowed to exclude acquisitions from their assessment of internal controls over financial reporting during the first year subsequent to the acquisition while integrating the acquired operations.

Based on our assessment, and the exclusion noted in the previous paragraph, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2010.

The Company's independent registered public accounting firm, KPMG LLP, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. That report appears immediately following.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
CSG Systems International, Inc.:

We have audited CSG Systems International, Inc.'s internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control —Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) . CSG Systems International Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting* . Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit 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 audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, CSG Systems International, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control —Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

CSG Systems International, Inc. acquired Intec Telecom Systems PLC on November 30, 2010, and management excluded from its assessment of the effectiveness of CSG Systems International, Inc.'s internal control over financial reporting as of December 31, 2010, Intec Telecom Systems PLC's internal control over financial reporting associated with $439.0 million and $332.2 million of total assets and net assets, respectively, and total revenues of $17.8 million included in the consolidated financial statements of CSG Systems International, Inc. and subsidiaries as of and for the year ended December 31, 2010. Our audit of internal control over financial reporting of CSG Systems International, Inc. also excluded an evaluation of the internal control over financial reporting of Intec Telecom Systems PLC.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CSG Systems International, Inc. and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010, and our report dated March 8, 2011 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Denver, Colorado
March 8, 2011

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
CSG Systems International, Inc.:

We have audited the accompanying consolidated balance sheets of CSG Systems International, Inc. and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CSG Systems International, Inc. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), CSG Systems International, Inc.'s internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 8, 2011 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Denver, Colorado
March 8, 2011

CSG SYSTEMS INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 197,858	$ 163,489
Short-term investments	17,692	34,888
Total cash, cash equivalents and short-term investments	215,550	198,377
Trade accounts receivable-		
Billed, net of allowance of $1,837 and $2,036	155,005	107,810
Unbilled and other	30,803	9,140
Deferred income taxes	13,852	16,826
Income taxes receivable	9,043	2,114
Other current assets	17,241	9,575
Total current assets	441,494	343,842
Property and equipment, net of depreciation of $94,236 and $88,195	52,257	56,799
Software, net of amortization of $45,579 and $40,266	31,118	12,157
Goodwill	209,164	107,052
Client contracts, net of amortization of $133,218 and $122,666	116,328	41,407
Deferred income taxes	9,677	—
Other assets	19,660	4,920
Total assets	$ 879,698	$ 566,177
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt, net of unamortized original issue discount of $621 and zero	$ 69,528	$ —
Client deposits	31,897	29,906
Trade accounts payable	25,381	26,856
Accrued employee compensation	53,372	26,598
Deferred revenue	56,184	26,307
Income taxes payable	2,028	—
Other current liabilities	32,019	9,894
Total current liabilities	270,409	119,561
Non-current liabilities:		
Long-term debt, net of unamortized original issue discount of $34,841 and $12,853	305,159	157,447
Deferred revenue	16,103	20,498
Income taxes payable	954	5,889
Deferred income taxes	33,247	42,198
Other non-current liabilities	16,748	8,474
Total non-current liabilities	372,211	234,506
Total liabilities	642,620	354,067
Stockholders' equity:		
Preferred stock, par value $.01 per share; 10,000,000 shares authorized; zero shares issued and outstanding	—	—
Common stock, par value $.01 per share; 100,000,000 shares authorized; 5,892,315 and 7,566,384 shares reserved for employee stock purchase plan and stock incentive plans; 34,120,789 and 35,125,943 shares outstanding	641	636
Additional paid-in capital	439,712	408,722
Treasury stock, at cost, 29,956,808 and 28,456,808 shares	(704,963)	(675,623)
Accumulated other comprehensive income (loss):		
Unrealized gain on short-term investments, net of tax	4	10
Unrecognized pension plan losses and prior service costs, net of tax	(897)	(919)
Cumulative translation adjustment	868	—
Accumulated earnings	501,713	479,284
Total stockholders' equity	237,078	212,110
Total liabilities and stockholders' equity	$ 879,698	$ 566,177

The accompanying notes are an integral part of these consolidated financial statements.

CSG SYSTEMS INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Year Ended December 31,		
	2010	2009	2008
Revenues:			
Processing and related services	$497,775	$464,970	$439,975
Software, maintenance and services	51,604	35,747	32,082
Total revenues	549,379	500,717	472,057
Cost of revenues (exclusive of depreciation, shown separately below):			
Processing and related services	258,638	249,335	226,343
Software, maintenance and services	31,166	26,344	19,007
Total cost of revenues	289,804	275,679	245,350
Other operating expenses:			
Research and development	78,050	70,113	67,278
Selling, general and administrative	82,586	59,510	53,857
Depreciation	22,428	20,069	16,194
Restructuring charges	2,169	599	79
Total operating expenses	475,037	425,970	382,758
Operating income	74,342	74,747	89,299
Other income (expense):			
Interest expense	(6,976)	(5,660)	(7,132)
Amortization of original issue discount	(6,893)	(8,382)	(9,767)
Interest and investment income, net	754	1,194	4,998
Gain (loss) on repurchase of convertible debt securities	(12,714)	1,468	3,351
Loss on foreign currency transactions	(14,023)	—	—
Other, net	(817)	2	15
Total other	(40,669)	(11,378)	(8,535)
Income from continuing operations before income taxes	33,673	63,369	80,764
Income tax provision	(11,244)	(21,507)	(27,514)
Income from continuing operations	22,429	41,862	53,250
Discontinued operations:			
Income from discontinued operations	—	—	—
Income tax benefit	—	1,471	323
Discontinued operations, net of tax	—	1,471	323
Net income	$ 22,429	$ 43,333	$ 53,573
Basic earnings per common share:			
Income from continuing operations	$ 0.68	$ 1.22	$ 1.53
Discontinued operations, net of tax	—	0.04	0.01
Net income	$ 0.68	$ 1.26	$ 1.54
Diluted earnings per common share:			
Income from continuing operations	$ 0.67	$ 1.22	$ 1.53
Discontinued operations, net of tax	—	0.04	0.01
Net income	$ 0.67	$ 1.26	$ 1.54
Weighted-average shares outstanding—Basic:			
Common stock	32,537	33,228	33,207
Participating restricted stock	543	1,097	1,602
Total	33,080	34,325	34,809
Weighted-average shares outstanding—Diluted:			
Common stock	32,822	33,352	33,240
Participating restricted stock	543	1,097	1,602
Total	33,365	34,449	34,842

The accompanying notes are an integral part of these consolidated financial statements.

CSG SYSTEMS INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2010, 2009 and 2008
(in thousands)

	Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Treasury Stock	Unrealized Gain (Loss) on Short-Term Investments	Unrecognized Pension Plan Losses and Prior Service Costs	Foreign Currency Translation	Accumulated Earnings	Total Stockholders' Equity
BALANCE, December 31, 2007	34,275	$ 622	$ 390,986	$(667,858)	$ 15	$ (435)	$ —	$ 382,378	$ 105,708
Comprehensive income:									
Net income	—	—	—	—	—	—	—	53,573	
Unrealized gain on short-term investments, net of tax	—	—	—	—	226	—	—	—	
Change in unrecognized pension plan losses, transition amount and prior service costs, net of tax	—	—	—	—	—	(484)	—	—	
Comprehensive income	—	—	—	—	—	—	—	—	53,315
Repurchase of common stock pursuant to Board-approved stock repurchase program	(250)	—	—	(3,983)	—	—	—	—	(3,983)
Issuance of common stock pursuant to employee stock purchase plan	90	1	1,101	—	—	—	—	—	1,102
Exercise of stock options	5	—	74	—	—	—	—	—	74
Tax benefit of employee stock-based compensation plans	—	—	(1,274)	—	—	—	—	—	(1,274)
Issuance of restricted common stock pursuant to employee stock-based compensation plans	815	8	(8)	—	—	—	—	—	—
Cancellation of restricted common stock issued pursuant to employee stock-based compensation plans	(79)	(1)	1	—	—	—	—	—	—
Repurchase and cancellation of common stock issued pursuant to employee stock-based compensation plans	(136)	(1)	(1,794)	—	—	—	—	—	(1,795)
Repurchase of Convertible Debt Securities	—	—	(65)	—	—	—	—	—	(65)
Stock-based employee compensation expense	—	—	11,605	—	—	—	—	—	11,605
BALANCE, December 31, 2008	34,720	629	400,626	(671,841)	241	(919)	—	435,951	164,687
Comprehensive income:									
Net income	—	—	—	—	—	—	—	43,333	
Unrealized loss on short-term investments, net of tax	—	—	—	—	(231)	—	—	—	
Comprehensive income	—	—	—	—	—	—	—	—	43,102
Repurchase of common stock pursuant to Board-approved stock repurchase program	(250)	—	—	(3,782)	—	—	—	—	(3,782)
Issuance of common stock pursuant to employee stock purchase plan	88	—	1,145	—	—	—	—	—	1,145
Exercise of stock options	47	—	332	—	—	—	—	—	332
Tax benefit of employee stock-based compensation plans	—	—	(2,329)	—	—	—	—	—	(2,329)
Issuance of restricted common stock pursuant to employee stock-based compensation plans	847	8	(8)	—	—	—	—	—	—
Cancellation of restricted common stock issued pursuant to employee stock-based compensation plans	(131)	—	—	—	—	—	—	—	—
Repurchase and cancellation of common stock issued pursuant to employee stock-based compensation plans	(195)	(1)	(2,779)	—	—	—	—	—	(2,780)
Repurchase of Convertible Debt Securities	—	—	(897)	—	—	—	—	—	(897)
Stock-based employee compensation expense	—	—	12,632	—	—	—	—	—	12,632
BALANCE, December 31, 2009	35,126	636	408,722	(675,623)	10	(919)	—	479,284	212,110

CSG SYSTEMS INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY—(Continued)
For the Years Ended December 31, 2010, 2009 and 2008
(in thousands)

	Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Treasury Stock	Unrealized Gain (Loss) on Short-Term Investments	Unrecognized Pension Plan Losses and Prior Service Costs	Foreign Currency Translation	Accumulated Earnings	Total Stockholders' Equity
Comprehensive income:									
Net income	—	—	—	—	—	—	—	22,429	
Unrealized loss on short-term investments, net of tax	—	—	—	—	(6)	—	—	—	
Unrealized pension plan gains and prior service costs, net of tax	—	—	—	—	—	22	—	—	
Foreign currency translation adjustments	—	—	—	—	—	—	868	—	
Comprehensive income	—	—	—	—	—	—	—	—	23,313
Repurchase of common stock pursuant to Board-approved stock repurchase program	(1,500)	—	—	(29,340)	—	—	—	—	(29,340)
Issuance of common stock pursuant to employee stock purchase plan	70	—	1,172	—	—	—	—	—	1,172
Exercise of stock options	19	—	233	—	—	—	—	—	233
Tax benefit of employee stock-based compensation plans	—	—	627	—	—	—	—	—	627
Issuance of restricted common stock pursuant to employee stock-based compensation plans	748	8	(8)	—	—	—	—	—	—
Cancellation of restricted common stock issued pursuant to employee stock-based compensation plans	(109)	(2)	2	—	—	—	—	—	—
Repurchase and cancellation of common stock issued pursuant to employee stock-based compensation plans	(233)	(1)	(4,689)	—	—	—	—	—	(4,690)
Repurchase of Convertible Debt Securities	—	—	(1,613)	—	—	—	—	—	(1,613)
Issuance of 2010 Convertible Notes, net of tax	—	—	22,928	—	—	—	—	—	22,928
Stock-based employee compensation expense	—	—	12,338	—	—	—	—	—	12,338
BALANCE, December 31, 2010	34,121	$ 641	$ 439,712	$(704,963)	$ 4	$ (897)	$ 868	$ 501,713	$ 237,078

The accompanying notes are an integral part of these consolidated financial statements.

CSG SYSTEMS INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2010	2009	2008
Cash flows from operating activities:			
Net income	$ 22,429	$ 43,333	$ 53,573
Adjustments to reconcile net income to net cash provided by operating activities-			
Depreciation	22,428	20,069	16,194
Amortization	19,438	14,325	16,544
Amortization of original issue discount	6,893	8,382	9,767
Gain on short-term investments and other	(129)	(600)	(1,813)
(Gain) loss on repurchase of convertible debt securities	12,714	(1,468)	(3,351)
Loss on foreign currency transactions	14,023	—	—
Deferred income taxes	3,275	18,492	12,480
Excess tax benefit of stock-based compensation awards	(1,147)	(145)	(238)
Stock-based employee compensation	12,338	12,632	11,605
Changes in operating assets and liabilities, net of acquired amounts:			
Trade accounts and other receivables, net	(4,295)	12,550	(1,772)
Other current and non-current assets	(509)	(1,053)	1,729
Income taxes payable/receivable	(9,971)	(7,927)	5,369
Trade accounts payable and accrued liabilities	22,288	9,311	934
Deferred revenue	1,534	25,158	(6,374)
Net cash provided by operating activities	121,309	153,059	114,647
Cash flows from investing activities:			
Purchases of property and equipment	(14,277)	(40,313)	(21,577)
Purchases of short-term investments	(64,583)	(57,036)	(83,093)
Proceeds from sale/maturity of short-term investments	81,900	79,700	36,245
Net proceeds from foreign currency option	582	—	—
Payments for acquisition-related foreign currency transactions	(14,605)	—	—
Acquisition of businesses, net of cash acquired	(259,502)	(6,738)	(54,446)
Acquisition of and investments in client contracts	(4,797)	(16,423)	(4,000)
Net cash used in investing activities	(275,282)	(40,810)	(126,871)
Cash flows from financing activities:			
Proceeds from issuance of common stock	1,405	1,477	1,175
Repurchase of common stock	(34,030)	(6,562)	(5,777)
Payments on acquired equipment financing	(1,157)	(992)	(589)
Proceeds from long-term debt	385,000	—	—
Repurchase of convertible debt securities	(150,958)	(26,714)	(22,353)
Payments of deferred financing costs	(14,999)	—	—
Excess tax benefit of stock-based compensation awards	1,147	145	238
Net cash provided by (used in) financing activities	186,408	(32,646)	(27,306)
Effect of exchange rate fluctuations on cash	1,934	—	—
Net increase (decrease) in cash and cash equivalents	34,369	79,603	(39,530)
Cash and cash equivalents, beginning of period	163,489	83,886	123,416
Cash and cash equivalents, end of period	$ 197,858	$163,489	$ 83,886
Supplemental disclosures of cash flow information:			
Cash paid during the period for-			
Interest	$ 4,345	$ 4,715	$ 6,231
Income taxes	17,869	9,463	9,483

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General

CSG Systems International, Inc. (the "Company", "CSG", or forms of the pronoun "we"), a Delaware corporation, was formed in October 1994 and is based in Englewood, Colorado. Our heritage is in providing outsourced customer care and billing solutions to the North American cable and direct broadcast satellite ("DBS") markets. Our solutions help service providers manage the customer experience from acquisition through the billing of their customers. Our broad suite of solutions help our clients improve their profitability by creating more compelling product offerings and an enhanced customer experience through more relevant and targeted interactions, while at the same time, minimizing the service provider's cost structure.

Most recently, our business was focused on the North American market, however, on November 30, 2010, we completed our acquisition of U.K.-based Intec Telecom Systems PLC ("Intec"). Intec is a recognized global business support systems ("BSS") leader for retail billing, mediation, and wholesale business management, serving the majority of the world's top 100 communications service providers. With the acquisition, we believe we are well-positioned to: (i) evolve our offerings; (ii) expand the markets we serve; and (iii) reach greater economic scale. We are a S&P SmallCap 600 company.

The accompanying Consolidated Financial Statements are prepared in conformity with accounting principles generally accepted in the United States ("U.S.").

2. Intec Acquisition

Description of the Acquisition. On September 24, 2010, we issued an announcement pursuant to Rule 2.5 of the U.K. City Code on Takeovers and Mergers, announcing our intention to make an offer to acquire 100% of the issued and to be issued shares of Intec in an all-cash transaction of 72 pence per Intec share (the "Intec Acquisition").

Intec is a leading provider of mediation, wholesale, and retail billing solutions, serving 60 of the world's top 100 telecom providers and over 400 clients worldwide. Over 90% of Intec's revenues are generated from telecommunications providers. Intec provides product software, associated professional services and maintenance services to its clients.

On November 3, 2010, Intec's Board of Directors announced that, at the court meeting and general meeting of eligible Intec shareholders, Intec shareholders voted to approve, by the necessary majorities, the transaction and other associated matters to implement the acquisition of Intec. On November 29, 2010, the transaction was sanctioned and the capital reduction was confirmed by the court. On November 30, 2010, the documents to finalize the transaction were filed and the transaction became effective.

We acquired Intec to: (i) evolve our offerings; (ii) expand the markets we serve; and (iii) reach greater economic scale.

Purchase Price. The purchase price for the Intec Acquisition was approximately £234 million, or approximately $364 million, based upon the average exchange rate of 1.56:1.00 between the U.S. dollar and the pound sterling as of November 30, 2010, the date the total purchase price was established under U.S. GAAP.

In September 2010, we entered into a pound sterling call/U.S. dollar put (the "Currency Option") at a strike price of 1.62 in conjunction with the Intec Acquisition to limit our exposure to adverse movements in the exchange rate between the two currencies leading up to the expected closing date. Upon the approval of the acquisition by Intec's shareholders in November 2010, we sold the Currency Option, and entered into a forward contract for the delivery of approximately 240 million pounds sterling (which included estimated Intec Acquisition costs at that time) at an exchange rate of approximately 1.61 (the "Currency Forward"). During December 2010, as part of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

payment process for the pound sterling purchase price, we closed out our position in the Currency Forward at an average rate of 1.58. Under U.S. GAAP, the costs and proceeds (including gains and losses) from financial instruments that are used to reduce the risks of a change in the value of the acquiree's net assets or the consideration to be issued by the acquirer before the date of acquisition, are not part of the consideration transferred, or purchase price, and should be recorded currently in earnings. As a result, for the year ended December 31, 2010, we recorded net expense of approximately $14 million related to these financial instrument transactions, and the foreign currency impact of intercompany notes established to structure the Intec Acquisition, which we reflected in Other income (expense) in our Consolidated Statement of Income.

Allocation of Purchase Price. The Intec Acquisition purchase price was $364.1 million, or $255.2 million net of $108.9 million of cash and cash equivalents Intec had on hand at the close of the transaction. The application of the acquisition method of accounting for business combinations requires the use of significant estimates and assumptions in the determination of the fair value of assets acquired and liabilities assumed. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for Intec (in thousands):

Trade accounts receivable	$ 64,397
Other current assets	6,179
Property and equipment	9,968
Acquired software	19,184
Acquired client contracts	77,979
Acquired other intangible assets	6,395
Goodwill	101,095
Net deferred income tax assets	31,764
Other non-current assets	2,552
Total assets acquired	319,513
Trade accounts payable	3,611
Accrued employee compensation	18,105
Deferred revenue	23,784
Other current liabilities	9,366
Non-current liabilities	9,409
Total liabilities assumed	64,275
Net assets acquired (excluding acquired cash)	$255,238

The above estimated fair values of assets acquired and liabilities assumed are considered provisional and are based on the information that was available as of the date of the Intec Acquisition to estimate the fair value of assets acquired and liabilities assumed. We believe that information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but we are waiting for additional information, primarily related to estimated values of certain items within trade accounts receivable, deferred revenue, and to estimated values of certain net deferred income tax assets, necessary to finalize those fair values. Thus the provisional measurements of fair value set forth above are subject to change. Such changes could be significant. We expect to finalize the valuation and complete the purchase price allocation as soon as practicable, but not later than one-year from the acquisition date.

Trade accounts receivable consists of billed and unbilled accounts receivable, which are reduced to reflect an estimate for uncollectible amounts. Property and equipment consists primarily of computer equipment, furniture and equipment, and leasehold improvements. The property and equipment are being depreciated on a straight-line basis, over periods ranging from 3 to 7 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The acquired software intangible assets represent the estimated value of the three primary technology products of Intec: Singl.eView, TSM Solution and InterconnecT. The acquired client contracts intangible assets represent the estimated value of the customer relationships related to three of Intec's main sources of revenue: maintenance, software licenses and managed services. Acquired other intangible assets represent the estimated fair value of the Intec trademark and the trademarks for Singl.eView, TSM Solution and InterconnecT. The acquired software intangible assets and the acquired client contract intangible assets are being amortized over 10 years based on the approximate pattern in which the economic benefits of the acquired intangible assets are expected to be realized. The acquired other intangible assets are being amortized over five years based on the approximate pattern in which the economic benefits of the acquired intangible assets are expected to be realized.

Goodwill, representing the excess of the purchase price for Intec over the net amounts assigned to identifiable assets acquired and liabilities assumed and consisting largely of the benefits from combining our operations and Intec's operations, has been assigned to our one reportable segment. The Intec goodwill and acquired intangible assets are not deductible for income tax purposes. In accordance with generally accepted accounting principles, we have recognized deferred tax liabilities of $31.6 million for the difference between the assigned book values and the tax bases of the acquired intangible assets, but have not recognized deferred tax liabilities for the difference between the assigned book value and the tax basis of goodwill. Included in Intec's net assets acquired are deferred income tax assets of $14.2 million related to Federal net operating loss ("NOL") carryforwards of $40.7 million, which we believe are more likely than not to be realized. The Intec Federal NOL carryforward begins to expire in 2019.

The accrued employee compensation amount represents employee-related liabilities, which includes payroll tax, accrued vacation and bonus accruals. The deferred revenue amounts represent the estimated fair value of the obligations we assumed at the acquisition date to complete contracts related to professional services, software maintenance, and managed services.

Acquisition Financing. We financed the Intec Acquisition by borrowing against a new credit agreement that consists of a $200 million, five-year term loan and a $100 million, five-year revolving loan facility that we entered into on September 24, 2010 and amended on November 24, 2010 as part of this transaction; with the remaining purchase price satisfied by using our existing cash. See Note 6 for further information regarding our new credit agreement.

Financing and Other Acquisition-Related Expenses. In conjunction with our new credit agreement, we incurred debt issuance costs of approximately $10 million. These costs are being amortized to interest expense over the lives of the term loan and revolving loan facility components of the new credit agreement. The unamortized deferred financing costs balance is reflected in Other assets in our Consolidated Balance Sheet.

In addition to the loss on foreign currency transactions of approximately $14 million discussed above, through December 31, 2010, we incurred certain direct and incremental acquisition-related costs, totaling approximately $10 million, related primarily to investment banking, legal, accounting, and other professional services. We have reflected these costs in the Selling, general and administrative expenses in our Consolidated Statement of Income.

Unaudited Pro Forma Information. From December 1, 2010 through December 31, 2010, Intec contributed net revenues of $17.8 million and incurred $19.6 million of operating expenses, which includes approximately $2 million of restructuring charges associated with the acquisition. The following supplemental unaudited pro forma summary presents our results of operations for the years ended December 31, 2010 and 2009, assuming the acquisition of Intec had been completed as of the beginning of each year, is presented in the table below (in thousands, except for per share amounts). These amounts were calculated after conversion to U.S. GAAP, applying our accounting policies, and adjusting Intec's results to reflect the additional amortization expense that would have been charged assuming the fair value adjustments to the acquired intangible assets had been applied as of the beginning of each year, together with the consequential tax effects. These adjustments also reflect the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

additional interest expense incurred on the debt to finance the purchase. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the Intec Acquisition been completed on January 1, 2009 or January 1, 2010, nor are they indicative of any future results.

	(Unaudited) Year Ended December 31,	
	2010	2009
Total revenues	$751,175	$760,617
Net income	19,373	80,933
Diluted net income per common share:		
Income from continuing operations	$ 0.58	$ 2.35
Weighted average common shares	33,365	34,449

The pro forma information for the year ended December 31, 2010, combines our results for the year ended December 31, 2010 (without the one month impact of Intec), and Intec's results for the year ended September 30, 2010 (with September 30 being the last day of Intec's fiscal year). The pro forma information for the year ended December 31, 2009, combines our results for the year ended December 31, 2009, and Intec's results for its fiscal year ended September 30, 2009.

The Intec acquisition-related expenses of approximately $10 million and the loss on foreign currency transactions of approximately $14 million discussed above have been excluded from the pro forma results. The pro forma adjustments related to income tax expense have been recorded for the impact of the pro forma adjustments at the statutory rates in effect during the periods presented.

3. Summary of Significant Accounting Policies

Principles of Consolidation. The accompanying Consolidated Financial Statements include all of our accounts and our subsidiaries' accounts. All material intercompany accounts and transactions have been eliminated.

Translation of Foreign Currency. Our foreign subsidiaries use as their functional currency the local currency of the countries in which they operate. Their assets and liabilities are translated into United States of America ("U.S.") dollars at the exchange rates in effect at the balance sheet date. Revenues, expenses, and cash flows are translated at the average rates of exchange prevailing during the period. Translation gains and losses are included in comprehensive income (loss) in stockholders' equity. Transaction gains and losses are included in the determination of net income (loss).

Use of Estimates in Preparation of Consolidated Financial Statements. The preparation of the accompanying Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The more critical estimates and related assumptions that affect our financial position and results of operations are in the areas of: (i) revenue recognition; (ii) allowance for doubtful accounts receivable; (iii) impairment assessments of goodwill and other long-lived assets; (iv) income taxes; and (v) business combinations and asset purchases.

Revenue Recognition. We use various judgments and estimates in connection with the determination of the amount of revenues to be recognized in each accounting period. Our primary revenue recognition criteria include: (i) persuasive evidence of an arrangement; (ii) delivery; (iii) fixed or determinable fees; and (iv) collectibility of fees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Processing and Related Services.

We have historically derived a significant percentage of our total revenues from processing and related services from our outsourced customer care and billing application, called ACP, and services ancillary to ACP. About 10% of Intec's total revenues for its fiscal year ended September 30, 2010 came from managed services contracts, which generally have delivery characteristics similar to our outsourced ACP processing services. Under managed services contracts, we operate certain of our software products on behalf of our clients: (i) out of a client's data center; (ii) out of a data center we own and operate; or (iii) out of a third-party data center we contract with for such services. Hereafter in these Notes to Consolidated Financial Statements, we collectively refer to our historical processing and related services revenues, and Intec's managed services revenues, as processing and related services revenues. We expect to continue to generate a significant percentage of our total revenues from processing and related services going forward, but do expect that processing and related services revenues as a percentage of our total revenues will decline in the future from our historical levels, as Intec derives a large percentage of its revenues from software licenses, professional services, and software maintenance.

For multiple-element revenue arrangements that do not fall within the scope of specific authoritative accounting literature, such as our processing and related services agreements, we evaluate all deliverables in the arrangement to determine whether they represent separate units of accounting. Deliverables are generally accounted for as separate units of accounting if the following criteria are met: (i) the delivered item(s) have standalone value to the customer; and (ii) there is objective and reliable evidence of fair value of the undelivered items(s). The best evidence of objective and reliable evidence of fair value is entity-specific or vendor-specific evidence ("VSOE") of fair value, or third-party evidence ("TPE") of fair value. If the deliverables qualify as separate units of accounting, the arrangement consideration is allocated among the separate units of accounting based upon their relative fair values, and applicable revenue recognition criteria are considered for the separate units of accounting. If the deliverables do not qualify as separate units of accounting, the consideration allocable to delivered items is combined with the consideration allocable to the undelivered items, and the appropriate recognition of revenue is then determined for those combined deliverables as a single unit of accounting. The determination of separate units of accounting, and the determination of objective and reliable evidence of fair value of the undelivered items, if applicable, both require judgments to be made by us.

For our processing and related services, we have generally concluded that the multiple deliverables present in the agreements do not qualify as separate units of accounting, and thus have treated the deliverables as a single unit of accounting, with the revenue recognized somewhat ratably over the term of the processing agreement. Processing fees are typically billed monthly based on the number of client customers served or on a fixed monthly fee basis; ancillary services are typically billed on a per transaction basis; and customized print and mail services and other customer interaction services are billed on a usage basis. Fees received to convert, set-up, and/or implement clients on our outsourced solutions under long-term processing contracts (as well as the costs to perform the conversion, set-up or implementation services) are deferred and recognized over the term of the client's processing agreement.

Effective January 1, 2011, the criteria that must be met to separate deliverables in multiple element revenue arrangements changed. The requirement to have either VSOE or TPE of fair value for undelivered items to account for deliverables as separate units of accounting has been eliminated. If VSOE or TPE of fair value does not exist for the undelivered items, we must use estimated selling price. We do not expect this rule change to have a material impact in the timing of our processing and related services revenue recognition.

Software Licenses, Professional Services and Maintenance Services.

Our more recent historical revenues related to software licenses, maintenance services (also known as post-contract customer support, or PCS) and professional services have been substantially less than those generated from processing and related services. As a result of the Intec Acquisition, we expect that software, maintenance and services revenues as a percentage of our total revenues to increase going forward.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Software arrangements fall within the scope of specific authoritative accounting literature. The accounting for software arrangements, especially when software is sold in a multiple-element revenue arrangement, is complex and requires considerable judgment. Key factors considered in accounting for software and related services include the following: (i) the identification of the separate elements of the arrangement; (ii) the determination of whether any undelivered elements are essential to the functionality of the delivered elements; (iii) the assessment of whether the software, if hosted, should be accounted for as a services arrangement and thus outside the scope of the software revenue recognition literature; (iv) the determination of VSOE of fair value for the various undelivered elements of the arrangement; (v) the assessment of whether the software fees are fixed or determinable; (vi) the determination as to whether the fees are considered collectible; and (vii) the assessment of whether services included in the arrangement represent significant production, customization or modification of the software. The evaluation of these factors, and the ultimate revenue recognition decision, requires significant judgments to be made by us. The judgments made in this area could have a significant effect on revenues recognized in any period by changing the amount and/or the timing of the revenue recognized. In addition, because software licenses typically have little or no direct, incremental costs related to the recognition of the revenue, these judgments could also have a significant effect on our results of operations.

Our more recent historical professional services revenues have generally consisted of software implementation projects with a relatively short duration period, and business consulting services related to the use of our solutions. These revenues were generally recognized as the installation or consulting work was performed. As a result of the Intec Acquisition, we expect that a large percentage of our professional services engagements will now include software implementation services of a greater project length and complexity that will represent significant production, customization or modification of the software, and/or will be considered essential to the functionality of the software being licensed, and thus will be accounted for using the percentage of completion (POC) method of accounting. Under the POC method of accounting, software license and professional services revenues are typically recognized as the professional services related to the software implementation project are performed. We are using hours performed on the project as the measure to determine the percentage of the work completed.

A portion of our professional services revenues do not include an element of software delivery (e.g., business consulting services, etc.), and thus, do not fall within the scope of specific authoritative accounting literature for software arrangements. In these cases, revenues from fixed-price, professional service contracts are recognized using a method consistent with the proportional performance method, which is relatively consistent with our POC methodology mentioned directly above. Under a proportional performance model, revenue is recognized by allocating revenue between reporting periods based on relative service provided in each reporting period, and costs are generally recognized as incurred. We utilize an input-based approach (i.e., hours worked) for purposes of measuring performance on these types of contracts. Our input measure is considered a reasonable surrogate for an output measure. In instances when the work performed on fixed price agreements is of relatively short duration, or if we are unable to make reasonably dependable estimates at the outset of the arrangement, we use the completed contract method of accounting whereby revenue is recognized when the work is completed.

Our use of the POC and proportional performance methods of accounting on professional services engagements requires estimates of the total project revenues, total project costs and the expected hours necessary to complete a project. Changes in estimates as a result of additional information or experience on a project as work progresses are inherent characteristics of the POC and proportional performance methods of accounting as we are exposed to various business risks in completing these engagements. The estimation process to support these methods of accounting is more difficult for projects of greater length and/or complexity. The judgments and estimates made in this area could: (i) have a significant effect on revenues recognized in any period by changing the amount and/or the timing of the revenue recognized; and/or (ii) impact the expected profitability of a project, including whether an overall loss on an arrangement has occurred. To mitigate the inherent risks in using the POC and proportional performance methods of accounting, we track our performance on projects and reevaluate the appropriateness of our estimates as part of our monthly accounting cycle.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Revenues from professional services contracts billed on a time-and-materials basis are recognized as the services are performed and as amounts due from clients are deemed collectible and contractually non-refundable.

Software maintenance services revenues are recognized ratably over the service period. Our software maintenance services consist primarily of client and product support, technical updates (e.g., bug fixes, etc.), and unspecified upgrades or enhancements. If specified upgrades or enhancements are offered in an arrangement, which is rare, they are accounted for as a separate element of the arrangement.

Deferred Revenue and Unbilled Accounts Receivable . Client payments and billed amounts due from clients in excess of revenue recognized are recorded as deferred revenue. Deferred revenue amounts expected to be recognized within the next twelve months are classified as current liabilities. Revenue recognized prior to the scheduled billing date is recorded as unbilled accounts receivable. Deferred revenue and unbilled accounts receivable balances increased significantly from December 31, 2009 to December 31, 2010, as a result of the Intec Acquisition.

Postage. We pass through to our processing clients the cost of postage that is incurred on behalf of those clients, and typically require an advance payment on expected postage costs. These advance payments are included in “client deposits” in the accompanying Consolidated Balance Sheets, and are classified as current liabilities regardless of the contract period. We net the cost of postage against the postage reimbursements, and include the net amount in processing and related services revenues. The cost of postage that has been shown net of the postage reimbursements from our clients for 2010, 2009, and 2008 was $269.7 million, $264.8 million, and $251.8 million, respectively.

Cash and Cash Equivalents. We consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. As of December 31, 2010, our cash equivalents consist primarily of institutional money market funds, commercial paper and time deposits held at major banks.

As of December 31, 2010, we had $4.9 million of restricted cash that serves to collateralize outstanding letters of credit. This restricted cash is included in Cash and cash equivalents in the accompanying Consolidated Balance Sheet.

Short-term Investments and Other Financial Instruments . Our financial instruments as of December 31, 2010 and 2009 include cash and cash equivalents, short-term investments, accounts receivable, accounts payable, and long-term debt. Because of their short maturities, the carrying amounts of cash equivalents, accounts receivable, and accounts payable approximate their fair value.

Our short-term investments are considered “available-for-sale” and are reported at fair value in our accompanying Consolidated Balance Sheets, with unrealized gains and losses, net of the related income tax effect, excluded from earnings and reported in a separate component of stockholders’ equity. Realized and unrealized gains and losses were not material in any period presented.

Our short-term investments at December 31, 2010 and 2009 consisted of the following (in thousands):

	As of December 31,	
	2010	2009
Commercial paper	$17,692	$31,388
Certificates of deposit	—	3,500
Total	$17,692	$34,888

All short-term investments held by us as of December 31, 2010 and 2009 have contractual maturities of less than one year from the time of acquisition. Proceeds from the sale/maturity of short-term investments were $81.9 million, $79.7 million, and $36.2 million, in 2010, 2009, and 2008, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table represents the fair value hierarchy based upon three levels of inputs, of which Levels 1 and 2 are considered observable and Level 3 is unobservable, for our investments measured at fair value (in thousands):

	December 31, 2010			December 31, 2009		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Money market funds	$91,002	$ —	$ 91,002	$122,942	$ —	$122,942
Commercial paper	—	26,590	26,590	—	56,641	56,641
Certificates of deposit	—	—	—	—	3,500	3,500
Total	$91,002	$26,590	$117,592	$122,942	$60,141	$183,083
Balance sheet classification:						
Cash equivalents	$91,002	$ 8,898	$ 99,900	$122,942	$25,253	$148,195
Short term investments	—	17,692	17,692	—	34,888	34,888
Total	$91,002	$26,590	$117,592	$122,942	$60,141	$183,083

Valuation inputs used to measure the fair values of our money market funds were derived from quoted market prices. The fair values of all other instruments are based upon pricing provided by third-party pricing services. These prices were derived from observable market inputs.

The carrying amount of our long-term debt related to our Credit Agreement approximates fair value due to its variable interest rates. We have chosen not to measure our Convertible Debt Securities at fair value, with changes recognized in earnings each reporting period. As of December 31, 2010, the estimated fair value of our $175.1 million (par value) convertible debt, based upon quoted market prices or recent sales activity, was approximately $176.9 million.

Concentrations of Credit Risk. In the normal course of business, we are exposed to credit risk. The principal concentrations of credit risk relate to cash deposits, cash equivalents, short-term investments, and accounts receivable. We regularly monitor credit risk exposures and take steps to mitigate the likelihood of these exposures resulting in a loss. We hold our cash deposits, cash equivalents, and short-term investments with financial institutions we believe to be of sound financial condition.

We do not require collateral or other security to support accounts receivable. We evaluate the credit worthiness of our clients in conjunction with our revenue recognition processes, as well as through our ongoing collectibility assessment processes for accounts receivable. We maintain an allowance for doubtful accounts receivable based upon factors surrounding the credit risk of specific clients, historical trends, and other information. We use various judgments and estimates in determining the adequacy of the allowance for doubtful accounts receivable. See Note 4 for additional details of our concentration of accounts receivable.

The activity in our allowance for doubtful accounts receivable is as follows (in thousands):

	2010	2009	2008
Balance, beginning of year	$2,036	$2,999	$1,487
Additions (reductions) to expense	(58)	(461)	1,527
Write-offs	(103)	(507)	(88)
Other	(38)	5	73
Balance, end of year	$1,837	$2,036	$2,999

Property and Equipment . Property and equipment are recorded at cost (or at estimated fair value if acquired in a business combination) and are depreciated over their estimated useful lives ranging from three to ten years. Leasehold improvements are depreciated over the shorter of their economic life or the lease term. Depreciation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

expense is computed using the straight-line method for financial reporting purposes, with the exception of certain statement production equipment, which is depreciated using the units-of-production method. Depreciation expense for all property and equipment is reflected in our accompanying Consolidated Statements of Income separately in the aggregate and is not included in the cost of revenues or the other components of operating expenses. Depreciation for income tax purposes is computed using accelerated methods.

Software. We expend substantial amounts on research and development ("R&D"), particularly for new products and services, or for enhancements of existing products and services. For development of software products that are to be licensed by us, we expense all costs related to the development of the software until technological feasibility is established. Once technological feasibility is established, costs are then capitalized, until the general release of the software. For development of software to be used internally (e.g., processing systems software), we expense all costs prior to the application development stage.

During 2010, 2009, and 2008, we expended $78.1 million, $70.1 million, and $67.3 million, respectively, on R&D projects. We did not capitalize any R&D costs in 2010, 2009, or 2008, as the costs subject to capitalization during these periods were not material. We did not have any capitalized R&D costs included in our December 31, 2010 or 2009 accompanying Consolidated Balance Sheets.

Realizability of Long-Lived Assets. We evaluate our long-lived assets, other than goodwill, for possible impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. A long-lived asset is impaired if estimated future undiscounted cash flows associated with that asset are insufficient to recover the carrying amount of the long-lived asset. If deemed impaired, the long-lived asset is written down to its fair value.

Goodwill. We evaluate our goodwill for impairment on an annual basis. In addition, we evaluate our goodwill on a more periodic basis (e.g., quarterly) if events occur or circumstances change that could indicate a potential impairment may have occurred. Goodwill is considered impaired if the carrying value of the reporting unit which includes the goodwill is greater than the estimated fair value of the reporting unit.

Contingencies. We accrue for a loss contingency when: (i) it is probable that an asset has been impaired, or a liability has been incurred; and (ii) the amount of the loss can be reasonably estimated. The determination of accounting for loss contingencies is subject to various judgments and estimates. We do not record the benefit from a gain contingency until the benefit is realized.

Earnings Per Common Share ("EPS"). Basic and diluted EPS amounts are presented on the face of the accompanying Consolidated Statements of Income.

Under generally accepted accounting principles, unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of EPS pursuant to the two-class method. Unvested restricted stock awards under our stock incentive plans, granted prior to August 2008, contain nonforfeitable rights to cash dividends. As a result, basic EPS is computed by dividing net income available to common stockholders and participating securities (the numerators) by the respective weighted average number of shares outstanding during the period (the denominators) using the two-class method. Under the two-class method, undistributed earnings are allocated among each class of common stock and participating security prior to the calculation of EPS. Diluted EPS is calculated similarly, except that the calculation includes the effect of potentially dilutive stock options and non-participating restricted stock awards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The amounts attributed to both common stock and participating restricted stock used as the numerators in both the basic and diluted EPS calculations are as follows (in thousands):

	2010	2009	2008
Income from continuing operations attributed to:			
Common stock	$22,061	$40,524	$50,800
Participating restricted stock	368	1,338	2,450
Total	$22,429	$41,862	$53,250
Discontinued operations, net of tax, attributed to:			
Common stock	$ —	$ 1,424	$ 308
Participating restricted stock	—	47	15
Total	$ —	$ 1,471	$ 323
Net income attributed to:			
Common stock	$22,061	$41,948	$51,108
Participating restricted stock	368	1,385	2,465
Total	$22,429	$43,333	$53,573

The weighted-average shares outstanding used in the basic and diluted EPS denominators related to common stock and participating restricted stock are as follows (in thousands):

	2010	2009	2008
Weighted-average shares outstanding—Basic:			
Common stock	32,537	33,228	33,207
Participating restricted stock	543	1,097	1,602
Total	33,080	34,325	34,809
Weighted-average shares outstanding—Diluted:			
Common stock	32,822	33,352	33,240
Participating restricted stock	543	1,097	1,602
Total	33,365	34,449	34,842

The reconciliation of the basic and diluted EPS denominators related to the common shares is included in the following table (in thousands):

	2010	2009	2008
Basic weighted-average common shares	32,537	33,228	33,207
Dilutive effect of common stock options	24	26	32
Dilutive effect of unvested restricted stock	261	98	1
Dilutive effect of 2010 Convertible Notes	—	—	—
Dilutive effect of 2004 Convertible Debt Securities	—	—	—
Diluted weighted-average common shares	32,822	33,352	33,240

Potentially dilutive common shares related to stock options and non-participating unvested shares of restricted stock of 0.2 million, 0.2 million, and 0.3 million, respectively, for 2010, 2009, and 2008, were excluded from the computation of diluted EPS as their effect was antidilutive.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The 2010 Convertible Notes have a dilutive effect only in those quarterly periods in which our average stock price exceeds the current effective conversion price of $24.45 per share. The 2004 Convertible Debt Securities have a dilutive effect only in those quarterly periods in which our average stock price exceeds the current effective conversion price of $26.77 per share.

Stock-Based Compensation . Stock-based compensation represents the cost related to stock-based awards granted to employees and non-employee directors. We measure stock-based compensation cost at the grant date of the award, based on the estimated fair value of the award and recognize the cost (net of estimated forfeitures) over the requisite service period. Benefits of tax deductions in excess of recognized compensation expense, if any, are reported as a financing cash inflow rather than as an operating cash inflow.

Income Taxes. We account for income taxes using the asset and liability method. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Comprehensive Income. The components of comprehensive income are reflected in the accompanying Consolidated Statements of Stockholders' Equity.

4. Segment Reporting and Significant Concentration

Segment Information. We have evaluated how our chief operating decision maker has organized our company for purposes of making operating decisions and assessing performance, and have concluded that as of December 31, 2010, we have one reportable segment.

Products and Services. Prior to the Intec Acquisition on November 30, 2010, our primary product offerings included our core outsourced customer care and billing solution, ACP, and related services and software products, which were delivered to the North American cable and DBS markets. We also licensed certain software products (e.g., ACSR, Workforce Express, etc.) and provided our professional services principally to our existing base of customer care and billing clients to enhance the core functionality of ACP, increase the efficiency and productivity of our clients' operations, and allow clients to effectively roll out new products, such as high-speed-data, telephony, and commercial services. With the acquisition of Intec, discussed in Note 2, we have added solutions in wholesale and retail billing and mediation to our product offerings, and significantly increased our professional services capacity and capabilities.

Geographic Regions. Prior to the Intec acquisition, all revenues and long-lived assets were attributable to our operations in North America, primarily the U.S. As a result of one month of Intec operations being included in our 2010 results, over 98% of our revenues for 2010 were attributable to our operations in North America.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

We use the location of the contracting entity as the basis of attributing revenues to individual countries. Financial information relating to our operations by geographic region is as follows (in thousands):

	2010	2009	2008
Total Revenues:			
Americas (principally the U.S.)	$540,377	$500,717	$472,057
Europe, Middle East and Africa (principally Europe)	7,482	—	—
Asia Pacific	1,520	—	—
Total revenues	$549,379	$500,717	$472,057

	As of December 31,	
	2010	2009
Property and Equipment:		
Americas (principally the U.S.)	$ 46,953	$ 56,799
Europe, Middle East and Africa (principally Europe)	2,885	—
Asia Pacific	2,419	—
Total long-lived assets	$ 52,257	$ 56,799

Significant Clients and Industry Concentration . A large percentage of our historical revenues have been generated from our four largest clients, which are Comcast Corporation (“Comcast”), DISH Network Corporation (“DISH”), Time Warner Inc. (“Time Warner”), and Charter Communications, Inc. (“Charter”). Revenues from these clients represented the following percentages of our total revenues for the following years:

	2010	2009	2008
Comcast	24%	24%	27%
DISH	18%	18%	18%
Time Warner	12%	13%	14%
Charter	10%	9%	8%

As of December 31, 2010 and 2009, the percentage of net billed accounts receivable balances attributable to these clients were as follows:

	As of December 31,	
	2010	2009
Comcast	20%	19%
DISH	15%	26%
Time Warner	9%	9%
Charter	9%	13%

Although the Intec acquisition will reduce the percentage of our total revenues generated from these clients, we expect to continue to generate a significant percentage of our future revenues from a limited number of clients, including Comcast, DISH, Time Warner, and Charter. There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of clients. Should a significant client: (i) terminate or fail to renew their contracts with us, in whole or in part for any reason; (ii) significantly reduce the number of customer accounts processed on our solutions, the price paid for our services, or the scope of services that we provide; or (iii) experience significant financial or operating difficulties, it could have a material adverse effect on our financial position and results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

5. Long-Lived Assets

Property and Equipment. Property and equipment at December 31 consisted of the following (in thousands, except years):

	Useful Lives (years)	2010	2009
Computer equipment	3-5	$ 55,597	$ 59,344
Leasehold improvements	5-10	16,240	14,300
Operating equipment	3-10	60,138	59,783
Furniture and equipment	3-8	13,930	11,549
Capital projects in process	—	588	18
		146,493	144,994
Less—accumulated depreciation		(94,236)	(88,195)
Property and equipment, net		$ 52,257	$ 56,799

Goodwill. We do not have any intangible assets with indefinite lives other than goodwill. A rollforward of goodwill in 2010 and 2009 is as follows (in thousands):

January 1, 2009 balance	$103,971
Adjustments related to prior acquisitions	3,081
December 31, 2009 balance	107,052
Goodwill acquired during period	101,095
Adjustments related to prior acquisitions	1,940
Effects of changes in foreign currency exchange rates	(923)
December 31, 2010 balance	$209,164

The goodwill acquired in 2010 is related to the Intec Acquisition discussed in Note 2. The adjustments related to prior acquisitions made in 2010 and 2009 are mainly due to the recording of contingent purchase price payments of $2.0 million and $3.4 million, respectively, related to the Quaero and Prairie acquisitions.

Other Intangible Assets. Our intangible assets subject to ongoing amortization consist of client contracts and software.

Client Contracts

Client contracts consist of the following: (i) investments in client contracts; (ii) direct and incremental costs that we have capitalized related to contractual arrangements where we have deferred revenues to convert or set-up client customers onto our outsourced solutions; and (iii) client contracts acquired in business combinations. As of December 31, 2010 and 2009, the carrying values of these assets were as follows (in thousands):

	2010			2009		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Investments in client contracts(1)	$134,178	$ (115,747)	$ 18,431	$131,745	$ (109,032)	$22,713
Capitalized costs(2)	16,580	(8,546)	8,034	14,371	(5,633)	8,738
Acquired client contracts(3)	98,788	(8,925)	89,863	17,957	(8,001)	9,956
Total client contracts	$249,546	$ (133,218)	$116,328	$164,073	$ (122,666)	$41,407

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The aggregate amortization related to client contracts included in our operations for 2010, 2009, and 2008, was as follows (in thousands):

	2010	2009	2008
Investments in client contracts(1)	$ 6,715	$4,525	$ 9,183
Capitalized costs(2)	2,660	1,077	2,246
Acquired client contracts(3)	3,920	4,087	2,293
Total client contracts	$13,295	$9,689	$13,722

(1) Investments in client contracts consist principally of incentives provided to new or existing clients to convert their customer accounts to, or retain their customer's accounts on, our customer care and billing systems. Investments in client contracts related to client incentives are amortized ratably over the lives of the respective client contracts, which as of December 31, 2010, have termination dates that range from 2011 through 2016. Amortization of the investments in client contracts related to client incentives is reflected as a reduction in processing and related services revenues in the accompanying Consolidated Statements of Income.

(2) Capitalized costs related to the deferral of conversion/set-up services costs are amortized proportionately over the same period that the deferred conversion/set-up services revenues are recognized, and are primarily reflected in cost of processing and related services in the accompanying Consolidated Statements of Income.

(3) Acquired client contracts represent assets acquired in the Intec, Quaero, DataProse, Prairie, and ComTec business acquisitions. Acquired client contracts are being amortized over their estimated useful lives ranging from two to fifteen years based on the approximate pattern in which the economic benefits of the intangible assets are expected to be realized. Classification of the amortization of acquired client contracts generally follows where the acquired business' cost of revenues are categorized in the accompanying Consolidated Statements of Income.

The weighted-average remaining amortization period of client contracts as of December 31, 2010 was approximately 94 months. Based on the December 31, 2010 net carrying value of these intangible assets, the estimated amortization for each of the five succeeding fiscal years ending December 31 will be: 2011—$25.7 million; 2012—$24.6 million; 2013—$18.1 million; 2014—$13.9 million; and 2015—$8.8 million.

Software

Software consists of: (i) software and similar intellectual property rights from various business combinations; and (ii) internal use software. As of December 31, 2010 and 2009, the carrying values of these assets were as follows (in thousands):

	2010			2009		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Acquired software(4)	$63,102	$ (40,533)	$22,569	$44,079	$ (38,252)	$ 5,827
Internal use software(5)	13,595	(5,046)	8,549	8,344	(2,014)	6,330
Total software	$76,697	$ (45,579)	$31,118	$52,423	$ (40,266)	$12,157

The aggregate amortization related to software included in our operations for 2010, 2009, and 2008, was as follows (in thousands):

	2010	2009	2008
Acquired software(4)	$2,286	$2,017	$1,789
Internal use software(5)	3,101	1,894	156
Total software	$5,387	$3,911	$1,945

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(4) Acquired software represents the software intangible assets acquired in the Intec, Quaero, DataProse, Prairie, and ComTec, business acquisitions, and are being amortized over their estimated useful lives ranging from five to ten years.
(5) Internal use software represents: (i) third-party software licenses; and (ii) the internal and external costs related to the implementation of the third-party software licenses. Internal use software is amortized over its estimated useful life ranging from twelve months to ten years.

The weighted-average remaining amortization period of the software intangible assets as of December 31, 2010 was approximately 86 months. Based on the December 31, 2010 net carrying value of these intangible assets, the estimated amortization for each of the five succeeding fiscal years ending December 31 will be: 2011—$8.6 million; 2012—$7.7 million; 2013—$3.3 million; 2014—$2.4 million; and 2015—$2.0 million.

6. Debt

As of December 31, 2010 and 2009, our long-term debt was as follows (in thousands):

	2010	2009
Credit Agreement:		
Term loan, due December 2015, interest at adjusted LIBOR plus applicable margin (rate of 4.06% at December 31, 2010)	$200,000	$ —
$100 million revolving loan facility, due December 2015, interest at adjusted LIBOR plus applicable margin (rate of 4.06% at December 31, 2010)	35,000	—
Convertible Debt Securities:		
Liability Component:		
2010 Convertible Notes—senior subordinated convertible notes; due March 1, 2017; cash interest at 3.0%; net of unamortized OID of $34,841 and zero, respectively	115,159	—
2004 Convertible Debt Securities—senior subordinated convertible contingent debt securities; due June 15, 2024; cash interest at 2.5%; net of unamortized OID of $621 and $12,853, respectively	24,528	157,447
	374,687	157,447
Current portion of long-term debt, net	(69,528)	—
Total long-term debt, net	$305,159	$157,447

Credit Agreement. On September 24, 2010 and in conjunction with the Intec Acquisition, we entered into a $300 million credit agreement with several financial institutions. On November 24, 2010, we entered into an amended and restated $300 million credit agreement (the "Credit Agreement"), as part of the final bank syndication process of the credit agreement.

The Credit Agreement provides for borrowings by us in the form of: (i) a $200 million aggregate principal five-year term loan (the "Term Loan"); and (ii) a $100 million aggregate principal five-year revolving loan facility (the "Revolver"). Upon closing of the Intec Acquisition, all of the $200 million aggregate principal Term Loan and $35 million of the Revolver were drawn down. The proceeds from the Credit Agreement, along with approximately $150 million of our existing cash, were used to: (i) fund the Intec Acquisition; and (ii) pay transaction-related costs. In January 2011, we repaid the $35 million outstanding balance of the Revolver.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The interest rates under the Credit Agreement are based upon an adjusted LIBOR rate plus an applicable margin, or an alternate base rate plus an applicable margin. The Eurocurrency applicable margin for the Term Loan is 3.75% throughout the term of the Credit Agreement and the applicable margin for the Revolver is based on our then-current leverage ratio. We have the option of selecting the length of time (ranging from one to six months) that we lock in the LIBOR contract rate, and initially entered into a 3-month LIBOR contract rate of 0.31% per annum. The interest rates (LIBOR plus applicable margin) for both the Term Loan and Revolver were 4.06% per annum for the period upon drawn down through December 31, 2010.

We pay a commitment fee on the average daily unused amount of the Revolver, with the annual commitment fee ranging from 0.50% to 0.75% per annum, based upon our then-current leverage ratio. At December 31, 2010, $65 million of the Revolver was available to us.

The Credit Agreement includes mandatory repayments of the aggregate principal amount of the Term Loan (payable quarterly) for the first, second, third, fourth and fifth years, with the remaining principal balance due at maturity. The Credit Agreement has no prepayment penalties and requires mandatory prepayments under certain circumstances, including: (i) as a result of defined excess cash flow; (ii) asset sales or casualty proceeds; or (iii) proceeds of debt issuances.

The Credit Agreement contains customary affirmative covenants such as: (i) filing of quarterly and annual reports and (ii) maintenance of credit ratings. In addition, the Credit Agreement has customary negative covenants that places limits on our ability to: (i) incur additional indebtedness; (ii) create liens on its property; (iii) make investments; (iv) enter into mergers and consolidations; (v) sell assets; (vi) declare dividends or repurchase shares; (vii) engage in certain transactions with affiliates; (viii) prepay certain indebtedness, including our 2010 Convertible Notes; and (ix) issue capital stock of subsidiaries. We must also meet certain financial covenants to include: (i) a maximum total leverage ratio; (ii) a maximum secured leverage ratio; (iii) a minimum interest coverage ratio; and (iv) a limitation on capital expenditures.

On September 24, 2010, CSG entered into a security agreement in favor of a financial institution as collateral agent (the “Security Agreement”). Under the Security Agreement and Credit Agreement, all of CSG’s domestic subsidiaries have guaranteed our obligations, and CSG and such subsidiaries have pledged substantially all of our assets to secure the obligations under the Credit Agreement and such guarantees.

In conjunction with the closing of the Credit Agreement, we incurred financing costs totaling $10.2 million, which are being amortized to interest expense using the effective interest method over the related term of the Credit Agreement.

2010 Convertible Notes. On March 1, 2010, we completed an offering of $150 million of 3.0% senior subordinated convertible notes due March 1, 2017 (the “2010 Convertible Notes”) to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2010 Convertible Notes are unsecured obligations, equal in right of payment to our 2004 Convertible Debt Securities, subordinated to any future senior indebtedness and senior to any future junior subordinated debt. The 2010 Convertible Notes were issued at a price of 100% of their par value and bear interest at a rate of 3.0% per annum, which is payable semiannually in arrears on March 1 and September 1 of each year, beginning on September 1, 2010.

The net proceeds from the sale of the 2010 Convertible Notes were approximately $145 million, after deferred financing costs. We used the net proceeds, along with available cash, cash equivalents and short-term investments, to: (i) repurchase 1.5 million shares of our common stock for $29.3 million ($19.56 per share) under our existing Stock Repurchase Program; and (ii) repurchase $119.9 million (par value) of our 2004 Convertible Debt Securities for a total purchase price of $125.8 million, which included accrued interest of $0.8 million.

The 2010 Convertible Notes are convertible into our common stock, under the specified conditions and settlement terms outlined below, at an initial conversion rate of 40.8998 shares of our common stock per $1,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

par value of the 2010 Convertible Notes, which is equivalent to an initial conversion price of approximately $24.45 per share. The Indenture related to the 2010 Convertible Notes ("Notes Indenture") includes anti-dilution provisions for the holders such that the conversion rate (and thus the initial conversion price) can be adjusted in the future for certain events, to include stock dividends, the issuance of rights, options or warrants to purchase our common stock at a price below the then-current market price, and certain distributions of common stock, property or rights, options or warrants to acquire our common stock to all or substantially all holders of our common stock. Additionally, the conversion rate may be adjusted prior to the maturity date in connection with the occurrence of specified corporate transactions for a "make-whole" premium as set forth in the Notes Indenture.

Prior to September 1, 2016, holders of the 2010 Convertible Notes can convert their securities: (i) at any time the price of our common stock trades over $31.79 per share (130% of the $24.45 initial conversion price) for a specified period of time; (ii) at any time the trading price of the 2010 Convertible Notes falls below 98% of the average conversion value for the 2010 Convertible Notes for a specified period of time; and (iii) at any time upon the occurrence of specified corporate transactions, to include a change of control (as defined in the Notes Indenture). On or after September 1, 2016, the holders of the 2010 Convertible Notes can elect to convert their securities at any time, with the settlement occurring on March 1, 2017. As of December 31, 2010, none of the contingent conversion features have been achieved, and thus, the 2010 Convertible Notes are not convertible by the holders.

Upon conversion of the 2010 Convertible Notes, we will settle our conversion obligation as follows: (i) we will pay cash for 100% of the par value of the 2010 Convertible Notes that are converted; and (ii) to the extent the value of our conversion obligation exceeds the par value, we will satisfy the remaining conversion obligation in our common stock, cash or any combination of our common stock and cash. As of December 31, 2010, the value of our conversion obligation did not exceed the par value of the 2010 Convertible Notes.

The OID related to the 2010 Convertible Notes of $38.4 million, as a result of an effective interest rate of the liability component of 7.75% compared to the cash interest rate of 3.0%, is being amortized to interest expense through March 1, 2017, the maturity date of the 2010 Convertible Notes.

2004 Convertible Debt Securities. The 2004 Convertible Debt Securities are unsecured obligations, subordinated to any of our future senior indebtedness, and senior to any future junior subordinated debt. The 2004 Convertible Debt Securities were issued at a price of 100% of their par value and bear interest at a rate of 2.5% per annum, which is payable semiannually in arrears on June 15 and December 15 of each year. The 2004 Convertible Debt Securities are callable by us for cash, on or after June 20, 2011, at a redemption price equal to 100% of the par value of the 2004 Convertible Debt Securities, plus accrued interest. The 2004 Convertible Debt Securities can be put back to us by the holders for cash at June 15, 2011, 2016 and 2021, or upon a change of control, as defined in the 2004 Convertible Debt Securities bond indenture ("Bonds Indenture"), at a repurchase price equal to 100% of the par value of the 2004 Convertible Debt Securities, plus any accrued interest. Therefore, we have included the 2004 Convertible Debt Securities in current maturities of long-term debt in our December 31, 2010 accompanying Consolidated Balance Sheet.

The 2004 Convertible Debt Securities are convertible into our common stock, under the specified conditions and settlement terms outlined below, at a conversion rate of 37.3552 shares per $1,000 par value of the 2004 Convertible Debt Securities, which is equal to an initial conversion price of $26.77 per share. The Bonds Indenture includes anti-dilution provisions for the holders such that the conversion rate (and thus the initial conversion price) can be adjusted in the future for certain events, to include stock dividends, stock splits/reverse splits, the issuance of warrants to purchase our stock at a price below the then-current market price, cash dividends, and certain purchases by us of our common stock pursuant to a self-tender offer or exchange offer.

Holders of the 2004 Convertible Debt Securities can convert their securities: (i) at any time the price of our common stock trades over $34.80 per share (130% of the $26.77 initial conversion price) for a specified period

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

of time; (ii) at any time the trading price of the 2004 Convertible Debt Securities falls below 98% of the average conversion value for the 2004 Convertible Debt Securities for a specified period of time; (iii) upon us exercising our right to redeem the 2004 Convertible Debt Securities at any time after June 20, 2011; (iv) at any time upon the occurrence of specified corporate transactions, to include a change in control (as defined in the Bonds Indenture); and (v) if a certain level of dividends are declared, or a certain number of shares of our common stock are repurchased under a self-tender offer by us. As of December 31, 2010, none of the contingent conversion features have been achieved, and thus, the 2004 Convertible Debt Securities are not convertible by the holders.

Upon conversion of the 2004 Convertible Debt Securities, we will settle our conversion obligation as follows: (i) we will pay cash for 100% of the par value of the 2004 Convertible Debt Securities that are converted; and (ii) to the extent the value of our conversion obligation exceeds the par value, we will satisfy the remaining conversion obligation in our common stock, cash or any combination of our common stock and cash. As of December 31, 2010, the value of our conversion obligation did not exceed the par value of the 2004 Convertible Debt Securities.

The OID related to the 2004 Convertible Debt Securities is being amortized to interest expense through June 15, 2011, which is the first date that the 2004 Convertible Debt Securities can be put back to us by the holders for cash. The effective interest rate of the liability component for the 2004 Convertible Debt Securities is 8.00%.

During 2010, we repurchased $145.2 million (par value) of our 2004 Convertible Debt Securities for a total purchase price of $151.0 million and recognized a loss on the repurchase of $12.7 million after the write-off of a proportional amount of deferred financing costs. During 2009, we repurchased $30.0 million (par value) of our 2004 Convertible Debt Securities for $26.7 million, and recognized a gain on the repurchase of $1.5 million, after the write-off of a proportional amount of deferred financing costs. This debt has been considered extinguished for accounting purposes. See Note 7 for discussion of the impact on our deferred income tax liabilities associated with the 2010 and 2009 repurchases of the 2004 Convertible Debt Securities.

The estimated maturities of our long-term debt, based upon the mandatory repayment schedule for the Term Loan, the repayment of the Revolver in January 2011, and the expected remaining life of the Convertible Debt Securities, is as follows (in thousands):

	2011	2012	2013	2014	2015	Thereafter
Term loan	$10,000	$20,000	$30,000	$40,000	$100,000	$ —
Revolving loan facility	35,000	—	—	—	—	—
2010 Convertible Notes	—	—	—	—	—	150,000
2004 Convertible Debt Securities	25,149	—	—	—	—	—
Total long-term debt	$70,149	$20,000	$30,000	$40,000	$100,000	$150,000

Deferred Financing Costs. As of December 31, 2010, net deferred financing costs related to the Credit Agreement were $10.0 million, and are being amortized to interest expense over the related term of the Credit Agreement (December 2015). As of December 31, 2010, net deferred financing costs related to the 2010 Convertible Notes were $3.4 million, and are being amortized to interest expense through maturity (March 2017). As of December 31, 2010, net deferred financing costs related to the 2004 Convertible Debt Securities were immaterial. The net deferred financing costs are reflected in Other Assets in the accompanying Consolidated Balance Sheets. Interest expense for 2010, 2009, and 2008 includes amortization of deferred financing costs of $0.8 million, $0.7 million, and $0.9 million, respectively. The weighted-average interest rate on our debt borrowings, including amortization of OID, amortization of deferred financing costs, and commitment fees on a revolving loan facility, for 2010, 2009, and 2008, was approximately 8%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. Income Taxes

Income Tax Provision/(Benefit). The components of net income from continuing operations before income taxes are as follows (in thousands):

	2010	2009	2008
Domestic	$35,861	$63,369	$80,764
Foreign	(2,188)	—	—
Total	$33,673	$63,369	$80,764

The income tax provision related to continuing operations consists of the following (in thousands):

	2010	2009	2008
Current:			
Federal	$ 5,984	$ 1,745	$14,159
State	1,802	940	1,801
Foreign	210	—	—
	7,996	2,685	15,960
Deferred:			
Federal	1,514	16,253	11,012
State	1,926	2,569	542
Foreign	(192)	—	—
	3,248	18,822	11,554
Total income tax provision	$11,244	$21,507	$27,514

The difference between our income tax provision computed at the statutory Federal income tax rate and our financial statement income tax related to continuing operations is summarized as follows (in thousands):

	2010	2009	2008
Provision at Federal rate of 35%	$11,785	$22,179	$28,267
State income taxes, net of Federal impact	2,423	2,281	1,523
Research and experimentation credits	(2,830)	(2,152)	(1,262)
Resolution of certain tax uncertainties	(4,198)	(465)	(249)
Section 199 manufacturing deduction	(1,248)	(344)	(629)
Impact of foreign operations	784	—	—
Loss on foreign currency transactions	1,779	—	—
Non-deductible acquisition costs	2,450	—	—
Other	299	8	(136)
Total income tax provision	$11,244	$21,507	$27,514

We have undistributed earnings of certain foreign subsidiaries. We intend to indefinitely reinvest these foreign earnings, therefore, a provision has not been made for income taxes that might be payable upon remittance of such earnings. Determination of the amount of unrecognized deferred tax liability on unremitted foreign earnings is not practicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred Income Taxes. The components of our net deferred income tax assets (liabilities) as of December 31, 2010 and 2009 are as follows (in thousands):

	2010	2009
Current deferred income tax assets:		
Accrued expenses and reserves	$	$
Convertible debt securities	17,180	12,525
	(5,777)	—
Stock-based compensation	3,978	4,301
Total current deferred income tax assets	15,381	16,826
Less: valuation allowance	(1,529)	—
Net current deferred income tax assets	$ 13,852	$ 16,826
Non-current deferred income tax assets:		
Client contracts and related intangibles	$ (1,189)	$ —
Net operating loss (NOL) carryforwards	6,352	—
Property and equipment	4,126	—
Deferred revenue	571	—
Facility abandonment	906	—
Other	286	—
Total non-current deferred income tax assets	11,052	—
Less: valuation allowance	(1,375)	—
Net non-current deferred income tax assets	$ 9,677	$ —
Non-current deferred income tax liabilities:		
Purchased research and development	$ 4,532	$ 7,254
Software	(654)	(1,200)
Client contracts and related intangibles	(2,028)	(3,949)
Goodwill	(2,481)	(1,456)
Net operating loss (NOL) carryforwards	28,814	3,213
Property and equipment	(6,797)	(14,946)
Convertible debt securities	(43,193)	(40,689)
Deferred revenue	5,933	8,014
Contingent payments	891	891
Facility abandonment	1,337	—
Other	600	670
Total non-current deferred income tax liabilities	(13,046)	(42,198)
Less: valuation allowance	(20,201)	—
Net non-current deferred income tax liabilities	$(33,247)	$(42,198)

We regularly assess the likelihood of the future realization of our deferred income tax assets. To the extent we believe that it is more likely than not that a deferred income tax asset will not be realized, a valuation allowance is established. As of December 31, 2010, we believe that between: (i) carryback opportunities to past periods with taxable income; and (ii) sufficient taxable income to be generated in the future, we will realize 100% of the benefit of our U.S. federal deferred income tax assets, thus no valuation allowance has been established. As of December 31, 2010, we have deferred income tax assets related to state and foreign income tax jurisdictions of $2.9 million and $34.3 million, respectively, and have established valuation allowances against those deferred income tax assets of $2.0 million and $21.1 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of December 31, 2010 we have an acquired U.S. Federal NOL carryforward of $42 million, which will begin to expire in 2019 and can be utilized through 2030. The acquired U.S. Federal NOL carryforward is attributable to the pre-acquisition periods of acquired subsidiaries. The annual utilization of this U.S. Federal NOL carryforward is limited pursuant to Section 382 of the Internal Revenue Code of 1986, as amended. In addition, as of December 31, 2010, we have: (i) state NOL carryforwards of $59 million, which will expire beginning in 2011 and ending in 2029; and (ii) foreign subsidiary NOL carryforwards of $69 million, which will expire beginning in 2015, with a portion of the losses available over an indefinite period of time.

Our 2004 Convertible Debt Securities are subject to special U.S. Treasury regulations governing contingent payment debt instruments. These regulations allow us to take a tax deduction for interest expense on our U.S. Federal income tax return at a constant rate of 9.09% (subject to certain adjustments), compounded semi-annually, which represents the estimated yield on comparable non-contingent, non-convertible, fixed-rate debt instruments with terms and conditions otherwise similar to the 2004 Convertible Debt Securities. This interest expense tax deduction is greater than the interest expense reflected in the accompanying Consolidated Statements of Income. This is considered a temporary difference, and thus does not impact our overall effective income tax rate. As a result, we will be building a deferred tax liability until the 2004 Convertible Debt Securities are settled. Upon settlement, if the holders are able to achieve or exceed the 9.09% target yield on the 2004 Convertible Debt Securities, the cumulative deferred tax liability will be reclassified to stockholders' equity. If the holders are not able to achieve the 9.09% target yield, we will be required to pay the portion of the cumulative deferred tax liability to the U.S. tax authorities (without interest or penalties) determined by comparing the actual yield and the target yield, with the amount of the cumulative deferred tax liability not paid to the U.S. tax authorities reclassified to stockholders' equity.

As a result of the repurchases of our 2004 Convertible Debt Securities in 2009 and 2010, beginning in 2014, we will have to pay cash of approximately $30 million ratably over five years related to the deferred tax liabilities associated with the repurchased securities. In addition, if the remaining 2004 Convertible Debt Securities are put back to us on June 15, 2011, in 2011, we will have to settle in cash approximately $6 million of deferred tax liabilities associated with the outstanding securities.

Accounting for Uncertainty in Income Taxes. We are required to estimate our income tax liability in each jurisdiction in which we operate, including U.S. Federal, state and foreign income tax jurisdictions. Various judgments and estimates are required in evaluating our tax positions and determining our provisions for income taxes. During the ordinary course of business, there are certain transactions and calculations for which the ultimate income tax determination may be uncertain. In addition, we may be subject to examination of our income tax returns by various tax authorities, which could result in adverse outcomes. For these reasons, we establish a liability associated with unrecognized tax benefits based on estimates of whether additional taxes and interest may be due. This liability is adjusted based upon changing facts and circumstances, such as the closing of a tax audit, the expiration of a statute of limitations or the refinement of an estimate.

A reconciliation of the beginning and ending balances of our liability for unrecognized tax benefits is as follows (in thousands):

	2010	2009
Balance, beginning of year	$ 4,131	$ 4,672
Additions based on tax positions related to current year	—	1,289
Additions for tax positions of prior years	954	365
Reductions for tax positions of prior years	(4,131)	—
Lapse of statute of limitations	—	(2,195)
Balance, end of year	$ 954	$ 4,131

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

We recognize interest and penalty expense associated with our liability for unrecognized tax benefits as a component of income tax expense in our Consolidated Statements of Income. In addition to the $1.0 million and $4.1 million of liability for unrecognized tax benefits as of December 31, 2010 and 2009, respectively, we had $0.1 million and $0.4 million, respectively of income tax-related accrued interest. If recognized, the $1.0 million of unrecognized tax benefits as of December 31, 2010, would favorably impact our effective tax rate in future periods.

We file income tax returns in the U.S. Federal jurisdiction, various state and local jurisdictions, and many foreign jurisdictions. The U.S., U.K., and Ireland are the main taxing jurisdictions in which we operate. The years open for audit vary depending on the taxing jurisdiction. As of December 31, 2010, the U.S. Internal Revenue Service had completed audits, closing years 2006 through 2008, and the statute of limitations has expired in our major state jurisdictions of Nebraska, Colorado and Florida for years prior to 1999, 2006, and 2007, respectively. We are currently under audit in the U.K. for the accounting period ending December 31, 2007. We have not been audited in Ireland and are subject to record retention requirements back to 2005.

8. Employee Retirement Benefit Plans

Defined Contribution-Type Plans. We sponsor defined contribution plans covering substantially all our U.S.-based employees. Participants may contribute up to 100% of their annual wages, subject to certain limitations, as pretax, salary deferral contributions. We make certain matching, and at our discretion, service-based contributions to the plan. The expense related to matching and service-related contributions for 2010, 2009, and 2008 was $7.4 million, $6.4 million, and $6.2 million, respectively. We also sponsor defined contribution-type plans for certain of our non-U.S.-based employees. The voluntary contributions associated with those plans were immaterial for 2010.

9. Commitments, Guarantees and Contingencies

Operating Leases. We lease certain office and production facilities under operating leases that run through 2020. The leases generally are renewable and provide for the payment of real estate taxes and certain other occupancy expenses. In addition, we lease certain operating equipment under operating leases that run through 2014. Future aggregate minimum lease payments under these facilities and operating equipment agreements are as follows: 2011—$20.2 million, 2012—$13.2 million, 2013—$10.0 million, 2014—$7.3 million, 2015—$4.7 and thereafter—$10.0 million. We sublease portions of certain office facilities that we have abandoned. The total minimum lease payments to be received in the future under signed noncancelable subleases as of December 31, 2010 totaled $1.7 million. Total rent expense for 2010, 2009, and 2008, was $12.2 million, $12.5 million, and $11.3 million, respectively.

Service Agreements. In December 2008, we entered into an agreement with Infocrossing LLC (“Infocrossing”), a Wipro Limited company, to transition our outsourced data center services from First Data Corporation (“FDC”) to Infocrossing. The term of the Infocrossing agreement runs through May 2015. We changed data center providers to partner with a global provider that focuses on data center operations in greater scale, and as their core business focus. This allowed us to further improve the delivery of our solutions while benefiting from an improved cost structure.

We outsource the data processing and related computer services required for the operation of our outsourced ACP processing services. Our ACP proprietary software and other software applications are run in an outsourced data center environment in order to obtain the necessary enterprise server computer capacity and other computer support services without us having to make the substantial capital and infrastructure investments that would be necessary for us to provide these services internally. Our clients are connected to the outsourced data center environment through a combination of private and commercially-provided networks. The total amount paid under our outsourced data center services agreements during 2010, 2009, and 2008 was $49.6 million, $53.9 million, and $48.3 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Warranties. We generally warrant that our solutions and related offerings will conform to published specifications, or to specifications provided in an individual client arrangement, as applicable. The typical warranty period is 90 days from delivery of the solution or offering. For certain service offerings we provide a limited warranty for the duration of the services provided. We generally warrant that services will be performed in a professional and workmanlike manner. When we are required to supply hardware together with our solutions to our clients, we generally pass through or otherwise provide the same warranty for the hardware which is agreed upon by the hardware vendor concerned, and these warranties are typically 12 months in duration in line with standard practice. The typical remedy for breach of warranty is to correct or replace any defective deliverable, and if not possible or practical, we will accept the return of the defective deliverable and refund the amount paid under the client arrangement that is allocable to the defective deliverable. Our contracts also generally contain limitation of damages provisions in an effort to reduce our exposure to monetary damages arising from breach of warranty claims. Historically, we have incurred minimal warranty costs, and as a result, do not maintain a warranty reserve.

Product and Services Indemnifications. Our arrangements with our clients generally include an indemnification provision that will indemnify and defend a client in actions brought against the client that claim our products and/or services infringe upon a copyright, trade secret, or valid patent. Historically, we have not incurred any significant costs related to such indemnification claims, and as a result, do not maintain a reserve for such exposure.

Claims for Company Non-performance. Our arrangements with our clients typically cap our liability for breach to a specified amount of the direct damages incurred by the client resulting from the breach. From time-to-time, these arrangements may also include provisions for possible liquidated damages or other financial remedies for our non-performance, or provisions for damages related to service level performance requirements. The service level performance requirements typically relate to system availability and timeliness of service delivery. As of December 31, 2010, we believe we have adequate reserves, based on our historical experience, to cover any reasonably anticipated exposure as a result of our nonperformance for any past or current arrangements with our clients.

Indemnifications Related to Sold Businesses. In conjunction with the sale of the GSS business in December 2005, we provided certain indemnifications to the buyer of this business which are considered routine in nature (such as employee, tax, or litigation matters that occurred while these businesses were under our ownership). Under the provisions of this indemnification agreement, payment by us is conditioned on the other party making a claim pursuant to the procedures in the indemnification agreement, and we are typically allowed to challenge the other party's claims. In addition, certain of our obligations under this indemnification agreement are limited in terms of time and/or amounts, and in some cases, we may have recourse against a third party if we are required to make certain indemnification payments.

We estimated the fair value of these indemnifications at $2.8 million as of the closing date for the sale of the GSS business. Since the sale of the GSS business, we have made an indemnification payment of $0.1 million, and as of December 31, 2010, the indemnification liability was $2.3 million and related principally to indemnifications related to income tax matters. It is not possible to predict the maximum potential amount of future payments we may be required to make under this indemnification agreement due to the conditional nature of our obligations and the unique facts and circumstances associated with each indemnification provision. We believe that if we were required to make payments in excess of the indemnification liability we have recorded, the resulting loss would not have a material effect on our financial position or results of operations. If any amounts required to be paid by us would differ from the amounts initially recorded as indemnification liabilities as of the closing dates for the sale of the GSS business, the difference would be reflected in the discontinued operations section of our Consolidated Statements of Income.

Indemnifications Related to Officers and the Board of Directors. We have agreed to indemnify certain of our officers and members of our Board of Directors if they are named or threatened to be named as a party to any

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

proceeding by reason of the fact that they acted in such capacity. We maintain directors' and officers' (D&O) insurance coverage to protect against such losses. We have not historically incurred any losses related to these types of indemnifications, and are not aware of any pending or threatened actions or claims against any officer or member of our Board of Directors. As a result, we have not recorded any liabilities related to such indemnifications as of December 31, 2010. In addition, as a result of the insurance policy coverage, we believe these indemnification agreements are not significant to our results of operations.

Legal Proceedings. From time-to-time, we are involved in litigation relating to claims arising out of our operations in the normal course of business. We are not presently a party to any material pending or threatened legal proceedings.

10. Stockholders' Equity

Stock Repurchase Program. We currently have a stock repurchase program, approved by our Board of Directors, authorizing us to repurchase shares of our common stock from time-to-time as market and business conditions warrant (the "Stock Repurchase Program").

As of December 31, 2010, a summary of the shares repurchased under the Stock Repurchase Program is as follows (in thousands, except per share amounts):

	2010	2009	2008	2007	1999-2006	Total
Shares repurchased	1,500	250	250	13,181	15,615	30,796
Total amount paid	$29,340	$3,782	$3,983	$307,599	$388,858	$733,562
Weighted-average price per share	$ 19.56	$15.13	$15.93	$ 23.34	$ 24.90	$ 23.82

As of December 31, 2010, the total remaining number of shares available for repurchase under the Stock Repurchase Program totaled approximately 4.2 million shares.

In addition to the above mentioned stock repurchases, during 2010, 2009, and 2008, we repurchased and then cancelled approximately 232,000 shares, 195,000 shares, and 136,000 shares for $4.7 million, $2.8 million, and $1.8 million, respectively, of common stock from our employees in connection with minimum tax withholding requirements resulting from the vesting of restricted stock under our stock incentive plans.

Convertible Debt Securities. Under generally accepted accounting principles, convertible debt securities that may be settled in cash upon conversion (including partial cash settlement), which would include our 2010 Convertible Notes and our 2004 Convertible Debt Securities, must be separated into their liability and equity components at initial recognition by: (i) recording the liability component at the fair value of a similar liability that does not have an associated equity component; and (ii) attributing the remaining proceeds from the issuance to the equity component. A reconciliation of the beginning and ending balances of the equity component related to our convertible debt, included within additional paid-in capital, net of tax, is as follows (in thousands):

	2004 Convertible Debt Securities		2010 Convertible Debt Securities		Totals	
	2010	2009	2010	2009	2010	2009
Balance, beginning of year	$39,752	$40,649	$ —	$ —	$39,752	$40,649
Issuances	—	—	22,928	—	22,928	—
Repurchases	(1,613)	(897)	—	—	(1,613)	(897)
Balance, end of year	$38,139	$39,752	$22,928	$ —	$61,067	$39,752

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

11. Equity Compensation Plans

Stock Incentive Plans

Summary of Stock Incentive Plans . As of December 31, 2010, we have four stock incentive plans, as summarized below:

Plan	Shares Reserved For Issuance	Shares Available For Issuance
1996 Plan(1)	—	—
1997 Director Plan(2)	—	—
2005 Plan(1)	12,400,000	5,386,278
Total stockholder approved	12,400,000	5,386,278
2001 Plan(3)	3,000,000	952
Total	15,400,000	5,387,230

(1) The 2005 Stock Incentive Plan (the "2005 Plan") was adopted upon stockholder approval. The 2005 Plan replaced the 1996 Stock Incentive Plan (the "1996 Plan"). No further grants may be made under the 1996 Plan, but any stock awards outstanding under the 1996 Plan remain in effect in accordance with their respective terms. The shares available under the 2005 Plan have been reserved for issuance to officers and other key employees of our company and its subsidiaries and to non-employee directors of our company in the form of stock options, stock appreciation rights, performance unit awards, restricted stock awards, or stock bonus awards. Shares granted under the 2005 Plan in the form of a performance unit award, restricted stock award or stock bonus award are counted toward the aggregate number of shares of common stock available for issuance under the 2005 Plan as two shares for every one share granted or issued in payment of such award.

(2) The Stock Option Plan for Non-Employee Directors (the "1997 Director Plan") was adopted upon stockholder approval. During 2006, the 1997 Director Plan terminated with respect to future grants, but any stock awards outstanding under the 1997 Director Plan remain in effect in accordance with their respective terms.

(3) The 2001 Stock Incentive Plan (the "2001 Plan") was adopted without stockholder approval. The shares available under the 2001 Plan have been reserved for issuance to eligible employees of our company in the form of stock options, stock appreciation rights, performance unit awards, restricted stock awards, or stock bonus awards. Shares available under the 2001 Plan may be granted to key employees of our company or its subsidiaries who are not: (i) officers or directors; (ii) "covered employees" for purposes of Section 162 (m) of the Internal Revenue Code; or (iii) persons subject to Section 16 of the Securities Exchange Act of 1934.

Restricted Stock . We generally issue new shares (versus treasury shares) to fulfill restricted stock award grants. Restricted stock awards are granted at no cost to the recipient. Historically, our restricted stock awards have vested annually over four years with no restrictions other than the passage of time (i.e., the shares are released upon calendar vesting with no further restrictions) ("Time-Based Awards"). Unvested Time-Based Awards are typically forfeited and cancelled upon termination of employment with our company. Certain Time-Based Awards become fully vested upon a change in control, as defined, and the subsequent involuntary termination of employment. The fair value of the Time-Based Awards (determined by using the closing market price of our common stock on the grant date) is charged to expense on a straight-line basis over the requisite service period for the entire award.

Beginning in 2007, we began issuing restricted stock shares to key members of management that vest in equal installments over three years upon meeting either pre-established financial performance objectives or pre-established stock price objectives ("Performance-Based Awards"). The structure of the performance goals for the Performance-Based Awards has been approved by our stockholders. The Performance-Based Awards become

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

fully vested upon a change in control, as defined, and the subsequent involuntary termination of employment. The fair value of the Performance-Based Awards (determined by using the closing market price of our common stock on the grant date) is charged to expense on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award is, in-substance, multiple awards.

A summary of our unvested restricted stock activity during 2010 is as follows:

	2010	
	Shares	Weighted-Average Grant Date Fair Value
Unvested awards, January 1, 2010	1,751,717	$ 16.12
Awards granted	877,250	19.73
Awards forfeited/cancelled	(109,358)	16.26
Awards vested	(715,638)	17.81
Unvested awards, December 31, 2010	1,803,971	$ 17.19

The weighted-average grant date fair value of restricted stock shares granted during 2010, 2009, and 2008, was $19.73 per share, $14.48 per share, and $12.22 per share, respectively. The total market value of restricted stock shares vesting during 2010, 2009, and 2008 was $14.4 million, $8.5 million, and $5.7 million, respectively.

Stock Options. In 2003, we began primarily granting restricted stock awards instead of stock options to employees and non-employee directors under our equity compensation plans. Historically, stock option awards were granted with an exercise price equal to the fair value of our common stock as of the date of grant and typically vested over four years, with a maximum term of ten years. No stock options were awarded during 2010, 2009, or 2008.

1996 Employee Stock Purchase Plan

As of December 31, 2010, we had an employee stock purchase plan whereby 958,043 shares of our common stock have been reserved for sale to our employees through payroll deductions. The price for shares purchased under the plan is 85% of market value on the last day of the purchase period. Purchases are made at the end of each month. During 2010, 2009, and 2008, 70,595, 88,368, and 90,728 shares, respectively, were purchased under the plan for $1.2 million ($15.50 to $19.31 per share), $1.1 million, ($11.25 to $16.46 per share), and $1.1 million, ($9.37 to $16.07 per share), respectively. As of December 31, 2010, 75,485 shares remain eligible for purchase under the plan.

Stock-Based Compensation Expense

We recorded stock-based compensation expense of $12.3 million, $12.6 million, and $11.6 million, respectively, for 2010, 2009, and 2008. As of December 31, 2010, there was $21.0 million of total compensation cost related to unvested awards not yet recognized. That cost, excluding the impact of forfeitures, is expected to be recognized over a weighted-average period of 2.7 years.

We recorded a deferred income tax benefit related to stock-based compensation expense during 2010, 2009, and 2008, of $4.6 million, $4.9 million, and $4.4 million, respectively. The actual income tax benefit realized for the tax deductions from stock option exercises and vesting of restricted stock for 2010, 2009, and 2008, totaled $5.5 million, $3.4 million, and $2.2 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

12. Unaudited Quarterly Financial Data

	Quarter Ended			
	March 31	June 30	September 30	December 31
	(in thousands, except per share amounts)			
2010:				
Total revenues(1)	$130,263	$131,346	$ 133,691	$ 154,079
Operating income(1)(2)	16,402	14,757	22,522	20,661
Income before income taxes(1)(2)(3)(4)	1,716	11,700	17,985	2,272
Income tax provision(5)	(652)	(234)	(6,295)	(4,063)
Net income (loss)(1)(2)(3)(4)(5)	1,064	11,466	11,690	(1,791)
Basic earnings (loss) per common share(1)(2)(3)(4)(5)	$ 0.03	$ 0.35	$ 0.36	$ (0.05)
Diluted earnings (loss) per common share(1)(2)(3)(4)(5)	0.03	0.35	0.35	(0.05)
2009:				
Total revenues	$123,546	$124,836	$ 124,548	$ 127,787
Operating income(6)	21,579	19,587	17,307	16,274
Income from continuing operations before income taxes(6)(7)	19,731	16,466	14,097	13,075
Income tax provision	(6,906)	(5,763)	(4,229)	(4,609)
Income from continuing operations(6)(7)	12,825	10,703	9,868	8,466
Discontinued operations, net of tax	—	—	1,471	—
Net income(6)(7)	12,825	10,703	11,339	8,466
Basic earnings per common share:				
Income from continuing operations(6)(7)	$ 0.37	$ 0.31	$ 0.29	$ 0.25
Discontinued operations, net of tax	—	—	0.04	—
Net income	$ 0.37	$ 0.31	$ 0.33	$ 0.25
Diluted earnings per common share:				
Income from continuing operations(6)(7)	$ 0.37	$ 0.31	$ 0.29	$ 0.24
Discontinued operations, net of tax	—	—	0.04	—
Net income	$ 0.37	$ 0.31	$ 0.33	$ 0.24

(1) During the fourth quarter of 2010, we completed the Intec Acquisition, and as a result, one month of Intec operations are included in the fourth quarter 2010 results (see Note 2). Additionally, in conjunction with the Intec Acquisition, during the third and fourth quarters of 2010, we incurred $2.6 million and $9.6 million, respectively, or $0.05 and $0.20 per diluted share impact, of Intec acquisition-related charges.

(2) In 2010, we completed the transition of our data processing and related computer services from FDC to Infocrossing, (see Note 9). As a result, during the first, second, third, and fourth quarters of 2010, we incurred expenses of $7.7 million, $10.6 million, $1.8 million, and $0.3 million, respectively, or $0.14, $0.20, $0.04, and $0.01 per diluted share impact, related to these transition efforts.

(3) The first, third, and fourth quarters of 2010 results of operations includes losses of $11.0 million, $1.7 million, and $0.1 million, respectively, or $0.20, $0.03, and $0.00 per diluted share impact, related to the repurchase of $119.9 million, $23.2 million and $2.1 million of our 2004 Convertible Debt Securities (see Note 6).

(4) During the fourth quarter of 2010, we incurred a loss of $14.0 million, or $0.30 per diluted share impact, related to foreign currency transactions in conjunction with the Intec Acquisition (see Note 2).

(5) Our income tax provision for 2010 was impacted by the following items: (i) during the second quarter of 2010, the IRS completed an examination with respect to our 2006, 2007, and 2008 Federal income tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

returns, which resulted in favorable adjustments to our liability for unrecognized income tax benefits of approximately $4 million; and (ii) differences in book and tax treatment of approximately $4 million, for certain expenses incurred during the fourth quarter in conjunction with the Intec Acquisition (see Note 7). These two matters essentially offset each other such that the net impact left the overall effective income tax rate for 2010 relatively in-line with the 2009 rate.

(6) In 2009, we began to transition our data processing and related computer services from FDC to Infocrossing (see Note 9). As a result, during the first, second, third, and fourth quarters of 2009, we incurred expenses of $1.4 million, $2.7 million, $5.1 million, and $6.3 million, respectively, or $0.03, $0.05, $0.10, and $0.12 per diluted share impact, related to these transition efforts.

(7) The first quarter of 2009 results of operations include a gain of $1.5 million, or $0.03 per diluted share, related to the repurchase of $15.0 million of our 2004 Convertible Debt Securities (see Note 6).

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b), our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), conducted an evaluation as of the end of the period covered by this report of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e). Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Management's Annual Report on Internal Control over Financial Reporting

As required by Rule 13a-15(d), our management, including the CEO and CFO, also conducted an evaluation of our internal control over financial reporting, as defined by Rule 13a-15(f). Management's Report on Internal Control over Financial Reporting is located at the front of Part II, Item 8 of this report.

Our management's evaluation excluded Intec Telecom Systems PLC ("Intec"), which we acquired on November 30, 2010. At December 31, 2010, Intec had $439.0 million and $332.2 million of total assets and net assets, respectively. For the year ended December 31, 2010, our Consolidated Statement of Income included total revenue associated with Intec of $17.8 million. In accordance with guidance issued by the SEC, companies are allowed to exclude acquisitions from their assessment of internal controls over financial reporting during the first year subsequent to the acquisition while integrating the acquired operations.

(c) Attestation Report of the Independent Registered Public Accounting Firm

Our independent registered public accounting firm issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2010. KPMG LLP's report is located immediately following Management's Report on Internal Control over Financial Reporting at the front of Part II, Item 8 of this report.

(d) Changes in Internal Control over Financial Reporting

Except as described above under 9A.(b) with respect to the Intec Acquisition, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the fourth quarter of 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

See the Proxy Statement for our 2011 Annual Meeting of Stockholders, from which information regarding directors is incorporated herein by reference. Information regarding our executive officers will be omitted from such proxy statement and is furnished in a separate item captioned "Executive Officers of the Registrant" included at the end of Part I of this Form 10-K.

Item 11. Executive Compensation

See the Proxy Statement for our 2011 Annual Meeting of Stockholders, from which information in response to this Item is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

See the Proxy Statement for our 2011 Annual Meeting of Stockholders, from which information required by this Item is incorporated herein by reference, with the exception of the equity compensation plan information which is presented in Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities", and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

See the Proxy Statement for our 2011 Annual Meeting of Stockholders, from which information in response to this Item is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

See the Proxy Statement for our 2011 Annual Meeting of Stockholders, from which information in response to this Item is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements, Financial Statement Schedules, and Exhibits:

(1) Financial Statements

The financial statements filed as part of this report are listed on the Index to Consolidated Financial Statements on page 53.

(2) Financial Statement Schedules:

None. Any information required in the Financial Statement Schedules is provided in sufficient detail in our Consolidated Financial Statements and notes thereto.

(3) Exhibits

Exhibits are listed in the Exhibit Index on page 93.

The Exhibits include management contracts, compensatory plans and arrangements required to be filed as exhibits to the Form 10-K by Item 601 of Regulation S-K.

(b) Exhibits

The Exhibits filed or incorporated by reference herewith are as specified in the Exhibit Index.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CSG SYSTEMS INTERNATIONAL, INC.

By: /s/ PETER E. KALAN
Peter E. Kalan
Chief Executive Officer
(Principal Executive Officer)

Date: March 8, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in capacities and on the dates indicated.

Signature	Title	Date
/s/ DONALD B. REED **Donald B. Reed**	Chairman of the Board of Directors	March 8, 2011
/s/ PETER E. KALAN **Peter E. Kalan**	Director, Chief Executive Officer, and President (Principal Executive Officer)	March 8, 2011
/s/ RANDY R. WIESE **Randy R. Wiese**	Executive Vice President, Chief Financial Officer, and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)	March 8, 2011
/s/ RONALD COOPER **Ronald Cooper**	Director	March 8, 2011
/s/ EDWARD C. NAFUS **Edward C. Nafus**	Director	March 8, 2011
/s/ JANICE I. OBUCHOWSKI **Janice I. Obuchowski**	Director	March 8, 2011
/s/ BERNARD W. REZNICEK **Bernard W. Reznicek**	Director	March 8, 2011
/s/ FRANK V. SICA **Frank V. Sica**	Director	March 8, 2011
/s/ DONALD V. SMITH **Donald V. Smith**	Director	March 8, 2011
/s/ JAMES A. UNRUH **James A. Unruh**	Director	March 8, 2011

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EXHIBIT INDEX

Exhibit Number	Description
2.10(29)	Implementation Agreement between CSG Systems International, Inc. and Intec
3.01(1)	Restated Certificate of Incorporation of the Company
3.02(8)	Revised Bylaws of CSG Systems International, Inc.
3.03(2)	Certificate of Amendment of Restated Certificate of Incorporation of CSG Systems International, Inc.
4.01(1)	Form of Common Stock Certificate
4.10(6)	Indenture dated as of June 2, 2004 between the Registrant and Deutsche Bank Trust Company Americas relating to the CODES
4.20(6)	Registration Rights Agreement dated as of June 2, 2004 between the Registrant and Lehman Brothers Inc.
4.25(25)	Letter agreement dated March 18, 2010 by and between CSG Systems International, Inc. and Quantum Partners Ltd. regarding $119,896,000 aggregate principal amount of CSG's 2.5% Senior Subordinated Convertible Contingent Debt Securities due 2024
4.30(26)	Purchase Agreement dated February 24, 2010, by and between CSG Systems International, Inc., and Barclays Capital Inc., J.P. Morgan Securities Inc., and UBS Securities LLC
4.40(26)	Indenture dated March 1, 2010 between CSG Systems International, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee
4.50	$300,000,000 Amended and Restated Credit Agreement dated as of September 24, 2010, as Amended and Restated as of November 24, 2010, among CSG Systems International, Inc., as Borrower, The Guarantors Party Hereto, The Lenders Party Hereto, UBS Securities LLC and RBC Capital Markets as Joint Lead Arrangers and Joint Bookmanagers, RBC Capital Markets, as Syndication Agent, J.P. Morgan Chase Bank, N.A., Keybank National Association, Fifth Third Bank, BBVA Compass, U.S. Bank National Association, Wells Fargo Bank, National Association and HSBC Bank USA, National Association, as Co-Documentation Agents, UBS AG, Stamford Branch, as Issuing Bank, Administrative Agent and Collateral Agent, and UBS Loan Finance LLC, as Swingline Lender
10.01(1)	CSG Systems International, Inc. 1995 Incentive Stock Plan
10.02(24)	Amended and Restated 1996 Employee Stock Purchase Plan, as adopted on November 19, 2009
10.03(15)	CSG Systems International, Inc. 1996 Stock Incentive Plan, as amended August 14, 2007
10.04(15)	CSG Systems International, Inc. 2005 Stock Incentive Plan, as amended August 14, 2007
10.05(15)	CSG Systems International, Inc. Performance Bonus Program, as amended August 14, 2007
10.06(15)	CSG Systems International, Inc. 2001 Stock Incentive Plan, as amended August 14, 2007
10.15(27)	Form of Indemnification Agreement between CSG Systems International, Inc. and Directors and Executive Officers
10.16(11)	Indemnification Agreement between CSG Systems International, Inc. and Mr. Ronald Cooper, dated November 16, 2006
10.21*(19)	CSG Master Subscriber Management System Agreement Between CSG Systems, Inc. and Comcast Cable Communications Management, LLC
10.21A*	Fifth Amendment to the Restated and Amended CSG Master Subscriber Management System Agreement Between CSG Systems, Inc. and Comcast Cable Communications Management, LLC
10.22*(10)	CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and EchoStar Satellite L.L.C. effective November 1, 2005

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Exhibit Number	Description
10.22A*(12)	First and Second Amendment to CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and EchoStar Satellite L.L.C.
10.22B*(16)	Third Amendment to CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and EchoStar Satellite L.L.C.
10.22C*(17)	Fourth Amendment to CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and EchoStar Satellite L.L.C.
10.22D*(19)	Ninth Amendment to CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and DISH Network L.L.C.
10.22E(20)	Seventeenth Amendment to CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and DISH Network L.L.C.
10.22F*(21)	Tenth and Eleventh Amendment to CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and DISH Network L.L.C.
10.23*(24)	CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Dish Network L.L.C.
10.23A*(27)	Third Amendment to the CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Dish Network, L.L.C.
10.23B*	Fourth Amendment to the CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Dish Network, L.L.C.
10.24*(23)	CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Time Warner Cable dated March 13, 2003
10.24A*(23)	ComTec Processing and Production Services Agreement
10.24B*(23)	Second Amendment to the Processing and Production Services Agreement between CSG Systems, Inc. and Time Warner Cable Inc.
10.24C*	Forty-ninth Amendment of the CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Time Warner Cable Inc.
10.39(19)	CSG Systems, Inc. Wealth Accumulation Plan, as amended August 15, 2008
10.40*(5)	Third Amended and Restated Services Agreement between First Data Technologies, Inc. and CSG Systems, Inc. dated August 1, 2003
10.40A*(9)	First Amendment to Third Amended and Restated Services Agreement between First Data Technologies, Inc. and CSG Systems, Inc. dated June 28, 2005
10.40B(24)	Second Amendment to Third Amended and Restated Services Agreement between First Data Technologies, Inc. and CSG Systems, Inc. dated February 21, 2010
10.40C(24)	Fifth Amendment to Services Agreement between First Data Technologies, Inc. and CSG Systems, Inc. dated February 21, 2010
10.41A*(23)	Work Order for Mainframe Computer Service between Infocrossing, LLC and CSG Systems, Inc. dated December 15, 2008
10.41B*(23)	Work Order for Open Systems Computer Service between Infocrossing, LLC and CSG Systems, Inc. dated December 15, 2008
10.44(3)	CSG Systems International, Inc. Stock Option Plan for Non-Employee Directors
10.46(18)	Restated Employment Agreement with Robert M. Scott, dated May 29, 2008

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Exhibit Number	Description
10.46A(19)	First Amendment to Restated Employment Agreement with Robert M. Scott, dated August 19, 2008
10.46B(22)	Second Amendment to Restated Employment Agreement with Robert M. Scott dated February 19, 2009
10.47(18)	Restated Employment Agreement with Randy R. Wiese, dated May 29, 2008
10.47A(19)	First Amendment to Restated Employment Agreement with Randy R. Wiese, dated August 19, 2008
10.48(18)	Restated Employment Agreement with Peter E. Kalan, dated May 29, 2008
10.48A(19)	First Amendment to Restated Employment Agreement with Peter E. Kalan, dated August 19, 2008
10.49(18)	Restated Employment Agreement with Joseph T. Ruble, dated May 29, 2008
10.49A(19)	First Amendment to Restated Employment Agreement with Joseph T. Ruble, dated August 19, 2008
10.50(4)	CSG Systems International, Inc. 2001 Stock Incentive Plan
10.51(22)	Employment Agreement with Bret C. Griess dated February 19, 2009
10.52(28)	Employment Agreement with Michael J. Henderson, dated July 1, 2010
10.80(7)	Forms of Agreement for Equity Compensation
10.80A(14)	Forms of Agreement for Equity Compensation
10.80B(13)	Forms of Agreement for Equity Compensation
10.80C(15)	Forms of Agreement for Equity Compensation
10.81(19)	Forms of Agreement for Equity Compensation
21.01	Subsidiaries of the Registrant
23.01	Consent of KPMG LLP
31.01	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Certification pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Incorporated by reference to the exhibit of the same number to the Registration Statement No. 333-244 on Form S-1.
(2) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1997.
(3) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2001.
(4) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2002.
(5) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2003.
(6) Incorporated by reference to the exhibit of the same number to the Registrant's Registration Statement No. 333-117427 on Form S-3.
(7) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2004.

(8) Incorporated by reference to the exhibit of the same number to the Registrant's Current Report on Form 8-K for the event dated May 26, 2005.
(9) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2005.
(10) Incorporated by reference to the exhibit of the same number to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005.
(11) Incorporated by reference to the exhibit of the same number to the Registrant's Current Report on Form 8-K for the event dated November 16, 2006.
(12) Incorporated by reference to the exhibit of the same number to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006.
(13) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2007.
(14) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2007.
(15) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended September 31, 2007.
(16) Incorporated by reference to the exhibit of the same number to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007.
(17) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2008.
(18) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2008.
(19) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2008.
(20) Incorporated by reference to the exhibit of the same number to the Registrant's Current Report on Form 8-K for the event dated December 31, 2008.
(21) Incorporated by reference to the exhibit of the same number to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008.
(22) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2009.
(23) Incorporated by reference to the exhibit of the same number to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2008, filed on September 8, 2009.
(24) Incorporated by reference to the exhibit of the same number to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009.
(25) Incorporated by reference to the exhibit of the same number to the Registrant's Current Report on Form 8-K for the event dated March 18, 2010.
(26) Incorporated by reference to the exhibit of the same number to the Registrant's Current Report on Form 8-K for the event dated February 24, 2010.
(27) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2010.
(28) Incorporated by reference to the exhibit of the same number to the Registrant's Current Report on Form 8-K for the event dated July 13, 2010.
(29) Incorporated by reference to the exhibit of the same number to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2010.

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* Portions of the exhibit have been omitted pursuant to an application for confidential treatment, and the omitted portions have been filed separately with the Commission.

EXHIBIT 4.50

EXECUTION VERSION

$300,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of September 24, 2010,

AS AMENDED AND RESTATED

as of November 24, 2010,

among

CSG SYSTEMS INTERNATIONAL, INC.,

as Borrower,

THE GUARANTORS PARTY HERETO,

THE LENDERS PARTY HERETO,

UBS SECURITIES LLC and RBC CAPITAL MARKETS**

as Joint Lead Arrangers and Joint Bookmanagers,

RBC CAPITAL MARKETS,

as Syndication Agent,

J.P.MORGAN CHASE BANK, N.A., KEYBANK NATIONAL ASSOCIATION, FIFTH THIRD BANK, BBVA COMPASS, U.S. BANK NATIONAL ASSOCIATION, WELLS FARGO BANK, NATIONAL ASSOCIATION AND HSBC BANK USA, NATIONAL ASSOCIATION,

as Co-Documentation Agents,

UBS AG, STAMFORD BRANCH,

as Issuing Bank, Administrative Agent and Collateral Agent,

and

UBS LOAN FINANCE LLC,

as Swingline Lender

** RBC Capital Markets is the brand name for the capital markets activities of Royal Bank of Canada and its affiliates.

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THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT

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AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT (this " **Agreement** ") dated as of September 24, 2010, as amended and restated as of November 24, 2010, among CSG SYSTEMS INTERNATIONAL, INC., a Delaware corporation (" **Borrower** "), the Subsidiary Guarantors (such term and each other capitalized term used but not defined herein having the meaning given to it in Article I), the Lenders, UBS SECURITIES LLC and RBC CAPITAL MARKETS, as joint lead arrangers and joint bookmanagers (in such capacities, the " **Lead Arrangers** "), UBS SECURITIES LLC, as co-documentation agents (in such capacity, " **Co-Documentation Agents** "), RBC CAPITAL MARKETS, as syndication agent (in such capacity, " **Syndication Agent** "), UBS LOAN FINANCE LLC, as swingline lender (in such capacity, " **Swingline Lender** "), and UBS AG, STAMFORD BRANCH, as issuing bank (in such capacity, " **Issuing Bank** "), as administrative agent (in such capacity, " **Administrative Agent** ") for the Lenders and as collateral agent (in such capacity, " **Collateral Agent** ") for the Secured Parties.

WITNESSETH:

Pursuant to the Implementation Agreement dated September 24, 2010 (together with schedules and exhibits thereto, the " **Scheme Acquisition Agreement** ") by and between Borrower and Intec Telecom Systems plc (the " **Target** "), Borrower has agreed to acquire (the " **Acquisition** ") all of the Target Shares, to be effected by way of a Scheme or, if a Conversion Notice has been delivered, an Offer and subsequent purchases thereof.

WHEREAS, Borrower, the Subsidiary Guarantors, the Arrangers, the Co-Documentation Agents, the Syndication Agent, the Swingline Lender, the Issuing Bank, the Administrative Agent and certain of the Lenders entered into that certain Credit Agreement dated as of September 24, 2010 (the " **Existing Credit Agreement** ," and September 24, 2010, the " **Effective Date** ").

WHEREAS, Borrower has requested the Lenders to extend credit in the form of (a) Term Loans on the Closing Date, in an aggregate principal amount not in excess of $200.0 million , and (b) Revolving Loans at any time and from time to time prior to the Revolving Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $100.0 million.

WHEREAS, Borrower has requested the Swingline Lender to make Swingline Loans, at any time and from time to time prior to the Revolving Maturity Date, in an aggregate principal amount at any time outstanding not in excess of $10.0 million.

WHEREAS, Borrower has requested the Issuing Bank to issue Letters of Credit, in an aggregate face amount at any time outstanding not in excess of $25.0 million.

WHEREAS, the proceeds of the Loans are to be used in accordance with Section 3.12 .

WHEREAS, the parties hereto desire to amend and restate the Existing Credit Agreement in order to make the modifications thereto provided for herein and to include as Lenders certain of the parties hereto signing this Agreement as Lenders.

NOW, THEREFORE, the Lenders are willing to extend such credit to Borrower, the Issuing Bank is willing to issue letters of credit for the account of Borrower and its Subsidiaries on the terms and subject to the conditions set forth herein, and the parties hereto are willing to amend and restate the Existing Credit Agreement as provided for herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Defined Terms .

As used in this Agreement, the following terms shall have the meanings specified below:

" **ABR Borrowing** " shall mean a Borrowing comprised of ABR Loans.

" **ABR Loan** " shall mean any ABR Term Loan or ABR Revolving Loan.

" **ABR Revolving Loan** " shall mean any Revolving Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II .

" **ABR Term Loan** " shall mean any Term Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II .

" **Acceptance Condition** " shall mean, if a Conversion Notice has been delivered, the condition with respect to the number of acceptances to the Offer which must be secured to declare the Offer unconditional as to acceptances (as set out in the Offer Press Release and which shall not be less than 50.1% of the Target Shares outstanding).

" **Acquisition** " shall have the meaning assigned to such term in the first recital hereto.

" **Acquisition Agreement** " shall mean the Scheme Acquisition Agreement or, if a Conversion Notice has been delivered, the Offer Document.

" **Acquisition Conditions Precedent** " shall mean the conditions listed in Appendix I to the Press Release or, if a Conversion Notice has been delivered, the corresponding conditions precedent in the Offer Press Release.

" **Acquisition Consideration** " shall mean the purchase consideration for any Permitted Acquisition and all other payments by Borrower or any of its Subsidiaries in exchange for, or as part of, or in connection with, any Permitted Acquisition, whether paid in cash or by exchange of Equity Interests or of properties or otherwise and whether payable at or prior to the consummation of such Permitted Acquisition or deferred for payment at any future time, whether or not any such future payment is subject to the occurrence of any contingency, and includes any and all payments representing the purchase price and any assumptions of Indebtedness, "earn-outs" and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business; *provided* that any such future payment that is subject to a contingency shall be considered Acquisition Consideration only to the extent of the reserve, if any, required under GAAP at the time of such sale to be established in respect thereof by Borrower or any of its Subsidiaries.

" **Acquisition Documents** " shall mean the Press Release and the Acquisition Agreement.

" **Acquisition Revolving Loans** " shall mean Revolving Loans in an aggregate principal amount not in excess of $100.0 million for the purpose of funding the Acquisition.

" **Adjusted LIBOR Rate** " shall mean, with respect to any Eurocurrency Borrowing in any currency for any Interest Period, (a) an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) determined by the Administrative Agent to be equal to the LIBOR Rate for such Eurocurrency Borrowing in effect for such Interest Period divided by (b) 1 *minus* the Statutory Reserves (if any) for such Eurocurrency Borrowing for such Interest Period.

" **Administrative Agent** " shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor pursuant to Article X .

" **Administrative Questionnaire** " shall mean an Administrative Questionnaire in substantially the form of Exhibit A .

" **Affiliate** " shall mean, 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 Fees** " shall have the meaning assigned to such term in Section 2.05(b) .

" **Agents** " shall mean the Administrative Agent and the Collateral Agent; and " **Agent** " shall mean any of them.

" **Agreement** " shall have the meaning assigned to such term in the preamble hereto.

" **Alternate Base Rate** " shall mean, for any day, a fluctuating rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the greatest of (a) the Base Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day *plus* 0.50% and (c) the Adjusted LIBOR Rate applicable to a Loan in dollars for an Interest Period of one-month beginning on such day (or if such day is not a Business Day, on the immediately preceding Business Day) plus 100 basis points. If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate or the Adjusted LIBOR Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) and/or (c), as applicable, of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Base Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Base Rate or the Federal Funds Rate.

" **Alternate Currency** " shall mean each of (a) euros, pounds, and Australian dollars and (b) any other currency consented to by the Administrative Agent, the Revolving Lenders and the Issuing Bank.

" **Alternate Currency Base Rate** " shall mean, for any day, the rate per annum which is quoted at approximately 10:00 a.m. (London time) to leading banks in the European interbank market by the Administrative Agent for the offering of overnight deposits in the relevant Alternate Currency or, at the option of the Administrative Agent in respect of an outstanding Reimbursement Obligation in an Alternate Currency, such other base rate as the Administrative Agent would customarily charge on similar obligations of companies of comparable credit standing.

" **Alternate Currency Equivalent** " shall mean, as to any amount denominated in dollars as of any date of determination, the amount of the applicable Alternate Currency that could be purchased with such amount of dollars based upon the Spot Selling Rate.

" **Alternate Currency Letter of Credit** " shall mean any Letter of Credit to the extent denominated in an Alternate Currency.

" **Alternate Currency Revolving Loan** " shall mean each Revolving Loan denominated in an Alternate Currency.

" **Amendment and Restatement Effective Date** " shall mean the first date on which all the conditions precedent in Section 4.01(a) are satisfied or waived in accordance with Section 10.02 .

" **Anti-Terrorism Laws** " shall mean any Requirement of Law related to terrorism financing or money laundering including 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), 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), the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) and Executive Order 13224 (effective September 24, 2001).

" **Anti-trust Condition** " shall mean Acquisition Condition Precedent number 3(a),or in the event that a Conversion Notice has been delivered, the corresponding condition precedent in the Offer Press Release.

" **Applicable ECF Percentage** " shall mean, for any fiscal year, (a) 50% if the Total Leverage Ratio as of the last day of such fiscal year is greater than or equal to 2.00 to 1.00, (b) 25% if the Total Leverage Ratio as of the last day of such fiscal year is less than 2.00 to 1.00 but greater than or equal to 1.50 to 1.00 and (c) 0% if the Total Leverage Ratio as of the last day of such fiscal year is less than 1.50 to 1.00.

" **Applicable Fee** " shall mean, for any day, with respect to any Commitment, the applicable percentage set forth in Annex I under the caption "Applicable Fee"

" **Applicable Margin** " shall mean, for any day, (a) with respect to any Eurocurrency Term Loan, 3.75%, (b) with respect to any ABR Term Loan 2.75%, and (c) with respect to any Revolving Loan, the applicable percentage set forth in Annex I under the appropriate caption.

" **Approved Currency** " shall mean each of dollars and each Alternate Currency.

" **Approved Fund** " shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

" **Asset Sale** " shall mean (a) any conveyance, sale, non-ordinary course lease or sublease, assignment, transfer or other disposition (including by way of merger or consolidation and including any Sale and Leaseback Transaction) of any property excluding sales of inventory and dispositions of cash and cash equivalents, in each case, in the ordinary course of business, by Borrower or any of its Subsidiaries and (b) any issuance or sale of any Equity Interests of any Subsidiary of Borrower, in each

case, to any person other than (i) Borrower, (ii) any Subsidiary Guarantor or (iii) other than for purposes of Section 6.06 , any other Subsidiary.

" **Assignment and Assumption** " shall mean an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.04(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B , or any other form approved by the Administrative Agent.

" **Attributable Indebtedness** " shall mean, when used with respect to any Sale and Leaseback Transaction, as at the time of determination, the present value (discounted at a rate equivalent to Borrower's then-current weighted average cost of funds for borrowed money as at the time of determination, compounded on a semi-annual basis) of the total obligations of the lessee for rental payments during the remaining term of the lease included in any such Sale and Leaseback Transaction.

" **Australian dollar** " or " **A$** " shall mean the lawful currency of the Commonwealth of Australia.

" **Auto-Renewal Letter of Credit** " shall have the meaning assigned to such term in Section 2.18(c)(ii) .

" **Base Rate** " shall mean, for any day, a rate per annum that is equal to the corporate base rate of interest established by the Administrative Agent from time to time for Loans in dollars; each change in the Base Rate shall be effective on the date such change is effective. The corporate base rate is not necessarily the lowest rate charged by the Administrative Agent to its customers.

" **Board** " shall mean the Board of Governors of the Federal Reserve System of the United States.

" **Board of Directors** " shall mean, with respect to any person, (a) in the case of any corporation, the board of directors of such person, (b) in the case of any limited liability company, the manager, board of managers or other similar person or group of persons in respect of such person, (c) in the case of any limited partnership, the general partner of such person or (d) the functional equivalent of the foregoing.

" **Borrower** " shall have the meaning assigned to such term in the preamble hereto.

" **Borrowing** " shall mean (a) Loans of the same Class, Type and currency, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

" **Borrowing Request** " shall mean a request by Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C , or such other form as shall be approved by the Administrative Agent.

" **Business Day** " shall mean any day other than a Saturday, Sunday or other day on which banks in New York City are authorized or required by law to close; *provided , however ,* that when used in connection with (a) a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market, (b) an Alternate Currency Revolving Loan denominated in euros, the term "Business Day" shall also exclude any day on

which the Trans-European Real-time Gross Settlement Operating System (or any successor operating system) is not operating (as determined in good faith by the Administrative Agent) and (c) an Alternate Currency Revolving Loan denominated in an Approved Currency other than euros, the term "Business Day" shall also exclude any day on which banks are not open for dealings in such Approved Currency deposits in the interbank market in the capital city of the country whose lawful currency is such Approved Currency.

" **Capital Assets** " shall mean, with respect to any person, all equipment, fixed assets and Real Property or improvements of such person, or replacements or substitutions therefor or additions thereto, that, in accordance with GAAP, have been or should be reflected as additions to property, plant or equipment on the balance sheet of such person.

" **Capital Expenditures** " shall mean, for any period, without duplication, all expenditures made directly or indirectly by Borrower and its Subsidiaries during such period for Capital Assets (whether paid in cash or other consideration, financed by the incurrence of Indebtedness or accrued as a liability), but excluding any portion of such increase attributable solely to acquisitions of property, plant and equipment in Permitted Acquisitions.

" **Capital Lease Obligations** " of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other 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 GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

" **Cash Confirmation** " shall mean the letter among Borrower, CSG Systems, Inc., UK Holdco and Greenhill & Co. International LLP, relating to, among other things, the Equity Financing, the procedures to be implemented in respect thereof and the Term Loans and Acquisition Revolving Loans.

" **Cash Equivalents** " shall mean, as to any person, (a) securities issued, or directly, unconditionally and fully guaranteed or insured, by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition by such person; (b) time deposits and certificates of deposit of any Lender or any commercial bank having, or which is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any state thereof or the District of Columbia having, capital and surplus aggregating in excess of $500.0 million and a rating of at least A or the equivalent thereof by S&P or A2 or the equivalent thereof by Moody's with maturities of not more than one year from the date of acquisition by such person; (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with any bank meeting the qualifications specified in clause (b) above, which repurchase obligations are secured by a valid perfected security interest in the underlying securities; (d) commercial paper issued by any person incorporated in the United States rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's, and in each case maturing not more than one year after the date of acquisition by such person; (e) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (a) through (d) above; (f) other Investments permitted by the guidelines set forth in Schedule 1.01(c); (g) demand deposit accounts maintained in the ordinary course of business; and (h) in the case of any Subsidiary of Borrower organized or having a material place of business outside the United States, investments denominated in

the currency of the jurisdiction in which such Subsidiary is organized or has a material place of business which are substantially similar to the items specified in clauses (a) through (f) above.

" **Casualty Event** " shall mean any involuntary loss of title, any involuntary loss of, damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of Borrower or any of its Subsidiaries. "Casualty Event" shall include but not be limited to any taking of all or any part of any Real Property of any person, in or by condemnation or other eminent domain proceedings pursuant to any Requirement of Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property of any person by any Governmental Authority, civil or military, or any settlement in lieu thereof.

" **CERCLA** " shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* and all implementing regulations.

" **Certain Funds Period** " shall mean the period from and including the Effective Date and ending on the earliest of:

(a) the date of cancellation in full of the Commitments;

(b) if the Closing Date has not occurred by the Long Stop Date, the Long Stop Date;

(c) the date on which the Scheme lapses or is withdrawn (other than in connection with the conversion of the Scheme into an Offer) or, if an Offer is made, the date on which the Offer lapses, terminates or is withdrawn; and

(d) the date which falls:

(i) if the Acquisition is effected by way of a Scheme, 15 days after the Scheme Effective Date; or

(ii) if the Acquisition is effected by way of an Offer, 60 days after the Offer Unconditional Date, or if Borrower has sent to minority shareholders notices pursuant to section 979 of the Companies Act before such date, such longer period as is necessary to enable Borrower to acquire the remaining Target Shares pursuant to the squeeze-out procedures under Chapter 3 of Part 28 of the Companies Act; *provided* that the Certain Funds Period shall in any event end on the date that is 102 days after the Offer Unconditional Date, unless such 102 nd day is prior to the Long Stop Date, in which case the Certain Funds Period shall end on the Long Stop Date.

A " **Change in Control** " shall be deemed to have occurred if:

(a) at any time a "change of control" (or similar event) under and as defined in the documents evidencing, governing or securing any Material Borrowed Indebtedness shall occur and as a result thereof a default or event of default in respect of such Material Borrowed Indebtedness shall exist or Borrower shall become obligated to prepay or redeem, or to offer to prepay or repurchase, such Material Borrowed Indebtedness prior to the final maturity thereof;

(b) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5

under the Exchange Act, except that for purposes of this clause such person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of Voting Stock of Borrower representing more than 35% of the voting power of the total outstanding Voting Stock of Borrower; or

(c) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Borrower (together with any new directors whose election to such Board of Directors or whose nomination for election was approved by a vote of a majority of the members of the Board of Directors of Borrower, which members comprising such majority are then still in office and were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Borrower.

For purposes of this definition, a person shall not be deemed to have beneficial ownership of Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement.

" **Change in Law** " shall mean the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking into effect of any law, treaty, order, policy, rule or regulation, (b) any change in any law, treaty, order, policy, rule or regulation or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

" **Charges** " shall have the meaning assigned to such term in Section 10.14 .

" **Class** ," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans, Incremental Term Loans or Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment, Term Commitment or Swingline Commitment, in each case, under this Agreement as originally in effect or pursuant to Section 2.20 .

" **Client Contracts Investments** " shall mean incentives provided to new or existing clients to convert their customer accounts to, add new products or functionality to existing customer accounts, or retain their customer's accounts on, the customer care and billing systems of the Companies.

" **Closing Date** " shall mean the first date on which all the conditions precedent in Section 4.02 are satisfied or waived in accordance with Article IV and on which the initial Credit Extension is made.

" **Co-Documentation Agents** " shall have the meaning assigned to such term in the preamble hereto.

" **Code** " shall mean the Internal Revenue Code of 1986, as amended from time to time.

" **Collateral** " shall mean, collectively, all of the Security Agreement Collateral, the Mortgaged Property and all other property of whatever kind and nature subject or purported to be subject from time to time to a Lien under any Security Document.

" **Collateral Agent** " shall have the meaning assigned to such term in the preamble hereto.

" **Commitment** " shall mean, with respect to any Lender, such Lender's Revolving Commitment, Term Commitment or Swingline Commitment, and any Commitment to make Term Loans or Revolving Loans of a new Class extended by such Lender as provided in Section 2.20 .

" **Commitment Fee** " shall have the meaning assigned to such term in Section 2.05(a) .

" **Companies** " shall mean Borrower and its Subsidiaries (including from and after the Closing Date the Target and its Subsidiaries); and " **Company** " shall mean any one of them.

" **Companies House** " shall mean the office for company administration and registrations in England and Wales operated by the Registrar of Companies.

" **Companies Act** " shall mean the Companies Act of 2006 of England and Wales, as amended.

" **Compliance Certificate** " shall mean a certificate of a Financial Officer substantially in the form of Exhibit D .

" **Consolidated Amortization Expense** " shall mean, for any period, the amortization expense of Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

" **Consolidated Current Assets** " shall mean, as at any date of determination, the total assets of Borrower and its Subsidiaries which may properly be classified as current assets on a consolidated balance sheet of Borrower and its Subsidiaries in accordance with GAAP, excluding cash and Cash Equivalents.

" **Consolidated Current Liabilities** " shall mean, as at any date of determination, the total liabilities of Borrower and its Subsidiaries which may properly be classified as current liabilities (other than the current portion of (i) any Loans or (ii) any Indebtedness with a scheduled final maturity greater than one year at the time of incurrence) on a consolidated balance sheet of Borrower and its Subsidiaries in accordance with GAAP.

" **Consolidated Depreciation Expense** " shall mean, for any period, the depreciation expense of Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

" **Consolidated EBITDA** " shall mean, for any period, Consolidated Net Income for such period, adjusted by (x) *adding thereto* , in each case only to the extent (and in the same proportion) deducted in determining such Consolidated Net Income and without duplication:

(a) Consolidated Interest Expense for such period,

(b) Consolidated Amortization Expense for such period,

(c) Consolidated Depreciation Expense for such period,

(d) Consolidated Tax Expense for such period,

(e) fees, expenses, financing costs, severance costs and management bonuses incurred or paid in connection with (i) the Transactions or any Permitted Acquisition (or proposed Permitted Acquisition) or (ii) any business restructuring to the extent included in a footnote or as a separate line item on the financial statements of Borrower and, in either case, required to be expensed under GAAP; *provided* that the aggregate amount added to Consolidated EBITDA pursuant to this clause (e)(ii) shall not exceed 15% of Consolidated EBITDA for any period of four fiscal quarters,

(f) the aggregate amount of all other non-cash charges, expenses or losses reducing Consolidated Net Income (excluding any non-cash charge, expense or loss that results in an accrual of a reserve for cash charges in any future period and any non-cash charge, expense or loss relating to write-offs, write-downs or reserves with respect to accounts or inventory) for such period,

(g) acquired in-process research and development expenditures that are expensed at the time of or immediately following the acquisition thereof, in a Permitted Acquisition or otherwise,

(h) fees, expenses and financing costs incurred or paid in connection with any incurrence of issuance of any Indebtedness or Equity Issuance (or proposed issuance of Indebtedness or Equity Issuance) to the extent required to be expensed under GAAP,

(i) any amortization or write-down of intangible assets (including goodwill, software and organizational costs),

(j) expenses related to the Data Center Migration, including any termination payments related thereto to First Data Corp., incurred prior to December 31, 2010 in an aggregate amount not to exceed $30 million,

(k) contingent consideration paid in connection with a Permitted Acquisition to the extent required to be expensed under GAAP,

(l) non-cash expenses related to equity-based compensation,

(m) amortization or write-off of customer incentive payments treated as contra-revenue under GAAP,

(n) minority interests,

(o) to the extent actually reimbursed, expenses incurred to the extent covered by indemnification provisions in any agreement in connection with the Transactions or any Permitted Acquisition,

(p) expenses with respect to liability or casualty events or business interruption, to the extent the Borrower has a reasonable good faith belief that it or its Subsidiaries will receive net cash proceeds from insurance with respect thereto,

(q) cost savings of the Target on a full "run-rate" basis arising out of the Transactions or any publicly announced business restructuring prior to the Effective Date that have not been realized but are reasonably projected to be realized within 12 months from the date of the Transactions or such public announcement, as the case may be; *provided* that such cost savings are expected to be sustainable, are described in reasonable detail on an Officers' Certificate, and do not exceed $13 million,

(r) losses incurred in connection with any redemption or repurchases of 2010 Convertible Notes, 2004 Convertible Debt Securities or any other debt securities of Borrower,

(s) rental payments in connection with Attributable Indebtedness and synthetic leases,

and (y) *subtracting therefrom*, in each case only to the extent (and in the same proportion) included in determining such Consolidated Net Income and without duplication:

(a) the aggregate amount of all non-cash income or gains increasing Consolidated Net Income (other than the accrual of revenue or recording of receivables in the ordinary course of business or any non-cash income or gains to be received in cash in any future period) for such period,

(b) income created by or relating to contingent consideration in an Asset Sale to the extent recognized as revenue under GAAP,

(c) gains in connection with any redemption or repurchases of 2010 Convertible Notes, 2004 Convertible Debt Securities or any other debt securities of Borrower.

Consolidated EBITDA shall be calculated for all purposes (x) on a Pro Forma Basis to give effect to the Transactions, any Permitted Acquisition and Asset Sales (other than any dispositions in the ordinary course of business) consummated at any time on or after the first day of the applicable Test Period and prior to the date of determination as if the Transactions and each such Permitted Acquisition and Asset Sale had been effected on the first day of such period; and (y) to exclude the effects of adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue required or permitted by GAAP resulting from the application of purchase accounting in relation to the Transactions or any Permitted Acquisition. Notwithstanding the foregoing, Consolidated EBITDA for (a) the quarterly period of Borrower ended September 30, 2009, shall be deemed to be $56.7 million, (b) the quarterly period of Borrower ended December 31, 2009, shall be deemed to be $33.8 million, (c) the quarterly period of Borrower ended March 31, 2010, shall be deemed to be $48.3 million and (d) the quarterly period of Borrower ended June 30, 2010, shall be deemed to be $41.3 million.

" **Consolidated Indebtedness** " shall mean, with respect to Borrower and its Subsidiaries as at any date of determination, the aggregate amount of all Indebtedness (other than (x) Indebtedness of the types described in clauses (h) and (as to contingent amounts only) (j) of the definition of Indebtedness and (y) Indebtedness of the types described in clauses (f) and (k), or the last sentence, of the definition of Indebtedness, in each case in this clause (y), to the extent that the underlying Indebtedness of others is of the types described in clauses (h) and (as to contingent amounts only) (j) of the definition of Indebtedness) of Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

" **Consolidated Interest Coverage Ratio** " shall mean, for any Test Period, the ratio of (x) Consolidated EBITDA for such Test Period to (y) Consolidated Interest Expense (other than any component of Consolidated Interest Expense described in clauses (c), (d) and, unless actually paid in cash by Borrower or any of its Subsidiaries, (g) of the definition of Consolidated Interest Expense) payable in cash on a current basis for such Test Period.

" **Consolidated Interest Expense** " shall mean, for any period, the total consolidated interest expense of Borrower and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP *plus* , without duplication:

(a) imputed interest on Capital Lease Obligations and Attributable Indebtedness of Borrower and its Subsidiaries for such period;

(b) commissions, discounts and other fees and charges owed by Borrower or any of its Subsidiaries with respect to letters of credit securing financial obligations, bankers' acceptance financing and receivables financings for such period;

(c) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses incurred by Borrower or any of its Subsidiaries for such period;

(d) cash contributions to any employee stock ownership plan or similar trust made by Borrower or any of its Subsidiaries to the extent such contributions are used by such plan or trust to pay interest or fees to any person (other than Borrower or a Wholly Owned Subsidiary) in connection with Indebtedness incurred by such plan or trust for such period;

(e) all interest paid or payable with respect to discontinued operations of Borrower or any of its Subsidiaries for such period;

(f) the interest portion of any deferred payment obligations of Borrower or any of its Subsidiaries for such period; and

(g) all interest on any Indebtedness of Borrower or any of its Subsidiaries of the type described in clause (f) of the definition of "Indebtedness" for such period;

provided that Consolidated Interest Expense shall be calculated after giving effect to Hedging Agreements related to interest rates (including associated costs), on a "hedge" basis, regardless of whether such basis is available under GAAP and excluding mark-to-market gains and losses with respect to Hedging Agreements related to interest rates.

Consolidated Interest Expense shall be calculated on a Pro Forma Basis to give effect to the Indebtedness (other than Indebtedness incurred for ordinary course working capital needs under ordinary course revolving credit facilities) incurred, assumed or permanently repaid or extinguished at any time on or after the first day of the Test Period and prior to the date of determination in connection with the Transactions, any Permitted Acquisition or any Asset Sale as if such incurrence, assumption, repayment or extinguishment had been effected on the first day of such period (with the interest expense on any such Indebtedness bearing interest at a floating rate being determined for periods prior to the date when actually incurred, based upon the interest rate thereon in effect on the date of such incurrence).

" **Consolidated Net Income** " shall mean, for any period, the consolidated net income (or loss) of Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded from such net income (to the extent otherwise included therein), without duplication:

(a) the net income (or loss) of any person (other than a Subsidiary of Borrower) in which any person other than Borrower and its Subsidiaries has an ownership interest, except to the extent that cash in an amount equal to any such income has actually been received by Borrower or any of its Subsidiaries during such period;

(b) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by Borrower or any of its Subsidiaries upon any Asset Sale (other than any dispositions in the ordinary course of business) by Borrower or any of its Subsidiaries, including any restructuring charges related thereto to the extent required to be expensed in accordance with GAAP;

(c) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with GAAP for such period;

(d) earnings resulting from any reappraisal, revaluation or write-up of assets;

(e) mark-to-market gains and losses with respect to Hedging Obligations for such period; and

(f) any extraordinary or nonrecurring gain (or extraordinary or nonrecurring loss), together with any related provision for taxes on any such gain (or the tax effect of any such loss), recorded or recognized by Borrower or any of its Subsidiaries during such period.

" **Consolidated Tax Expense** " shall mean, for any period, the tax expense of Borrower and its Subsidiaries, for such period, determined on a consolidated basis in accordance with GAAP.

" **Consolidated Total Assets Less Goodwill** " shall mean, at any date of determination, the Total Assets, less goodwill, as set forth on the balance sheet of Borrower used to determine Total Assets.

" **Contingent Obligation** " shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness (" **primary obligations** ") of any other person (the " **primary obligor** ") in any manner, whether directly or indirectly, including any obligation of such person, whether or not contingent, (a) to purchase any such primary obligation; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (d) with respect to bankers' acceptances, letters of credit and similar credit arrangements, until a reimbursement obligation arises (which reimbursement obligation shall constitute Indebtedness); or (e) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided , however ,* that the term "Contingent Obligation" shall not include endorsements of instruments for deposit or collection in the

ordinary course of business or any product warranties. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Contingent Obligation) 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.

" **Control** " shall mean 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 the terms " **Controlling** " and " **Controlled** " shall have meanings correlative thereto.

" **Control Agreement** " shall have the meaning assigned to such term in the Security Agreement.

" **Conversion Notice** " shall mean a written notice given by Borrower to the Administrative Agent at any time prior to the Scheme Effective Date if the Scheme has not lapsed or been withdrawn that Borrower intends to switch from the Scheme to launch an Offer.

" **Credit Extension** " shall mean, as the context may require, (i) the making of a Loan by a Lender or (ii) the issuance of any Letter of Credit, or the amendment, extension or renewal of any existing Letter of Credit, by the Issuing Bank.

" **CSG Media** " shall mean CSG Media, LLC, a Delaware limited liability company.

" **Data Center Migration** " shall mean the migration of Borrower's outsourced datacenter services from First Data Corporation to Infocrossing, LLC.

" **Debt Issuance** " shall mean the incurrence by Borrower or any of its Subsidiaries of any Indebtedness after the Closing Date (other than as permitted by Section 6.01 or Section 2.20).

" **Default** " shall mean any event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

" **Default Rate** " shall have the meaning assigned to such term in Section 2.06(c) .

" **Defaulting Lender** " shall mean any Lender, as reasonably determined by the Administrative Agent, that (a) has failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has notified the Administrative Agent, the Issuing Bank, the Swingline Lender, any Lender and/or Borrower in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans, (d) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good

faith dispute, or (e) in the case of a Lender that has a Commitment, LC Exposure or Swingline Exposure outstanding at such time, shall take, or is the Subsidiary of any person that has taken, any action or be (or is) the subject of any action or proceeding of a type described in Section 8.01(g) or (h) (or any comparable proceeding initiated by a regulatory authority having jurisdiction over such Lender or such person).

" **Disqualified Capital Stock** " shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the first anniversary of the Final Maturity Date, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to in (a) above, in each case at any time on or prior to the first anniversary of the Final Maturity Date, or (c) contains any repurchase obligation which may come into effect prior to payment in full of all Obligations; *provided* , *however* , that any Equity Interests that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Equity Interests upon the occurrence of a change in control or an asset sale occurring prior to the first anniversary of the Final Maturity Date shall not constitute Disqualified Capital Stock if such Equity Interests provide that the issuer thereof will not redeem any such Equity Interests pursuant to such provisions prior to the repayment in full of the Obligations.

" **Dividend** " with respect to any person shall mean that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the Equity Interests of such person outstanding (or any options or warrants issued by such person with respect to its Equity Interests).

" **Dollar Equivalent** " shall mean, as to any amount denominated in an Alternate Currency as of any date of determination, the amount of dollars that would be required to purchase the amount of such Alternate Currency based upon the Spot Selling Rate.

" **dollars** " or " **$** " shall mean lawful money of the United States.

" **Domestic EBITDA Percentage** " shall mean the percentage of Consolidated EBITDA for the four fiscal quarters then ended that is attributable to Companies that are not Foreign Subsidiaries.

" **Domestic Holding Company Subsidiary** " shall mean a Subsidiary, other than a Foreign Subsidiary, substantially all of whose assets consist of the Equity Interests in controlled foreign corporations within the meaning of Section 957(a) of the Code.

" **Effective Date** " shall have the meaning assigned to such term in the preamble hereto.

" **Eligible Assignee** " shall mean any person to whom a Lender is permitted to assign Loans and Commitments pursuant to Section 10.04(b)(i) ; *provided* that "Eligible Assignee" shall not include Borrower or any of its Affiliates or Subsidiaries or any natural person.

" **Embargoed Person** " shall mean any party that (i) is publicly identified on the most current list of "Specially Designated Nationals and Blocked Persons" published by the U.S. Treasury Department's Office of Foreign Assets Control (" **OFAC** ") or resides, is organized or chartered, or has a place of business in a country or territory subject to OFAC sanctions or embargo programs or (ii) is publicly identified as prohibited from doing business with the United States under the International Emergency Economic Powers Act, the Trading With the Enemy Act, or any other Requirement of Law.

" **English Share Charge** " shall mean the English share charge, substantially in the form of Exhibit N .

" **Environment** " shall mean ambient air, indoor air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata and any other environmental medium and natural resources.

" **Environmental Claim** " shall mean any claim, notice, demand, order, action, suit, proceeding or other communication alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release in or into the Environment of Hazardous Material at any location or (ii) any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material or alleged injury or threat of injury to health, safety or the Environment.

" **Environmental Law** " shall mean any and all present and future treaties, laws, statutes, ordinances, regulations, rules, decrees, orders, judgments, consent orders, consent decrees, code or other binding requirements, and the common law, relating to the Environment, the Release or threatened Release of pollutants, contaminants or hazardous or toxic materials, natural resources or natural resource damages, or human or occupational safety or health as it relates to human exposure to hazardous materials.

" **Environmental Permit** " shall mean any permit, license, approval, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

" **Equity Financing** " shall mean the cash component of the consideration to be paid for the Target Shares by UK Holdco on and after the Closing Date, in an amount not less than $130.0 million, but not any amount in addition thereto without the consent of the Lead Arrangers.

" **Equity Interest** " shall mean, with respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether

outstanding on or issued after the Effective Date, but excluding debt securities convertible or exchangeable into such equity.

" **Equity Issuance** " shall mean, without duplication, (i) any issuance or sale by Borrower after the Effective Date of any Equity Interests in Borrower (including any Equity Interests issued upon exercise of any warrant or option) or any warrants or options to purchase Equity Interests or (ii) any contribution to the capital of Borrower.

" **ERISA** " shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

" **ERISA Affiliate** " shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414 of the Code.

" **ERISA Event** " shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived by regulation); (b) with respect to a Plan, the failure to satisfy the minimum funding standards of Sections 412 and 430 of the Code and Section 302 of ERISA, whether or not waived; (c) 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; (d) 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; (e) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) a determination that any Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (g) the receipt by any Loan Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (h) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the withdrawal from any Plan or Multiemployer Plan; (i) the receipt by any Loan Party or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (j) the "substantial cessation of operations" within the meaning of Section 4062(e) of ERISA with respect to a Plan; (k) the making of any amendment to any Plan which could result in the imposition of a lien or the posting of a bond or other security; and (l) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could reasonably be expected to result in liability to any Loan Party.

" **euro** " or " **€** " shall mean the single currency of the Participating Member States.

" **Eurocurrency Borrowing** " shall mean a Borrowing comprised of Eurocurrency Loans.

" **Eurocurrency Loan** " shall mean any Eurocurrency Revolving Loan or Eurocurrency Term Loan.

" **Eurocurrency Revolving Borrowing** " shall mean a Borrowing comprised of Eurocurrency Revolving Loans.

" **Eurocurrency Revolving Loan** " shall mean any Revolving Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate in accordance with the provisions of Article II .

" **Eurocurrency Term Borrowing** " shall mean a Borrowing comprised of Eurocurrency Term Loans.

" **Eurocurrency Term Loan** " shall mean any Term Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate in accordance with the provisions of Article II .

" **Event of Default** " shall have the meaning assigned to such term in Section 8.01 .

" **Excess Amount** " shall have the meaning assigned to such term in Section 2.10(g) .

" **Excess Cash Flow** " shall mean, for any Excess Cash Flow Period, net cash provided by operating activities of Borrower and its Subsidiaries during such Excess Cash Flow Period, as shown on the financial statements for such Excess Cash Flow Period delivered pursuant to Section 5.01 , *minus* , without duplication:

(i) principal payments in respect of Indebtedness of Borrower or any Subsidiary (other than voluntary prepayments of Term Loans, mandatory prepayments of Term Loans pursuant to Section 2.10(f) and repayments of Revolving Loans), in each case made with Internally Generated Cash during such Excess Cash Flow Period; *minus*

(ii) Capital Expenditures and Investments made pursuant to Section 6.04(h) and (r) , in each case made with Internally Generated Cash during such Excess Cash Flow Period; *minus*

(iii) the amount of any increase in "restricted cash" (as determined in accordance with GAAP) from the first day of such Excess Cash Flow Period to the last day of such Excess Cash Flow Period; *minus*

(iv) without duplication of amounts deducted from Excess Cash Flow in prior Excess Cash Flow Periods or such Excess Cash Flow Period, to the extent set forth in a certificate of a Responsible Officer delivered to the Administrative Agent at or before the time the Compliance Certificate for the period ending simultaneously with such Excess Cash Flow Period is required to be delivered pursuant to Section 5.01(c) , the aggregate amount that shall be required to be paid in cash in respect of Capital Expenditures to be made by Borrower or any Subsidiary during the 90 days following such Excess Cash Flow Period pursuant to binding contracts (the " Contract Amount ") entered into prior to or during such Excess Cash Flow Period; *provided* that to the extent the aggregate amount of Internally Generated Cash actually utilized to finance such Capital Expenditures during such 90-day period is less than the Contract Amount, the amount of such shortfall shall be added to Excess Cash Flow for the Excess Cash Flow Period following such Excess Cash Flow Period; *minus*

(v) Client Contracts Investments made during such period to the extent not expensed; *minus*

(vi) software development costs incurred during such period to the extent not expensed; *minus*

(vii) contingent consideration paid in such period in connection with a Permitted Acquisition to the extent not expensed; *plus*

(viii) the amount of any decrease in "restricted cash" (as determined in accordance with GAAP) from the first day of such Excess Cash Flow Period to the last day of such Excess Cash Flow Period.

" **Excess Cash Flow Period** " shall mean (i) the period taken as one accounting period from the beginning of the first fiscal quarter of Borrower commencing on or after the Closing Date and ending on December 31, 2011 and (ii) each fiscal year of Borrower thereafter.

" **Exchange Act** " shall mean the Securities Exchange Act of 1934, as amended.

" **Excluded Target Representation Breach** " shall have the meaning assigned to such term in Section 8.01 .

" **Excluded Taxes** " shall mean, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder, (a) Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, or become a party to, performed its obligations or 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), (b) in the case of a Foreign Lender (other than an assignee pursuant to a request by Borrower under Section 2.16) , any U.S. federal withholding Tax that is imposed on payments resulting from any Requirements of Law that are in effect (including FATCA) at the time (and, in the case of FATCA, including any regulations or official interpretations thereof issued after) such Foreign Lender becomes a party hereto, except to the extent that such Foreign Lender's assignor, if any, was entitled, immediately prior to such assignment, to receive additional amounts or indemnity payments from the applicable Loan Party with respect to such withholding Tax pursuant to Section 2.15 ; (c) in the case of a Foreign Lender who designates a new lending office, any U.S. federal withholding Tax that is imposed on payments resulting from any Requirements of Law that are in effect (including FATCA) at the time of (and, in the case of FATCA, including any regulations or official interpretations thereof issued after) such change in lending office, except to the extent that such Foreign Lender was entitled, immediately prior to such change in lending office, to receive additional amounts or indemnity payments from the applicable Loan Party with respect to such withholding Tax pursuant to Section 2.15 , (d) any Tax that is attributable to such Lender's failure to comply with Section 2.15(e) or (e) taxes attributable to the failure by a beneficial owner (under applicable tax law) of a payment to provide (to any Person prescribed by law to receive) any documentation necessary to claim any applicable exemption from, or reduction of, such taxes, which documentation such beneficial owner was legally eligible to provide.

" **Existing Lien** " shall have the meaning assigned to such term in Section 6.02(c) .

" **FATCA** " shall mean Sections 1471 through 1474 of the Code, as of the Effective Date.

" **Federal Funds Effective Rate** " shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

" **Fee Letter** " shall mean the Fee Letter dated September 24, 2010 among Borrower, the Lead Arrangers and the Initial Lenders.

" **Fees** " shall mean the Commitment Fees, the Agent Fees, the LC Participation Fees and the Fronting Fees.

" **Final Maturity Date** " shall mean the latest of the Revolving Maturity Date, the Term Loan Maturity Date and any Incremental Term Loan Maturity Date applicable to existing Incremental Term Loans, as of any date of determination.

" **Financial Officer** " of any person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such person.

" **First-Lien Leverage Ratio** " shall mean, at any date of determination, the ratio of (i) Consolidated Indebtedness that is secured on such date less the aggregate amount of any such Indebtedness that is secured by Liens permitted by Section 6.02(p) on such date to (ii) Consolidated EBITDA for the Test Period then most recently ended.

" **Foreign Lender** " shall mean any Lender that is not, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation, partnership or other entity treated as a corporation or partnership created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust. In addition, solely for purposes of clauses (b) and (c) of the definition of Excluded Taxes, a Foreign Lender shall include a partnership or other entity treated as a partnership created or organized in or under the laws of the United States, any state thereof or the District of Columbia, but only to the extent the partners of such partnership (including indirect partners if the direct partners are partnerships or other entities treated as partnerships for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia) are treated as Foreign Lenders under the preceding sentence (in which event, the determination of whether a U.S. federal withholding tax on payments resulted from any Requirements of Law in effect (including FATCA) at the time (and, in the case of FATCA, including from any regulations or official interpretations thereof issued after) such Foreign Lender became a party hereto will be made by reference to the time when the applicable direct or indirect partner became a direct or indirect partner of such Foreign Lender, but only if such date is later than the date on which such Foreign Lender became a party hereto).

" **Foreign Plan** " shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by any Loan Party with respect to employees employed outside the United States.

" **Foreign Subsidiary** " shall mean a Subsidiary (i) that is organized under the laws of a jurisdiction other than the United States or any state thereof or the District of Columbia or (ii) that is a direct Subsidiary of a Subsidiary described in clause (i) above.

" **Fronting Fee** " shall have the meaning assigned to such term in Section 2.05(c) .

" **Fund** " shall mean any person that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

" **GAAP** " shall mean generally accepted accounting principles in the United States applied on a consistent basis.

" **Governmental Authority** " shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union, the European Central Bank or the Organisation for Economic Co-operation and Development).

" **Governmental Real Property Disclosure Requirements** " shall mean any requirement of Environmental Law requiring notification, registration or filing to or with any Governmental Authority in connection with the sale, lease, mortgage, assignment or other transfer (including any transfer of control) of any Real Property, facility, establishment or business.

" **Guaranteed Obligations** " shall have the meaning assigned to such term in Section 7.01 .

" **Guarantees** " shall mean the guarantees issued pursuant to Article VII by Borrower and the Subsidiary Guarantors.

" **Hazardous Materials** " shall mean the following: hazardous substances; hazardous wastes; polychlorinated biphenyls (" **PCBs** ") or any substance or compound containing PCBs; asbestos or any asbestos-containing materials in any form or condition; radon or any other radioactive materials including any source, special nuclear or by-product material; petroleum, crude oil or any fraction thereof; and any other pollutant or contaminant or chemicals, wastes, materials, compounds, constituents or substances, subject to regulation or which can give rise to liability under any Environmental Laws.

" **Hedging Agreement** " shall mean any swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies.

" **Hedging Obligations** " shall mean obligations under or with respect to Hedging Agreements.

" **IFRS** " shall have the meaning assigned to such term in Section 3.04(b) .

" **Immaterial Subsidiaries** " shall mean any Subsidiaries of Borrower (a) the combined revenues of which constituted, for the period of four fiscal quarters ended on the last day of the most

recent fiscal quarter or fiscal year in respect of which financial statements shall have been delivered pursuant to Section 5.01(a) or (b) , less than, for all such Subsidiaries in the aggregate, 5% of the consolidated revenues of Borrower and its Subsidiaries for such period and (b) the consolidated assets of which constituted, as at such last day, less than, for all such Subsidiaries in the aggregate, 5% of the consolidated assets of Borrower and its Subsidiaries at such day.

" **Increase Effective Date** " shall have the meaning assigned to such term in Section 2.20(a) .

" **Increase Joinder** " shall have the meaning assigned to such term in Section 2.20(c) .

" **Incremental Revolving Commitment** " shall have the meaning assigned to such term in Section 2.20(a) .

" **Incremental Term Loans** " shall have the meaning assigned to such term in Section 2.20(c) .

" **Incremental Term Loan Commitment** " shall have the meaning assigned to such term in Section 2.20(a) .

" **Incremental Term Loan Maturity Date** " shall have the meaning assigned to such term in Section 2.20(c) .

" **Indebtedness** " of any person shall mean, without duplication, (a) all obligations of such person for borrowed money; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person upon which interest charges are customarily paid or accrued (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business); (d) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person; (e) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding deferred compensation, contingent consideration in respect of Permitted Acquisitions and trade accounts payable and accrued obligations incurred in the ordinary course of business); (f) all Indebtedness of others secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property; (g) all Capital Lease Obligations, Purchase Money Obligations and synthetic lease obligations of such person; (h) all Hedging Obligations to the extent required to be reflected on a balance sheet of such person; (i) all Attributable Indebtedness of such person; (j) all obligations of such person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions; and (k) all Contingent Obligations of such person in respect of Indebtedness of others of the kinds referred to in clauses (a) through (j) above. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in or other relationship with such entity, except to the extent that terms of such Indebtedness expressly provide that such person is not liable therefor.

" **Indemnified Taxes** " shall mean all Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document.

" **Indemnitee** " shall have the meaning assigned to such term in Section 10.03(b) .

" **Information** " shall have the meaning assigned to such term in Section 10.12 .

" **Insurance Policies** " shall mean the insurance policies and coverages required to be maintained by each Loan Party which is an owner of Mortgaged Property with respect to the applicable Mortgaged Property pursuant to Section 5.04 and all renewals and extensions thereof.

" **Intellectual Property** " shall have the meaning assigned to such term in Section 3.06(a) .

" **Interest Election Request** " shall mean a request by Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.08(b) , substantially in the form of Exhibit E .

" **Interest Payment Date** " shall mean (a) with respect to any ABR Loan (including Swingline Loans), the last Business Day of each March, June, September and December to occur during any period in which such Loan is outstanding, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, (c) with respect to any Revolving Loan or Swingline Loan, the Revolving Maturity Date or such earlier date on which the Revolving Commitments are terminated and (d) with respect to any Term Loan, the Term Loan Maturity Date or an Incremental Term Loan Maturity Date.

" **Interest Period** " shall mean, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or nine or twelve months if agreed to by all affected Lenders) thereafter, as Borrower may elect; *provided* that (a) 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, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing; *provided* , *however* , that an Interest Period shall be limited to the extent required under Section 2.03(e) .

" **Internally Generated Cash** " shall mean any cash of Borrower or any Subsidiary that is not generated from an Asset Sale, a Casualty Event, an incurrence of third party Indebtedness (other than Revolving Loans), an issuance of Equity Interests to a third party or a capital contribution from a third party.

" **Investments** " shall have the meaning assigned to such term in Section 6.04 .

" **Issuing Bank** " shall mean, as the context may require, (a) UBS AG, Stamford Branch, in its capacity as issuer of Letters of Credit issued by it; (b) any other Lender that may become an Issuing Bank pursuant to Sections 2.18(j) and (k) in its capacity as issuer of Letters of Credit issued by such Lender; or (c) collectively, all of the foregoing.

" **Issuing Country** " shall have the meaning assigned to such term in Section 10.19(a) .

" **Joinder Agreement** " shall mean a joinder agreement substantially in the form of Exhibit F .

" **Judgment Currency** " shall have the meaning assigned to such term in Section 10.18(a) .

" **Judgment Currency Conversion Date** " shall have the meaning assigned to such term in Section 10.18(a) .

" **LC Commitment** " shall mean the commitment of the Issuing Bank to issue Letters of Credit pursuant to Section 2.18 . The amount of the LC Commitment shall initially be $25.0 million, but shall in no event exceed the Revolving Commitment.

" **LC Disbursement** " shall mean a payment or disbursement made by the Issuing Bank pursuant to a drawing under a Letter of Credit.

" **LC Exposure** " shall mean at any time the sum of (a) the Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit at such time *plus* (b) the Dollar Equivalent of the aggregate principal amount of all Reimbursement Obligations outstanding at such time. The LC Exposure of any Revolving Lender at any time shall mean its Pro Rata Percentage of the aggregate LC Exposure at such time.

" **LC Participation Fee** " shall have the meaning assigned to such term in Section 2.05(c) .

" **LC Request** " shall mean a request by Borrower in accordance with the terms of Section 2.18(b) and substantially in the form of Exhibit G , or such other form as shall be approved by the Administrative Agent.

" **Leases** " shall mean any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

" **Lead Arrangers** " shall have the meaning assigned to such term in the preamble hereto.

" **Lenders** " shall mean (a) the financial institutions that have become parties hereto as Lenders and (b) any financial institution or other entity that has become a party as a Lender hereto pursuant to an Assignment and Assumption, other than, in each case, any such financial institution that has ceased to be a party hereto pursuant to an Assignment and Assumption. Unless the context clearly indicates otherwise, the term "Lenders" shall include the Swingline Lender.

" **Letter of Credit** " shall mean any letter of credit or similar instrument issued or to be issued by an Issuing Bank for the account of Borrower or any Subsidiary pursuant to Section 2.18 .

" **Letter of Credit Expiration Date** " shall mean the date which is fifteen days prior to the Revolving Maturity Date.

" **LIBOR Rate** " shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, the rate per annum determined by the Administrative Agent to be the arithmetic mean of the offered rates for deposits in the relevant Approved Currency with a term comparable to such Interest Period that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page (as defined below) at approximately 11:00 a.m., London, England time, on the second full London Business Day preceding the first day of such Interest Period (or in the case of a Eurocurrency Borrowing in pounds, the London Business Day that is the first day of such Interest Period); *provided , however* , that (i) if no comparable term for an Interest Period is available, the LIBOR Rate shall be determined using the weighted average of the offered rates for the two terms most nearly corresponding to such Interest Period and (ii) if there shall at any time no longer exist a Telerate British Bankers Assoc. Interest Settlement Rates Page, "LIBOR Rate" shall mean, with respect to each day during each Interest Period pertaining to Eurocurrency Borrowings comprising part of the same Borrowing, the rate per annum equal to the rate at which the Administrative Agent is offered deposits in the relevant Approved Currency at approximately 11:00 a.m., London, England time, two London Business Days prior to the first day of such Interest Period (or in the case of a Eurocurrency Borrowing in pounds, the London Business Day that is the first day of such Interest Period) in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to its portion of the amount of such Eurocurrency Borrowing to be outstanding during such Interest Period. Notwithstanding the foregoing, for purposes of clause (c) of the definition of Alternate Base Rate, the rates referred to above shall be the rates as of 11:00 a.m., London, England time, on the date of determination (rather than the second London Business Day preceding the date of determination). " **Telerate British Bankers Assoc. Interest Settlement Rates Page** " shall mean the display designated as Reuters Screen LIBOR01 Page (or such other page as may replace such page on such service for the purpose of displaying the rates at which the relevant Approved Currency deposits are offered by leading banks in the London interbank deposit market).

" **Lien** " shall mean, with respect to any property, (a) any mortgage, deed of trust, lien, pledge, encumbrance, claim, charge, assignment, hypothecation, security interest or encumbrance of any kind, including any easement, right-of-way or other encumbrance on title to Real Property, in, on or of such property in each of the foregoing cases whether voluntary or imposed by law; (b) 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 property; and (c) in the case of the Equity Interests of any Subsidiary, any purchase option, call or similar right of a third party with respect to such securities.

" **Loan Documents** " shall mean this Agreement, the Letters of Credit, the Notes (if any), the Security Documents, the Fee Letter and any other document that Borrower and the Administrative Agent have agreed to be a Loan Document.

" **Loan Parties** " shall mean Borrower and the Subsidiary Guarantors.

" **Loans** " shall mean, as the context may require, a Revolving Loan, a Term Loan or a Swingline Loan (and shall include any Replacement Term Loans and any Loans contemplated by Section 2.20).

" **London Business Day** " shall mean any day on which banks are generally open for dealings in dollar deposits in the London interbank market.

" **Long Stop Date** " shall mean the date that is six months after the Effective Date.

" **Major Covenant** " means, solely in relation to Borrower and its Subsidiaries only (and, for the avoidance of doubt, excluding any members of the Target Group), the covenants set forth in Sections 6.01 , 6.04 , 6.05 , 6.06 , 6.14 and 5.16 (other than clauses (f), (h), (k)(ii) and (l) thereof).

" **Major Default** " shall mean the occurrence of an Event of Default pursuant to Section 8.01(a) , (b) , (l) or, solely with respect to Borrower, CSG Systems, Inc. or UK Holdco, 8.01(g) or (h) .

" **Major Representation** " means, in relation to Borrower and its Subsidiaries only (and, for the avoidance of doubt, excluding the any members of the Target Group), each of the representations and warranties set forth in Sections 3.01 , 3.02 and 3.03 .

" **Margin Stock** " shall have the meaning assigned to such term in Regulation U.

" **Market Disruption Loans** " shall mean Loans the rate of interest applicable to which is based upon the Market Disruption Rate, and the Applicable Margin with respect thereto shall be the same as (i) in the case of any Loan of any Class bearing a Market Disruption Rate determined by reference to the Alternate Base Rate, the Applicable Margin then applicable to ABR Loans of such Class and (ii) in the case of any other Loan of any Class bearing a Market Disruption Rate, the Applicable Margin then applicable to Eurocurrency Loans of such Class; *provided* that, other than with respect to the rate of interest and Applicable Margin applicable thereto, Market Disruption Loans shall for all purposes hereunder and under the other Loan Documents be treated as ABR Loans.

" **Market Disruption Rate** " shall mean, for any day, a fluctuating rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to, in the reasonable discretion of the Administrative Agent, either (i) the Alternate Base Rate for such day (but only for a Loan denominated in dollars) or (ii) the rate for such day reasonably determined by the Administrative Agent to be the cost of funds of representative participating members in the interbank eurodollar market selected by the Administrative Agent (which may include Lenders) for maintaining loans similar to the relevant Market Disruption Loans. Any change in the Market Disruption Rate shall be effective as of the opening of business on the effective day of any change in the relevant component of the Market Disruption Rate. Notwithstanding the foregoing, if the "Market Disruption Rate" as determined in accordance with the immediately preceding sentences is less than the percentage specified in the proviso of the definition of "Adjusted LIBOR Rate," then for all purposes of this Agreement and the other Loan Documents, the "Market Disruption Rate" (including for Revolving Loans) shall be deemed equal to such percentage for such Interest Period.

" **Material Adverse Effect** " shall mean (a) a material adverse effect on the business, property, results of operations, or financial condition of Borrower and its Subsidiaries, taken as a whole; (b) material impairment of the ability of the Loan Parties to fully and timely perform any of their payment obligations under any Loan Document; (c) material impairment of the rights of or benefits or remedies available to the Lenders or the Collateral Agent under any Loan Document; or (d) a material adverse effect on the Collateral or the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on the Collateral or the priority of such Liens.

" **Material Borrowed Indebtedness** " shall have the meaning assigned to such term in Section 6.10(a) .

" **Maximum Rate** " shall have the meaning assigned to such term in Section 10.14 .

" **Minimum Domestic Percentage Test** " shall mean that, as of the end of the most recently completed fiscal quarter of Borrower for which financial statements shall have been delivered pursuant to Section 5.01(a) or (b) , on a Pro Forma Basis, the Domestic EBITDA Percentage is at least 66 2/3%.

" **MNPI** " shall have the meaning assigned to such term in Section 10.01(d) .

" **Moodys** " shall mean Moody's Investors Service Inc.

" **Mortgage** " shall mean an agreement, including, but not limited to, a mortgage, deed of trust or any other document, creating and evidencing a Lien on a Mortgaged Property, which shall be in a form reasonably satisfactory to the Collateral Agent, in each case, with such schedules and including such provisions as shall be necessary to conform such document to applicable local or as shall be customary under applicable local law.

" **Mortgaged Property** " shall mean each Real Property, if any, which shall be subject to a Mortgage delivered after the Closing Date pursuant to Section 5.11(c) .

" **Multiemployer Plan** " shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which any Loan Party or any ERISA Affiliate is then making or accruing an obligation to make contributions; (b) to which any Loan Party or any ERISA Affiliate has within the preceding five plan years made, or had any obligation to make, contributions; or (c) with respect to which any Loan Party or any of its ERISA Affiliates could incur liability.

" **Net Cash Proceeds** " shall mean:

(a) with respect to any Asset Sale (other than any issuance or sale of Equity Interests), the cash proceeds received by Borrower or any of its Subsidiaries (including cash proceeds subsequently received (as and when received by Borrower or any of its Subsidiaries) in respect of non-cash consideration initially received) net of (i) selling expenses (including reasonable brokers' fees or commissions, legal, accounting and other professional and transactional fees, transfer and similar taxes and Borrower's good faith estimate of income taxes actually paid or currently payable in connection with such sale); (ii) amounts provided as a reserve, in accordance with GAAP, against (x) any liabilities under any indemnification obligations associated with such Asset Sale or (y) any other liabilities retained by Borrower or any of its Subsidiaries associated with the properties sold in such Asset Sale (*provided* that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); (iii) Borrower's good faith estimate of payments required to be made with respect to unassumed liabilities relating to the properties sold (*provided* that, to the extent such cash proceeds are not used to make payments in respect of such unassumed liabilities, such cash proceeds shall constitute Net Cash Proceeds); (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness which is secured by a Lien on the properties sold in such Asset Sale (so long as such Lien was permitted to encumber such properties under the Loan Documents at the time of such sale) and which is repaid with such proceeds, (v) in the case of any such cash proceeds received (or subsequently received) by any Foreign Subsidiary, any taxes that would be payable in connection with the repatriation of such

cash proceeds to Borrower or any Subsidiary Guarantor; and (vi) in the case of any such cash proceeds received (or subsequently received) by any Subsidiary that is not a Wholly-Owned Subsidiary, the portion of such proceeds allocable to the holders (other than Borrower and its Subsidiaries) of Equity Interests in such Subsidiary or any intermediate Subsidiary that is not a Wholly-Owned Subsidiary;

(b) with respect to any Debt Issuance or any issuance or sale of Equity Interests by Borrower or any of its Subsidiaries, the cash proceeds thereof, net of (i) fees, commissions, costs and other expenses incurred in connection therewith, (ii) in the case of any such cash proceeds received by any Foreign Subsidiary, any taxes that would be payable in connection with the repatriation of such cash proceeds to Borrower or any Subsidiary Guarantor and (iii) in the case of any such cash proceeds received by any Subsidiary that is not a Wholly-Owned Subsidiary, the portion of such proceeds allocable to the holders (other than Borrower and its Subsidiaries) of Equity Interests in such Subsidiary or any intermediate Subsidiary that is not a Wholly-Owned Subsidiary; and

(c) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received in respect thereof, net of (i) all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event, (ii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness which is secured by a Lien on the property subject to such Casualty Event (so long as such Lien was permitted to encumber such property under the Loan Documents at the time of such Casualty Event) and which is repaid with such cash proceeds, awards or other compensation, (iii) in the case of any such cash proceeds, awards or other compensation received by any Foreign Subsidiary, any taxes that would be payable in connection with the repatriation of such cash proceeds, awards or other compensation to Borrower or any Subsidiary Guarantor and (vi) in the case of any such cash proceeds, awards or other compensation received by any Subsidiary that is not a Wholly-Owned Subsidiary, the portion of such proceeds allocable to the holders (other than Borrower and its Subsidiaries) of Equity Interests in such Subsidiary or any intermediate Subsidiary that is not a Wholly-Owned Subsidiary.

" **Notes** " shall mean any notes evidencing the Term Loans, Revolving Loans or Swingline Loans issued pursuant to this Agreement, if any, substantially in the form of Exhibit H-1 , H-2 or H-3 .

" **Obligation Currency** " shall have the meaning assigned to such term in Section 10.18(a) .

" **Obligations** " shall mean (a) obligations of Borrower and the other Loan Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by Borrower and the other Loan Parties under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of Reimbursement Obligations, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the

pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of Borrower and the other Loan Parties under this Agreement and the other Loan Documents, and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of Borrower and the other Loan Parties under or pursuant to this Agreement and the other Loan Documents.

" **OFAC** " shall have the meaning set forth in the definition of " **Embargoed Person** ."

" **Offer** " shall mean a contractual takeover offer within the meaning of Section 974 of the Companies Act made by UK Holdco to effect the Acquisition.

" **Offer Document** " shall mean the document to be sent to the shareholders of the Target in order to make the Offer.

" **Offer Press Release** " shall have the meaning assigned to such term in Section 5.16(i).

" **Offer Unconditional Date** " shall mean the date on which the Offer is declared unconditional in all respects.

" **Officers' Certificate** " shall mean a certificate executed by the chairman of the Board of Directors (if an officer), the chief executive officer, the president or one of the Financial Officers, each in his or her official (and not individual) capacity.

" **Organizational Documents** " shall mean, with respect to any person, (i) in the case of any corporation, the articles or certificate of incorporation and by-laws (or similar documents) of such person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person and (v) in any other case, the functional equivalent of the foregoing.

" **Other Taxes** " shall mean all present or future stamp or documentary taxes or any other excise, property or similar taxes, charges or levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document (and any interest, additions to tax or penalties applicable thereto).

" **Participant** " shall have the meaning assigned to such term in Section 10.04(d) .

" **Participant Register** " shall have the meaning assigned to such term in Section 10.04(d) .

" **Participating Member States** " shall mean the member states of the European Community that adopt or have adopted the euro as their lawful currency in accordance with the legislation of the European Union relating to European Monetary Union.

" **PBGC** " shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

" **Perfection Certificate** " shall mean a certificate in the form of Exhibit I-1 or any other form approved by the Collateral Agent, as the same shall be supplemented from time to time by a Perfection Certificate Supplement or otherwise.

" **Perfection Certificate Supplement** " shall mean a certificate supplement in the form of Exhibit I-2 or any other form approved by the Collateral Agent.

" **Permitted Acquisition** " shall mean any transaction for the (a) acquisition of all or substantially all of the property of any person, or of any business or division of any person; or (b) acquisition (including by merger or consolidation) of the Equity Interests of any person that becomes a Subsidiary after giving effect to such transaction; *provided* that each of the following conditions shall be met:

(i) no Event of Default exists at the time of the execution and delivery of the purchase agreement therefor or would then result therefrom;

(ii) after giving effect to such transaction on a Pro Forma Basis, (A) Borrower shall be in compliance with the covenants set forth in Sections 6.09 (a) , (b) and (c) as of the end of the most recently completed Test Period (with the ratios required by the covenants set forth in Section 6.09(a) and (b) each being deemed for this purpose to be 0.25 less than the ratios set forth therein), (B) the Minimum Domestic Percentage Test shall be satisfied and (C) Borrower and its Subsidiaries shall have unrestricted cash and Cash Equivalents and unused availability under the Revolving Commitments of at least $50.0 million in the aggregate;

(iii) the person or business to be acquired shall be, or shall be engaged in, a business of the type that Borrower and the Subsidiaries are permitted to be engaged in under Section 6.14 ;

(iv) in the case of an acquisition of a person whose Equity Interests are publicly listed, the Board of Directors of such person shall not have indicated publicly its opposition to the consummation of such acquisition (which opposition has not been publicly withdrawn);

(v) all transactions in connection therewith shall be consummated in accordance with all applicable material Requirements of Law as reasonably determined by Borrower; and

(vi) with respect to any transaction involving Acquisition Consideration of more than $30.0 million, at least five Business Days prior to the proposed date of consummation of the transaction, Borrower shall have delivered to the Agents and the Lenders an Officers' Certificate certifying that such transaction complies with this definition (which shall have attached thereto reasonably detailed backup data and calculations showing such compliance).

" **Permitted Liens** " shall have the meaning assigned to such term in Section 6.02 .

" **person** " shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

" **Plan** " shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by any Loan Party or any of its ERISA Affiliates or with respect to which

any Loan Party or its ERISA Affiliates could incur liability (including under Sections 4062 or 4069 of ERISA).

" **pounds** ," " **GBP** " or " **£** " shall mean lawful money of the United Kingdom.

" **Preferred Stock** " shall mean, with respect to any person, any and all preferred or preference Equity Interests (however designated) of such person whether now outstanding or issued after the Effective Date.

" **Preferred Stock Issuance** " shall mean the issuance or sale by Borrower or any of its Subsidiaries of any Disqualified Capital Stock after the Closing Date.

" **Premises** " shall have the meaning assigned thereto in the applicable Mortgage and includes any similar term used in the applicable Mortgage.

" **Press Release** " shall mean the press release announcing, in compliance with Rule 2.5 of the Takeover Code, a firm intention to proceed with the Scheme.

" **Private Side Communications** " shall have the meaning assigned to such term in Section 10.01(d) .

" **Private Siders** " shall have the meaning assigned to such term in Section 10.01(d) .

" **Pro Forma Basis** " shall mean on a basis in accordance with GAAP and Regulation S-X or otherwise reasonably satisfactory to the Administrative Agent.

" **Pro Rata Percentage** " of any Revolving Lender at any time shall mean the percentage of the total Revolving Commitments of all Revolving Lenders represented by such Lender's Revolving Commitment; *provided* that for purposes of Section 2.19(b) and (c) , "Pro Rata Percentage" shall mean the percentage of the total Revolving Commitments (disregarding the Revolving Commitment of any Defaulting Lender to the extent its Swingline Exposure or LC Exposure is reallocated to the non-Defaulting Lenders) represented by such Lender's Revolving Commitment. If the Revolving Commitments have terminated or expired, the Pro Rata Percentage shall be determined based upon the Revolving Commitments most recently in effect, after giving effect to any assignments.

" **property** " shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests or other ownership interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property.

" **Property Material Adverse Effect** " shall have the meaning assigned thereto in the Mortgage.

" **Public Siders** " shall have the meaning assigned to such term in Section 10.01(d) .

" **Purchase Money Obligation** " shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the development, construction, purchase or lease of any property (including Equity Interests of any person) or the cost of installation, construction or improvement of any property

and any refinancing thereof; *provided* , *however* , that (i) such Indebtedness is incurred within one year after such acquisition, installation, construction or improvement of such property by such person and (ii) the amount of such Indebtedness does not exceed 100% of the cost of such acquisition, installation, construction or improvement, as the case may be.

" **Qualified Capital Stock** " of any person shall mean any Equity Interests of such person that are not Disqualified Capital Stock.

" **Real Property** " shall mean, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

" **Refinanced Term Loans** " shall have the meaning assigned to such term in Section 10.02(e) .

" **Register** " shall have the meaning assigned to such term in Section 10.04(c) .

" **Regulation D** " shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

" **Regulation S-X** " shall mean Regulation S-X promulgated under the Securities Act.

" **Regulation U** " shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

" **Regulation X** " shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

" **Reimbursement Obligations** " shall mean Borrower's obligations under Section 2.18(e) to reimburse LC Disbursements.

" **Related Parties** " shall mean, with respect to any person, such person's Affiliates and the partners, directors, officers, employees, agents and advisors of such person and of such person's Affiliates.

" **Release** " shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment.

" **Released Guarantor** " shall have the meaning assigned to such term in Section 7.09 .

" **Relevant Currency Equivalent** " shall mean the Dollar Equivalent or each Alternate Currency Equivalent, as applicable.

" **Replacement Term Loans** " shall have the meaning assigned to such term in Section 10.02(e) .

" **Required Class Lenders** " shall mean (i) with respect to Term Loans, Lenders having more than 50% of all Term Loans outstanding (including prior to the date of a Successful Syndication, each of UBS Loan Finance LLC and Royal Bank of Canada) and (ii) with respect to Revolving Loans, Required Revolving Lenders.

" **Required Lenders** " shall mean Lenders having more than 50% of the sum of all Loans outstanding, LC Exposure and unused Commitments (including prior to the date of a Successful Syndication, each of UBS Loan Finance LLC and Royal Bank of Canada); *provided* that the Loans, LC Exposure and unused Commitments held or deemed held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

" **Required Revolving Lenders** " shall mean Lenders having more than 50% of all Revolving Commitments (including prior to the date of a Successful Syndication, each of UBS Loan Finance LLC and Royal Bank of Canada) or, after the Revolving Commitments have terminated, more than 50% of all Revolving Exposure; *provided* that the Revolving Commitments held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

" **Requirements of Law** " shall mean, collectively, any and all applicable requirements of any Governmental Authority including any and all laws, treaties, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes or case law.

" **Response** " shall mean (a) "response" as such term is defined in CERCLA, 42 U.S.C. § 9601(24), and (b) all other actions required by any Governmental Authority or voluntarily undertaken to (i) clean up, remove, treat, abate or in any other way address any Hazardous Material in the Environment; (ii) prevent the Release or threat of Release, or minimize the further Release, of any Hazardous Material; or (iii) perform studies and investigations in connection with, or as a precondition to, or to determine the necessity of the activities described in, clause (i) or (ii) above.

" **Responsible Officer** " of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof with responsibility for the administration of the obligations of such person in respect of this Agreement.

" **Revolving Availability Period** " shall mean the period from and including the Closing Date to but excluding the earlier of (i) the Business Day preceding the Revolving Maturity Date and (ii) the date of termination of the Revolving Commitments.

" **Revolving Borrowing** " shall mean a Borrowing comprised of Revolving Loans.

" **Revolving Commitment** " shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder up to the amount set forth on Schedule 1.01(b) or by an Increase Joinder, or in the Assignment and Assumption pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04 . The aggregate amount of the Lenders' Revolving Commitments on the Effective Date is $100.0 million.

" **Revolving Exposure** " shall mean, with respect to any Lender at any time, the Dollar Equivalent of the aggregate principal amount at such time of all outstanding Revolving Loans of such

Lender, *plus* the Dollar Equivalent of the aggregate amount at such time of such Lender's LC Exposure, *plus* the Dollar Equivalent of the aggregate amount at such time of such Lender's Swingline Exposure.

" **Revolving Lender** " shall mean a Lender with a Revolving Commitment.

" **Revolving Loan** " shall mean a Loan made by the Lenders to Borrower pursuant to Section 2.01(b) . Each Revolving Loan shall either be an ABR Revolving Loan or a Eurocurrency Revolving Loan.

" **Revolving Maturity Date** " shall mean the date which is 5 years after the Closing Date or, if such date is not a Business Day, the first Business Day thereafter.

" **Sale and Leaseback Transaction** " has the meaning assigned to such term in Section 6.03 .

" **S&P** " shall mean Standard & Poor's Financial Services LLC.

" **Scheme** " shall mean a scheme of arrangement made pursuant to Part 26 of the Companies Act between the Target and the holders of the Target Shares and the related reduction of capital under Section 649 of the Companies Act in relation to the cancellation of the entire issued share capital of the Target and the subsequent issue of new shares in the Target to UK Holdco as contemplated by the Scheme Press Release.

" **Scheme Circular** " shall mean the circular to the shareholders of Target, issued, or to be issued, by the Target setting out the proposals for the Scheme.

" **Scheme Effective Date** " shall mean the date on which a copy of the court order sanctioning the Scheme is duly filed on behalf of the Target with the Registrar of Companies in accordance with section 899 of the Companies Act.

" **Secured Obligations** " shall mean (a) the Obligations, (b) the due and punctual payment and performance of all obligations of Borrower and the other Loan Parties under each Hedging Agreement entered into with any counterparty that is a Secured Party and (c) the due and punctual payment and performance of all obligations of Borrower and the other Loan Parties (including overdrafts and related liabilities) under each Treasury Services Agreement entered into with any counterparty that is a Secured Party.

" **Secured Parties** " shall mean, collectively, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders and each counterparty to a Hedging Agreement or Treasury Services Agreement if at the date of entering into such Hedging Agreement or Treasury Services Agreement such person was an Agent or a Lender or an Affiliate of an Agent or a Lender and such person (if such person is an Affiliate of an Agent or a Lender) executes and delivers to the Administrative Agent a letter agreement in form and substance acceptable to the Administrative Agent pursuant to which such person (i) appoints the Collateral Agent as its agent under the applicable Loan Documents and (ii) agrees to be bound by the provisions of Sections 9.03 , 10.03 and 10.09 as if it were a Lender.

" **Securities Act** " shall mean the Securities Act of 1933.

“ **Securities Collateral** ” shall have the meaning assigned to such term in the Security Agreement.

“ **Security Agreement** ” shall mean the Security Agreement dated as of the Effective Date among the Loan Parties and Collateral Agent for the benefit of the Secured Parties.

“ **Security Agreement Collateral** ” shall mean all property pledged or granted as collateral pursuant to the Security Agreement (a) on the Closing Date or (b) thereafter pursuant to Section 5.11 .

“ **Security Documents** ” shall mean the Security Agreement, the English Share Pledge, the Mortgages, if any, and each other security document or pledge agreement delivered in accordance with applicable local or foreign law to grant a valid, perfected security interest in any property as collateral for the Secured Obligations and any other document or instrument utilized to pledge or grant or purport to pledge or grant a security interest or lien on any property as collateral for the Secured Obligations.

“ **Spot Selling Rate** ” shall mean the spot selling rate at which the Administrative Agent offers to sell the relevant Alternate Currency for dollars in the London foreign exchange market at approximately 11:00 a.m. London time on such date for delivery two (2) Business Days later.

“ **Statutory Reserves** ” shall mean (a) for any Interest Period for any Eurocurrency Borrowing in dollars, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion dollars against “Eurocurrency liabilities” (as such term is used in Regulation D), (b) for any Interest Period for any portion of a Borrowing in pounds, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves), if any, are in effect on such day for funding in pounds maintained by commercial banks which lend in pounds or (c) for any Interest Period for any portion of a Borrowing in euros, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves), if any, are in effect on such day for funding in euros maintained by commercial banks which lend in euros. Eurocurrency Borrowings shall be deemed to constitute Eurocurrency liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D.

“ **Subsidiary** ” shall mean, with respect to any person (the “ **parent** ”) at any date, (i) any person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iv) any other person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, “Subsidiary” refers to a Subsidiary of Borrower.

" **Subsidiary Guarantor** " shall mean each Subsidiary listed on Schedule 1.01(a) , and each other Subsidiary that is or becomes a party to this Agreement pursuant to Section 5.11 .

" **Successful Syndication** " shall have the meaning given to such term in the Fee Letter.

" **Swingline Commitment** " shall mean the commitment of the Swingline Lender to make loans pursuant to Section 2.17 , as the same may be reduced from time to time pursuant to Section 2.07 or Section 2.17 . The amount of the Swingline Commitment shall initially be $10 million, but shall in no event exceed the Revolving Commitment.

" **Swingline Exposure** " shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Lender at any time shall equal its Pro Rata Percentage of the aggregate Swingline Exposure at such time.

" **Swingline Lender** " shall have the meaning assigned to such term in the preamble hereto.

" **Swingline Loan** " shall mean any loan made by the Swingline Lender pursuant to Section 2.17 .

" **Syndication Agent** " shall have the meaning assigned to such term in the preamble hereto.

" **Takeover Code** " shall mean City Code on Takeovers and Mergers.

" **Target** " shall have the meaning assigned to such term in the first recital hereto.

" **Target Group** " shall mean the Target and its Subsidiaries.

" **Target Shares** " shall mean all the issued and unconditionally allotted share capital in the Target and any further shares in the capital of the Target which may be issued or unconditionally allotted pursuant to the exercise of any outstanding subscription or conversion rights or otherwise together with all related rights.

" **Tax Return** " shall mean all returns, statements, filings, attachments and other documents or certifications required to be filed in respect of Taxes.

" **Taxes** " shall mean all present or future taxes, levies, imposts, duties, deductions, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" **Term Borrowing** " shall mean a Borrowing comprised of Term Loans.

" **Term Loan Commitment** " shall mean, with respect to each Lender, the commitment, if any, of such Lender to make a Term Loan hereunder on the Closing Date in the amount set forth on Schedule 1.01(b) , or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Term Loan Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to

such Lender pursuant to Section 10.04 . The aggregate amount of the Lenders' Term Loan Commitments is $200.0 million.

" **Term Loan Lender** " shall mean a Lender with a Term Loan Commitment or an outstanding Term Loan.

" **Term Loan Maturity Date** " shall mean the date which is 5 years after the Closing Date or, if such date is not a Business Day, the first Business Day thereafter.

" **Term Loans** " shall mean the term loans made by the Lenders to Borrower pursuant to Section 2.01(a) or by an Increase Joinder. Each Term Loan shall be either an ABR Term Loan or a Eurocurrency Term Loan.

" **Term Loan Repayment Date** " shall have the meaning assigned to such term in Section 2.09 .

A " **Test Period** " at any time shall mean the period of four consecutive fiscal quarters of Borrower ended on or prior to such time (taken as one accounting period).

" **Total Assets** " shall mean the total assets of Borrower and its Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of Borrower delivered pursuant to Section 5.01(a) or (b) or, for the period prior to the time any such statements are so delivered pursuant to Section 5.01(a) or (b) , the financial statements referred to in the first sentence of Section 3.04(a) .

" **Total Leverage Ratio** " shall mean, at any date of determination, the ratio of Consolidated Indebtedness on such date to Consolidated EBITDA for the Test Period then most recently ended.

" **Transaction Documents** " shall mean the Acquisition Documents and the Loan Documents.

" **Transactions** " shall mean, collectively, the transactions to occur on or prior to the Closing Date pursuant to the Transaction Documents, including (a) the consummation of the Acquisition; (b) the execution, delivery and performance of the Loan Documents and the initial borrowings hereunder; (c) the Equity Financing; and (d) the payment of all fees and expenses to be paid on or prior to the Closing Date and owing in connection with the foregoing.

" **Treasury Services Agreement** " shall mean any agreement relating to treasury, depositary and cash management services (including, without limitation, purchasing cards, travel and entertainment cards and related services) or automated clearinghouse transfer of funds.

" **2004 Convertible Debt Securities** " shall mean the $230.0 million 2.5% Senior Subordinated Convertible Debt Securities of Borrower due 2024.

" **2010 Convertible Notes** " shall mean the $150.0 million 3% Senior Subordinated Convertible Notes of Borrower due 2017.

" **Type** ," when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBOR Rate or the Alternate Base Rate.

" **UCC** " shall mean the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

" **UK Holdco** " shall mean CSG Systems UK Limited, a limited company organized under the laws of England and Wales, and a wholly-owned Subsidiary of Borrower.

" **United States** " shall mean the United States of America.

" **USA PATRIOT Act** " shall have the meaning set forth in the definition of " **Anti-Terrorism Laws** ."

" **Voting Stock** " shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such person.

" **Wholly Owned Subsidiary** " shall mean, as to any person, (a) any corporation 100% of whose capital stock (other than directors' qualifying shares) is at the time owned by such person and/or one or more Wholly Owned Subsidiaries of such person and (b) any partnership, association, joint venture, limited liability company or other entity in which such person and/or one or more Wholly Owned Subsidiaries of such person have a 100% equity interest at such time.

" **Withdrawal Liability** " shall mean 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.

" **Withholding Agent** " shall mean any Loan Party and the Administrative Agent.

SECTION 1.02 Classification of Loans and Borrowings .

For purposes of this Agreement, Loans may be classified and referred to by Class (*e.g* ., a "Revolving Loan") or by Type (*e.g* ., a "Eurocurrency Loan") or by Class and Type (*e.g* ., a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (*e.g* ., a "Revolving Borrowing," "Borrowing of Term Loans") or by Type (*e.g* ., a "Eurocurrency Borrowing") or by Class and Type (*e.g* ., a "Eurocurrency Revolving Borrowing").

SECTION 1.03 Terms Generally .

The definitions of terms herein shall apply equally to 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." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set

forth herein), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (g) "on," when used with respect to the Mortgaged Property or any property adjacent to the Mortgaged Property, means "on, in, under, above or about."

SECTION 1.04 Accounting Terms; GAAP .

Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared, and all terms of an accounting or financial nature shall be construed and interpreted, in accordance with GAAP as in effect from time to time; *provided* that, (i) notwithstanding anything to the contrary herein, all accounting or financial terms used herein shall be construed, and all financial computations pursuant hereto shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard having a similar effect) to value any Indebtedness or other liabilities of any Group Member at "fair value", as defined therein and (ii) if Borrower notifies the Administrative Agent that Borrower requests an amendment of any provision hereof to eliminate the effect of any change occurring after the Effective Date in GAAP, in the application thereof or in the accounting policies or reporting practices of Borrower (or if the Administrative Agent notifies Borrower that the Required Lenders request an amendment of any provision hereof for such purpose), regardless of whether such notice is given before or after such change in GAAP, in the application thereof or in any such policies or practices, then such provision shall be applied on the basis of GAAP 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 1.05 Resolution of Drafting Ambiguities .

Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Loan Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

ARTICLE II

THE CREDITS

SECTION 2.01 Commitments .

Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly:

(a) to make a Term Loan denominated in dollars to Borrower on the Closing Date in the principal amount not to exceed its Term Loan Commitment; and

(b) to make Revolving Loans denominated in any Approved Currency to Borrower, at any time and from time to time on or after the Closing Date until the earlier of the Revolving Maturity Date and the termination of the Revolving Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment; *provided* that (i) no Revolving Loans other than the Acquisition Revolving Loans shall be made on the Closing Date, (ii) the aggregate principal amount of Revolving Loans denominated in Alternate Currencies shall not exceed the Dollar Equivalent of $25.0 million at any time outstanding and (iii) until the end of the Certain Funds Period, the aggregate amount of Revolving Exposure in respect of Letters of Credit and for Swingline Loans and Revolving Loans the proceeds of which are not used to finance the Transactions shall not be more than $0.

Amounts paid or prepaid in respect of Term Loans may not be reborrowed. Within the limits set forth in clause (b) above and subject to the terms, conditions and limitations set forth herein, Borrower may borrow, pay or prepay and reborrow Revolving Loans.

SECTION 2.02 Loans .

(a) Each Loan (other than Swingline Loans) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; *provided* that the failure of any Lender to make its Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans made pursuant to Section 2.18(e)(i), (x) ABR Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of $1.0 million or (ii) equal to the remaining available balance of the applicable Commitments and (y) (A) the Eurocurrency Loans comprising any Borrowing denominated in dollars shall be in an aggregate principal amount that is (i) an integral multiple of $1.0 million or (ii) equal to the remaining available balance of the applicable Commitments; (B) the Eurocurrency Loans comprising any Borrowing denominated in euro shall be in an aggregate principal amount that is (i) an integral multiple of €1.0 million or (ii) equal to the remaining available balance of the applicable Commitments or, if less, the available balance of Revolving Loans in an Alternate Currency pursuant to clause (ii) of Section 2.01(b) ; (C) the Eurocurrency Loans comprising any Borrowing denominated in pounds shall be in an aggregate principal amount that is (i) an integral multiple of £1.0 million or (ii) equal to the remaining available balance of the applicable Commitments or, if less, the available balance of Revolving Loans in an Alternate Currency pursuant to clause (ii) of Section 2.01(b) ; (D) the Eurocurrency Loans comprising any Borrowing denominated in Australian dollars shall be in an aggregate principal amount that is (i) an integral multiple of A$1.0 million or (ii) equal to the remaining available balance of the applicable Commitments or, if less, the available balance of Revolving Loans in an Alternate Currency pursuant to clause (ii) of Section 2.01(b); and (E) the Eurocurrency Loans comprising any Borrowing denominated in any other Alternate Currency shall be in an aggregate principal amount that is (i) an integral multiple of the number of units of such Alternate Currency as is agreed by Borrower and the Administrative Agent at the time consent is granted that such Alternate Currency shall be an Alternate Currency or (ii) equal to the remaining available balance of the applicable Commitments or, if less, the available balance of Revolving Loans in an Alternate Currency pursuant to clause (ii) of Section 2.01(b) .

(b) Subject to Sections 2.11 and 2.12 , each Borrowing (other than of Swingline Loans) shall be comprised entirely of ABR Loans or Eurocurrency Loans as Borrower may request pursuant to Section 2.03 . Each Lender may at its option make any Eurocurrency 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 Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; *provided* that Borrower shall not be entitled to request any Borrowing that, if made, would result in more than ten Eurocurrency Borrowings being outstanding hereunder at any one time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans deemed made pursuant to Section 2.18(e)(ii) , each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate, not later than 12:00 (noon), New York City time (or, in the case of a Revolving Loan in an Alternate Currency, to such account in London as the Administrative Agent may designate, not later than 12:00 (noon), London time), and the Administrative Agent shall promptly credit the amounts so received to an account as directed by Borrower in the applicable Borrowing Request acceptable to the Administrative Agent or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date (in the case of any Eurocurrency Borrowing), or at least 2 hours prior to the time (in the case of any ABR Borrowing), of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent at the time of such Borrowing in accordance with paragraph (c) above, and the Administrative Agent may, in reliance upon such assumption, make available to Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and Borrower severally agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and, in the case of a Borrowing in dollars, if greater, the Federal Funds Effective Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and Borrower's obligation to repay the Administrative Agent such corresponding amount pursuant to this Section 2.02(d) shall cease.

(e) Notwithstanding any other provision of this Agreement, Borrower shall not 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 Revolving Maturity Date, Term Loan Maturity Date, or Incremental Term Loan Maturity Date, as applicable.

SECTION 2.03 Borrowing Procedure .

To request Loans, Borrower shall deliver, by hand delivery or telecopier, a duly completed and executed Borrowing Request to the Administrative Agent (i) in the case of Eurocurrency Loans in dollars, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (ii) in the case of Eurocurrency Loans in an Alternate Currency, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed borrowing or (iii) in the case of ABR Loans, not later than 10:00 a.m., New York City time, on the date of the proposed borrowing. Each Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02 :

(a) whether the requested borrowing is to be a borrowing of Revolving Loans, or Term Loans;

(b) the aggregate amount of such borrowing;

(c) the date of such borrowing, which shall be a Business Day;

(d) whether such borrowing is to be for ABR Loans or Eurocurrency Loans;

(e) in the case of Eurocurrency Loans, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; *provided* that until the date on which the Lead Arrangers shall have notified Borrower that a Successful Syndication has been achieved, the Interest Period shall be one month;

(f) the location and number of Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c) ;

(g) that the conditions set forth in Section 4.02 or Sections 4.03(b)-(d) , as the case may be, have been satisfied as of the date of the notice; and

(h) in the case of Eurocurrency Loans in an Alternate Currency, the Alternate Currency for such Loans.

If no election as to the Type of Loans is specified for Loans in dollars, then the requested borrowing shall be for ABR Loans. If no Interest Period is specified with respect to any requested Eurocurrency Loan, then 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 applicable 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 Evidence of Debt; Repayment of Loans .

(a) Promise to Repay . Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Term Loan Lender, the principal amount of each Term Loan of such Term Loan Lender as provided in Section 2.09 , (ii) to the Administrative Agent for the account of each Revolving Lender, the then unpaid principal amount of each Revolving Loan of such Revolving Lender on the Revolving Maturity Date and (iii) to the Swingline Lender, the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Maturity Date and the first date

after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after each Swingline Loan is made. All payments or repayments of Loans made pursuant to this Section 2.04(a) shall be made in the Approved Currency in which such Loan is denominated.

(b) Lender and Administrative Agent Records . Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain records including (i) the amount and Approved Currency of each Loan made hereunder, the Type and Class thereof and the Interest Period applicable thereto; (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder; and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The entries made in the records maintained by the Administrative Agent and each Lender pursuant to this paragraph shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; *provided* that the failure of any Lender or the Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligations of Borrower to repay the Loans in accordance with their terms. In the event of any conflict between the records maintained by any Lender and the records of the Administrative Agent in respect of such matters, the records of the Administrative Agent shall control in the absence of manifest error.

(c) Promissory Notes . Any Lender by written notice to Borrower (with a copy to the Administrative Agent) may request that Loans of any Class made by it be evidenced by a promissory note. In such event, Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in the form of Exhibit H-1 , H-2 or H-3 , as the case may be. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) 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 2.05 Fees .

(a) Commitment Fee . Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than any Defaulting Lender as long as it is a Defaulting Lender) a commitment fee (a " **Commitment Fee** ") equal to the Applicable Fee per annum on the average daily unused amount of the Revolving Commitment of such Lender during the period from and including the Closing Date to but excluding the date on which such Revolving Commitment terminates. Accrued Commitment Fees shall be payable in arrears (A) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Effective Date, and (B) on the date on which such Commitment terminates. Commitment Fees 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). For purposes of computing Commitment Fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender (and the Swingline Exposure of such Lender shall be disregarded for such purpose).

(b) Agent Fees . Borrower agrees to pay to the Administrative Agent and the Lead Arrangers the fees payable in the amounts and at the times separately agreed upon among Borrower, the Administrative Agent and the Lead Arrangers (the " **Agent Fees** ").

(c) LC and Fronting Fees . Borrower agrees to pay (i) to the Administrative Agent for the account (subject to Section 2.20(b)) of each Revolving Lender a participation fee (" **LC Participation Fee** ") with respect to its participations in Letters of Credit, which shall accrue at a rate equal to the Applicable Margin from time to time used to determine the interest rate on Eurocurrency Revolving Loans pursuant to Section 2.06 on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to Reimbursement Obligations) during the period from and including the Closing Date to but excluding the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee (" **Fronting Fee** "), which shall accrue at the rate of 0.25% per annum on the average daily amount of the LC Exposure (*provided* that any LC Exposure attributable to a Letter of Credit denominated in dollars in an initial amount less than $50,000 or a Letter of Credit denominated in an Alternate Currency in an initial amount less than the Dollar Equivalent of $50,000 shall be deemed to be $50,000 or the Dollar Equivalent of $50,000, as applicable, for purposes of this clause (ii)) (excluding any portion thereof attributable to Reimbursement Obligations) during the period from and including the Closing Date to but excluding the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's customary fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Accrued LC Participation Fees and Fronting Fees shall be payable in arrears (i) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date, and (ii) on the date on which the Revolving Commitments terminate and on any date thereafter on which there ceases to be any LC Exposure. Any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand therefor. All LC Participation Fees and Fronting Fees 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).

(d) All Fees shall be paid on the dates due, in immediately available funds in dollars, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that Borrower shall pay the Fronting Fees directly to the Issuing Bank. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06 Interest on Loans .

(a) ABR Loans . Subject to the provisions of Section 2.06(d) , the Loans comprising each ABR Borrowing, including each Swingline Loan, shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin in effect from time to time.

(b) Eurocurrency Loans . Subject to the provisions of Section 2.06(d) , the Loans comprising each Eurocurrency Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time.

(c) Default Rate . Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall, to the extent permitted by applicable law, bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of amounts constituting principal on any Loan, 2% *plus* the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.06 or (ii) in the case of any other outstanding amount, (A) 2% *plus* the rate applicable to ABR Revolving Loans as provided in Section 2.06(a) or, (B)

in the case of an overdue amount in an Alternate Currency, the Alternate Currency Base Rate for such Alternate Currency (in the case of either of the foregoing clauses (i) and (ii), the " **Default Rate** ").

(d) Interest Payment Dates . Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; *provided* that (i) interest accrued pursuant to Section 2.06(c) shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or a Swingline Loan without a permanent reduction in Revolving Commitments), 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 Eurocurrency 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) Interest Calculation . All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate and interest on obligations denominated in pounds 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 Alternate Base Rate or Adjusted LIBOR Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error.

(f) Currency for Payment of Interest . All interest paid or payable pursuant to this Section 2.06 shall be paid in the Approved Currency in which the Loan, Letter of Credit or other Obligation giving rise to such interest is denominated.

SECTION 2.07 Termination and Reduction of Commitments .

(a) Termination of Commitments . The Term Loan Commitments shall automatically terminate at 5:00 p.m., New York City time, on the Closing Date. The Revolving Commitments, the Swingline Commitment and the LC Commitment shall automatically terminate on the Revolving Maturity Date. Notwithstanding the foregoing, all the Commitments shall automatically terminate on the Long Stop Date, if the initial Credit Extension shall not have occurred by such time.

(b) Optional Terminations and Reductions . At its option, Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; *provided* that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $1.0 million and not less than $5.0 million and (ii) the Revolving Commitments shall not be terminated or reduced if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10 , the aggregate amount of Revolving Exposures would exceed the aggregate amount of Revolving Commitments.

(c) Borrower Notice . Borrower shall notify the Administrative Agent in writing of any election to terminate or reduce Commitments under Section 2.07(b) 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 applicable Lenders of the contents thereof. Each notice delivered by Borrower pursuant to this Section shall be irrevocable; *provided* that a notice of termination or reduction of Commitments delivered by Borrower may state that such notice is conditioned upon the effectiveness of another credit facility or the closing of a securities offering or Asset Sale, in which case such notice may be revoked by Borrower (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 of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

SECTION 2.08 Interest Elections .

(a) Generally . Each Revolving Borrowing and Term Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. Borrowings of Alternate Currency Revolving Loans may not be converted to a different Type. 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. Notwithstanding anything to the contrary, Borrower shall not be entitled to request any conversion or continuation that, if made, would result in more than ten Eurocurrency Borrowings outstanding hereunder at any one time. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) Interest Election Notice . To make an election pursuant to this Section, Borrower shall deliver, by hand delivery or telecopier, a duly completed and executed Interest Election Request to the Administrative Agent not later than the time that a Borrowing Request would be required under Section 2.03 if Borrower were requesting Loans of the Type resulting from such election to be made on the effective date of such election. Each Interest Election Request shall be irrevocable. Each Interest Election Request shall specify the following information in compliance with Section 2.02 :

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation 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 an ABR Borrowing or a Eurocurrency Borrowing; *provided* that no Borrowing denominated in an Alternate Currency shall be an ABR Borrowing;

(iv) if the resulting Borrowing is a Eurocurrency 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"; *provided* that until the date on which the Lead Arrangers shall have notified Borrower that a Successful Syndication has been achieved, the Interest Period shall be one month; and

(v) in the case of a Borrowing consisting of Alternate Currency Revolving Loans, the Alternate Currency of such Borrowing.

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then Borrower shall be deemed to have selected an Interest Period of one month's duration.

Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(c) Automatic Conversions and Continuations of Certain Borrowings . If an Interest Election Request with respect to a Eurocurrency Borrowing is not timely delivered 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 (i) if such Borrowing is denominated in dollars, such Borrowing shall be converted to an ABR Borrowing and (ii) if such Borrowing is denominated in an Alternate Currency, such Borrowing shall be continued for an additional Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, the Administrative Agent or the Required Lenders may require, by notice to Borrower, that (x) no outstanding Borrowing in dollars may be converted to or continued as a Eurocurrency Borrowing, (y) unless repaid, each Eurocurrency Borrowing other than a Borrowing of Alternate Currency Loans shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (z) any Alternate Currency Loan shall not be continued with an Interest Period of more than one month.

SECTION 2.09 Amortization of Term Borrowings .

Borrower shall pay to the Administrative Agent, for the account of the Lenders, (a) an aggregate annual amount payable in equal quarterly installments on the last Business Day of each March, June, September and December (each such date a " **Term Loan Repayment Date** "), commencing with the first such date to occur at least 30 days after the Closing Date, equal to (i) 5% of the aggregate principal amount of all Term Loans funded on the Closing Date for the first year following the Closing Date, (ii) 10% of the aggregate principal amount of all Term Loans funded on the Closing Date for the second year following the Closing Date, (iii) 15% of the aggregate principal amount of all Term Loans funded on the Closing Date for the third year following the Closing Date, (iv) 20% of the aggregate principal amount of all Term Loans funded on the Closing Date for the fourth year following the Closing Date and (v) 25% of the aggregate principal amount of all Term Loans funded on the Closing Date for the fifth year following the Closing Date, in the case of each of the foregoing clauses (i) through (v), as adjusted from time to time pursuant to Section 2.10(g), and (b) on the Term Loan Maturity Date, the aggregate principal amount of all Term Loans outstanding on such date, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

SECTION 2.10 Optional and Mandatory Prepayments of Loans .

(a) Optional Prepayments . Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section 2.10 ; *provided* that each partial prepayment shall be in an amount that is (i) in the case of any Borrowing of Loans denominated in dollars, an integral multiple of $1.0 million, (ii) in the case of any Borrowing of Loans denominated in euros, an integral multiple of €1.0 million, (iii) in the case of any Borrowing of Loans denominated in pounds, an integral multiple of £1.0 million, (iv) in the case of any Borrowing of Loans denominated in Australian dollars, an integral multiple of A$1.0 million, (v) in the case of any Borrowing of Loans denominated in any other Alternate Currency, an integral multiple of the number of units of such Alternate Currency as is agreed by Borrower and the Administrative Agent at the time

consent is granted that such Alternate Currency shall be an Alternate Currency or (vi) in any case, the outstanding principal amount of such Borrowing.

(b) Revolving Loan Prepayments .

(i) In the event of the termination of all the Revolving Commitments, Borrower shall, on the date of such termination, repay or prepay all its outstanding Revolving Borrowings and all outstanding Swingline Loans and replace all outstanding Letters of Credit or cash collateralize all outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i) .

(ii) In the event of any partial reduction of the Revolving Commitments, then (x) at or prior to the effective date of such reduction, the Administrative Agent shall notify Borrower and the Revolving Lenders of the sum of the Revolving Exposures after giving effect thereto and (y) if the sum of the Revolving Exposures would exceed the aggregate amount of Revolving Commitments after giving effect to such reduction, then Borrower shall, on the date of such reduction, *first* , repay or prepay Swingline Loans, *second* , repay or prepay Revolving Borrowings and *third* , replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i) , in an aggregate amount sufficient to eliminate such excess.

(iii) In the event that the sum of all Lenders' Revolving Exposures exceeds the Revolving Commitments then in effect (including on any date on which Dollar Equivalents are determined pursuant to Section 10.17), Borrower shall, without notice or demand, immediately *first* , repay or prepay Swingline Loans, *second* , repay or prepay Revolving Borrowings, and *third* , replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i) , in an aggregate amount sufficient to eliminate such excess.

(iv) In the event that the aggregate LC Exposure exceeds the LC Commitment then in effect (including on any date on which Dollar Equivalents are determined pursuant to Section 10.17), Borrower shall, without notice or demand, immediately replace outstanding Letters of Credit or cash collateralize outstanding Letters of Credit in accordance with the procedures set forth in Section 2.18(i) , in an aggregate amount sufficient to eliminate such excess.

(v) In the event that the aggregate Swingline Exposure exceeds the Swingline Commitment then in effect (including on any date on which Dollar Equivalents are determined pursuant to Section 10.17), Borrower shall, without notice or demand, immediately repay or prepay Swingline Loans in an aggregate amount sufficient to eliminate such excess.

(c) Asset Sales . Not later than five (or in the case of any Asset Sale by a Foreign Subsidiary, ten) Business Days following the receipt of any Net Cash Proceeds of any Asset Sale by Borrower or any of its Subsidiaries, Borrower shall make prepayments in accordance with Sections 2.10(h) and (i) in an aggregate amount equal to 100% of such Net Cash Proceeds; *provided* that:

(i) no such prepayment shall be required under this Section 2.10(c)(i) with respect to (A) any Asset Sale permitted by Section 6.06 (a) , (B) the disposition of property which constitutes

a Casualty Event, or (C) Asset Sales resulting in no more than $2.5 million in Net Cash Proceeds per Asset Sale (or series of related Asset Sales); and

(ii) so long as no Event of Default shall then exist or would arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such Net Cash Proceeds are expected to be reinvested in Capital Assets or a Permitted Acquisition within 12 months following the date of such Asset Sale (which Officers' Certificate shall set forth the estimates of the proceeds to be so expended); *provided* that if all or any portion of such Net Cash Proceeds is not so reinvested within such 12-month period, such unused portion shall be applied on the last day of such period as a mandatory prepayment as provided in this Section 2.10(c) .

(d) Debt Issuance or Preferred Stock Issuance . Not later than one (or in the case of any Debt Issuance or Preferred Stock Issuance by a Foreign Subsidiary, five) Business Day following the receipt of any Net Cash Proceeds of any Debt Issuance or Preferred Stock Issuance by Borrower or any of its Subsidiaries, Borrower shall make prepayments in accordance with Sections 2.10(g) and (h) in an aggregate amount equal to 100% of such Net Cash Proceeds.

(e) Casualty Events . Not later than ten Business Days following the receipt of any Net Cash Proceeds from a Casualty Event by Borrower or any of its Subsidiaries (other than any Casualty Event resulting in Net Cash Proceeds of less than $2.5 million), Borrower shall make prepayments in accordance with Sections 2.10(g) and (h) in an aggregate amount equal to 100% of such Net Cash Proceeds; *provided* that:

(i) so long as no Event of Default shall then exist or arise therefrom, such proceeds shall not be required to be so applied on such date to the extent that Borrower shall have delivered an Officers' Certificate to the Administrative Agent on or prior to such date stating that such proceeds are expected to be used to repair, replace or restore any property in respect of which such Net Cash Proceeds were paid or to reinvest in other Capital Assets or a Permitted Acquisition, no later than 12 months following the date of receipt of such proceeds; and

(ii) if any portion of such Net Cash Proceeds shall not be so applied within such 12-month period, such unused portion shall be applied on the last day of such period as a mandatory prepayment as provided in this Section 2.10(e) .

(f) Excess Cash Flow . No later than five Business Days after the date on which the financial statements with respect to each fiscal year in which an Excess Cash Flow Period occurs are required to be delivered pursuant to Section 5.01(a) (without giving effect to any grace period applicable thereto), Borrower shall make prepayments in accordance with Sections 2.10(g) and (h) in an aggregate amount equal to (A) the Applicable ECF Percentage of Excess Cash Flow for such Excess Cash Flow Period then ended minus (B) any voluntary prepayments of Term Loans or repayments of Revolving Loans to the extent accompanied by a permanent reduction of the Revolving Commitments pursuant to Section 2.10(a) during such Excess Cash Flow Period, other than prepayments of Term Loans that reduced amortization payments scheduled during such Excess Cash Flow Period (to the extent of such reductions) or prepayments funded with the proceeds of Indebtedness (other than Revolving Loans).

(g) Application of Prepayments . Mandatory prepayments shall be applied to any Term Loans outstanding. Prior to any optional or mandatory prepayment hereunder, Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(h) , subject to the provisions of this Section 2.10(g) . Any prepayments of Term Loans pursuant to Section 2.10(a) , (c) , (d) , (e) or (f) shall be applied to reduce scheduled repayments required under Section 2.09 , in direct order to such scheduled repayments due on the Term Loan Repayment Dates occurring following such prepayment.

Amounts to be applied pursuant to this Section 2.10 to the prepayment of Term Loans shall be applied first to reduce outstanding ABR Term Loans. Any amounts remaining after each such application shall be applied to prepay Eurocurrency Term Loans. Notwithstanding the foregoing, if the amount of any prepayment of Loans required under this Section 2.10 shall be in excess of the amount of the ABR Loans at the time outstanding (an " **Excess Amount** "), only the portion of the amount of such prepayment as is equal to the amount of such outstanding ABR Loans shall be immediately prepaid and, at the election of Borrower, the Excess Amount shall be either (A) deposited in an escrow account on terms satisfactory to the Collateral Agent and applied to the prepayment of Eurocurrency Loans on the last day of the then next-expiring Interest Period for Eurocurrency Loans; *provided* that (i) interest in respect of such Excess Amount shall continue to accrue thereon at the rate provided hereunder for the Loans which such Excess Amount is intended to repay until such Excess Amount shall have been used in full to repay such Loans and (ii) at any time while an Event of Default has occurred and is continuing, the Administrative Agent may, and upon written direction from the Required Lenders shall, apply any or all proceeds then on deposit to the payment of such Loans in an amount equal to such Excess Amount or (B) prepaid immediately, together with any amounts owing to the Lenders under Section 2.13 .

(h) Notice of Prepayment . Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by written notice of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (iii) in the case of prepayment of a Swingline Loan, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable; *provided* that a notice of prepayment delivered by Borrower may state that such notice is conditioned upon the effectiveness of another credit facility or the closing of a securities offering or Asset Sale, in which case such notice may be revoked by Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Credit Extension of the same Type as provided in Section 2.02 , except as necessary to apply fully the required amount of a mandatory prepayment. Subject to Section 2.10(g) , each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing and otherwise in accordance with this Section 2.10 . Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06 .

SECTION 2.11 Alternate Rate of Interest .

If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent determines (which determination shall be final and conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBOR Rate for such Interest Period or that any Alternate Currency is not available to the Lenders in sufficient amounts to fund any Borrowing consisting of Alternate Currency Revolving Loans; or

(b) the Administrative Agent determines or is advised in writing by the Required Lenders that the Adjusted LIBOR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give written notice thereof to Borrower and the applicable Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies Borrower and the applicable Lenders that the circumstances giving rise to such notice no longer exist, (i) any Eurocurrency Borrowing requested to be made on the first day of such Interest Period shall be made as a Market Disruption Loan, (ii) any Borrowing that was to have been converted on the first day of such Interest Period to a Eurocurrency Borrowing shall be continued as a Market Disruption Loan and (iii) any outstanding Eurocurrency Borrowing shall be converted, on the last day of the then-current Interest Period, to a Market Disruption Loan.

SECTION 2.12 Yield Protection .

(a) Increased Costs Generally . If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in, by any Lender (except any reserve requirement reflected in the Adjusted LIBOR Rate) or the Issuing Bank;

(ii) subject any Lender or the Issuing Bank to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender or the Issuing Bank in respect thereof (except for Indemnified Taxes or Other Taxes indemnifiable under Section 2.15 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the Issuing Bank); or

(iii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting Eurocurrency 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 of making or maintaining any Eurocurrency Loan (or, in the case of (ii), any Loan), or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, the Issuing Bank or such Lender's or the Issuing Bank's holding company, if any, 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 or the Issuing Bank hereunder (whether of principal, interest or any other amount) in respect of making or maintaining such Loans, maintaining its obligation to make such Loans or participating in, issuing or maintaining Letters of Credit or its obligation to

participate in or issue Letters of Credit, then, upon request of such Lender or the Issuing Bank, Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements . If any Lender or the Issuing Bank determines (in good faith, but in its absolute sole discretion) that any Change in Law affecting such Lender or the Issuing Bank or any lending office of such Lender or such Lender's or the Issuing Bank'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 the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank'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 held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) Certificates for Reimbursement . A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.12 and delivered to Borrower shall (i) set forth in reasonable detail the basis for, and the calculation of, such amount or amounts and (ii) be conclusive absent manifest error. Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests . Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; *provided* that Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank'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 nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.13 Breakage Payments .

In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any Eurocurrency Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan earlier than the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto or (d) the assignment of any Eurocurrency Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by Borrower pursuant to Section 2.16(b) , then, in any such event, Borrower shall compensate each applicable Lender for the loss, cost and expense attributable to such event. Such loss, cost or

expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBOR Rate (which, for this purpose, shall be determined without regard to the proviso to the definition thereof) that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the Eurocurrency market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs .

(a) Payments Generally . Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or Reimbursement Obligations, or of amounts payable under Section 2.12 , 2.13 , 2.15 or 10.03 , or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time, or 2:00 p.m., London time, in the case of a payment in an Alternate Currency), on the date when due, in immediately available funds, without setoff, deduction 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 at its offices at Stamford, Connecticut (or, in the case of a payment in an Alternate Currency, its offices in London), except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.12 , 2.13 , 2.15 and 10.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. 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 under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, 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 each Loan Document shall be made in dollars, except as expressly specified otherwise.

(b) Pro Rata Treatment .

(i) Each payment of interest in respect of the Loans shall be applied to the amounts of such obligations owing to the Lenders *pro rata* according to the respective amounts then due and owing to the Lenders.

(ii) Each payment on account of principal of the Term Loans shall be allocated among the Term Loan Lenders *pro rata* based on the principal amount of the Term Loans held by the Term Loan Lenders. Each payment on account of principal of the Revolving Borrowings shall be made *pro rata* according to the respective outstanding principal amounts of the

Revolving Loans then held by the Revolving Lenders, except as expressly provided in Section 2.20(d) .

(c) Insufficient Funds . If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, Reimbursement Obligations, interest and fees then due hereunder, such funds shall be applied (i) *first* , toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second* , toward payment of principal and Reimbursement Obligations then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and Reimbursement Obligations then due to such parties. It is understood that the foregoing does not apply to any adequate protection payments under any federal, state or foreign bankruptcy, insolvency, receivership or similar proceeding, and that the Administrative Agent may, subject to any applicable federal, state or foreign bankruptcy, insolvency, receivership or similar orders, distribute any adequate protection payments it receives on behalf of the Lenders to the Lenders in its sole discretion (*i.e* ., whether to pay the earliest accrued interest, all accrued interest on a *pro rata* basis or otherwise).

(d) Sharing of Set-Off . If any Lender (and/or the Issuing Bank, which shall be deemed a "Lender" for purposes of this Section 2.14 (d)) shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other Obligations greater than its *pro rata* share thereof as provided herein, 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 such other Obligations 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 principal of and accrued interest on their respective Loans and other Obligations owing them (all as calculated by using Dollar Equivalents of any amounts in Alternate Currencies on the date of such purchase), *provided* that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such 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. If under applicable bankruptcy, insolvency or any similar law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(d) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent

with the rights to which the Secured Party is entitled under this Section 2.14(d) to share in the benefits of the recovery of such secured claim.

(e) Borrower Default . Unless the Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any of the Lenders or the Issuing Bank hereunder that Borrower will not make such payment, the Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank 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 a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and, in the case of a Borrowing in dollars, if greater, the Federal Funds Effective Rate.

SECTION 2.15 Taxes .

(a) Payments Free of Taxes . Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; *provided* that if the applicable Withholding Agent shall be required by applicable Requirements of Law (as determined in the good faith discretion of the applicable Withholding Agent) to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased by the Loan Parties as necessary so that after all such required deductions have been made (including such deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Withholding Agent shall make such deductions and (iii) the applicable Withholding Agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(b) Payment of Other Taxes by Borrower . Without limiting the provisions of paragraph (a) above, Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(c) Indemnification by Borrower . Borrower shall indemnify the Administrative Agent, each Lender and any other recipient or beneficial owner of any payment to be made by or on account of any obligation of any Loan Party hereunder, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) payable by such party, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other 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 Borrower by such party (other than the Administrative Agent) with a copy to the Administrative Agent, or by the Administrative Agent on its own behalf or on behalf of any such party, shall be conclusive absent manifest error.

(d) Evidence of Payments . As soon as practicable after any payment of Indemnified Taxes or Other Taxes by Borrower to a Governmental Authority, Borrower shall deliver to the

Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders . Any Lender that is entitled to an exemption from or reduction of any withholding Tax with respect to any payments hereunder or under any other Loan Document shall, to the extent it may lawfully do so, deliver to Borrower and to the Administrative Agent, at the time or times reasonably requested by Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Requirements of Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Requirements of Law or reasonably requested by Borrower or the Administrative Agent as will enable Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the above two sentences, in the case of any Taxes that are not U.S. federal withholding Taxes, the completion, execution and submission of non-U.S. federal forms shall not be required if in the Lender's judgment it is not lawfully able to do so or such completion, execution or submission would subject such Lender to any unreimbursed cost or expense or would be disadvantageous to such Lender in any material respect.

Without limiting the generality of the foregoing, in the event that any Loan Party is resident for tax purposes in the United States of America, any Foreign Lender shall, to the extent it may lawfully do so, deliver to Borrower 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 Lender under this Agreement (and from time to time thereafter upon the request of Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor forms) claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI (or any successor forms),

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, in substantially the form of Exhibit M , or any other form approved by the Administrative Agent, to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, and that no payments in connection with the Loan Documents are effectively connected with such Foreign Lender's conduct of a U.S. trade or business or, to the extent any payments are effectively connected, such payments are not includable in the Foreign Lender's gross income for U.S. federal income tax purposes under an income tax treaty and (y) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor forms),

(iv) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or participating Lender granting a typical participation), an Internal Revenue Service Form W-8IMY, accompanied by an Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN, a certificate in substantially the form of Exhibit M , Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership (and not a participating Lender) and one or more beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a certificate, in substantially the form of Exhibit M, on behalf of such beneficial owner(s), or

(v) any other form prescribed by applicable Requirements of 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 Requirements of Law to permit Borrower and the Administrative Agent to determine the withholding or deduction required to be made.

Each Foreign Lender shall, from time to time after the initial delivery by such Foreign Lender of the forms described above, whenever a lapse in time or change in such Foreign Lender's circumstances renders such forms, certificates or other evidence so delivered obsolete or inaccurate, promptly (1) deliver to Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) renewals, amendments or additional or successor forms, properly completed and duly executed by such Foreign Lender, together with any other certificate or statement of exemption required in order to confirm or establish such Foreign Lender's status or that such Foreign Lender is entitled to an exemption from or reduction in U.S. federal withholding Tax or (2) notify Administrative Agent and Borrower of its inability to deliver any such forms, certificates or other evidence.

Any Lender that is not a Foreign Lender shall deliver to Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter as prescribed by applicable law or upon the request of Borrower or the Administrative Agent), duly executed and properly completed copies of Internal Revenue Service Form W-9 certifying that it is not subject to backup withholding.

If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding 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 Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. For purposes of this paragraph, FATCA shall include any regulations or official interpretations thereof.

(f) Treatment of Certain Refunds . If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section, it shall pay to the applicable Loan Party an amount equal to

such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that such Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender or in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its Tax Returns (or any other information relating to its Taxes that it deems confidential) to Borrower or any other person. Notwithstanding anything to the contrary, in no event will the Administrative Agent or any Lender be required to pay any amount to a Loan Party the payment of which would place the Administrative Agent or such Lender in a less favorable net after-Tax position than the Administrative Agent or such Lender would have been in if the Indemnified Taxes or Other Taxes giving rise to such refund had never been imposed in the first instance.

(g) Payments . For purposes of this Section 2.15 , any payments by the Administrative Agent to a Lender of any amounts received by the Administrative Agent from a Loan Party on behalf of such Lender shall be treated as a payment from the Loan Party to such Lender.

(h) Issuing Bank . For all purposes of this Section 2.15 , the term Lender shall include the Issuing Bank.

SECTION 2.16 Mitigation Obligations; Replacement of Lenders .

(a) Designation of a Different Lending Office . If any Lender requests compensation under Section 2.12 , or requires Borrower to pay any additional amount or indemnity payment to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15 , then such Lender 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, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or 2.15 , as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses submitted by such Lender to Borrower shall be conclusive absent manifest error.

(b) Replacement of Lenders . If any Lender requests compensation under Section 2.12 , or if Borrower is required to pay any additional amount or indemnity payment to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15 , or if any Lender is a Defaulting Lender, or if Borrower exercises its replacement rights under Section 10.02(d) , then Borrower may, at its 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, and consents required by, Section 10.04), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

(i) Borrower shall have paid to the Administrative Agent the processing and recordation fee specified in Section 10.04(b) ;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.13), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts;

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.15 , such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Requirements of Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

Each Lender agrees that, if Borrower elects to replace such Lender in accordance with this Section 2.16(b) , it shall promptly execute and deliver to the Administrative Agent an Assignment and Assumption to evidence the assignment and shall 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; *provided* that the failure of any such Lender to execute an Assignment and Assumption shall not render such assignment invalid and such assignment shall be recorded in the Register.

SECTION 2.17 Swingline Loans .

(a) Swingline Commitment . Subject to the terms and conditions set forth herein, the Swingline Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.17 , to make Swingline Loans in dollars to Borrower from time to time during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $10 million, (ii) the sum of the total Revolving Exposures exceeding the total Revolving Commitments or (iii) Section 2.01(b)(iii) to be breached; *provided* that Borrower shall not use the proceeds of any Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, Borrower may borrow, repay and reborrow Swingline Loans.

(b) Swingline Loans . To request a Swingline Loan, Borrower shall deliver, by hand delivery or telecopier, a duly completed and executed Borrowing Request to the Administrative Agent and the Swingline Lender, not later than 12:00 noon, New York City time on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and the amount of the requested Swingline Loan. Each Swingline Loan shall be an ABR Loan. The Swingline Lender shall make each Swingline Loan available to Borrower to an account as directed by Borrower in the applicable Borrowing Request maintained with the Administrative Agent (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.18(e) , by remittance to the Issuing Bank) by 3:00 p.m., New York City time, on the

requested date of such Swingline Loan. Borrower shall not request a Swingline Loan if at the time of or immediately after giving effect to the Extension of Credit contemplated by such request a Default has occurred and is continuing or would result therefrom. Swingline Loans shall be made in minimum amounts of $1.0 million and integral multiples of such amount.

(c) Prepayment . Borrower shall have the right at any time and from time to time to repay any Swingline Loan, in whole or in part, upon giving written notice to the Swingline Lender and the Administrative Agent before 12:00 (noon), New York City time, on the proposed date of prepayment.

(d) Participations . The Swingline Lender may at any time in its discretion by written notice given to the Administrative Agent (*provided* such notice requirement shall not apply if the Swingline Lender and the Administrative Agent are the same entity) require the Revolving Lenders to acquire participations in all or a portion of the Swingline Loans then outstanding not later than 11:00 a.m., New York City time, on the next succeeding Business Day following such notice. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.02(c) with respect to Loans made by such Lender (and Section 2.02 shall apply, *mutatis mutandis* , to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify Borrower of any participations in any Swingline Loan acquired by the Revolving Lenders pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from Borrower (or any other party on behalf of Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent. Any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve Borrower of any default in the payment thereof.

SECTION 2.18 Letters of Credit .

(a) General . Subject to the terms and conditions set forth herein, Borrower as the applicant therefor may request the Issuing Bank, and the Issuing Bank agrees, to issue Letters of Credit denominated in any Approved Currency for its own account or the account of a Subsidiary in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Revolving Availability Period (*provided* that Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Letter of Credit issued for the account of a Subsidiary). The Issuing Bank shall have no obligation to issue, and Borrower shall not request the issuance of, any

Letter of Credit at any time if (i) after giving effect to such issuance, the LC Exposure would exceed the LC Commitment, (ii) the total Revolving Exposure would exceed the total Revolving Commitments, (iii) the Dollar Equivalent of the LC Exposure denominated in Alternate Currencies would exceed $5.0 million or (iv) Section 2.01(b)(iii) would be breached. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by Borrower to, or entered into by Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions and Notices . To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, Borrower shall deliver, by hand or telecopier (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank), an LC Request to the Issuing Bank and the Administrative Agent not later than 11:00 a.m. on the fifth Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is acceptable to the Issuing Bank).

A request for an initial issuance of a Letter of Credit shall specify in form and detail satisfactory to the Issuing Bank:

(i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day);

(ii) the amount and the currency thereof (which shall be any Approved Currency);

(iii) the expiry date thereof (which shall not be later than the close of business on the Letter of Credit Expiration Date);

(iv) the name and address of the beneficiary thereof;

(v) whether the Letter of Credit is to be issued for its own account or for the account of one of its Subsidiaries (*provided* that Borrower shall be a co-applicant, and therefore jointly and severally liable, with respect to each Letter of Credit issued for the account of a Subsidiary);

(vi) the documents to be presented by such beneficiary in connection with any drawing thereunder;

(vii) the full text of any certificate to be presented by such beneficiary in connection with any drawing thereunder; and

(viii) such other matters as the Issuing Bank may reasonably require.

A request for an amendment, renewal or extension of any outstanding Letter of Credit shall specify in form and detail satisfactory to the Issuing Bank:

(i) the Letter of Credit to be amended, renewed or extended;

(ii) the proposed date of amendment, renewal or extension thereof (which shall be a Business Day);

(iii) the nature of the proposed amendment, renewal or extension; and

(iv) such other matters as the Issuing Bank may reasonably require.

If requested by the Issuing Bank, Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued only if (and, upon issuance, amendment, renewal or extension of each Letter of Credit, Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, (i) the LC Exposure shall not exceed the LC Commitment, (ii) the total Revolving Exposures shall not exceed the total Revolving Commitments and (iii) the conditions set forth in Article IV in respect of such issuance, amendment, renewal or extension shall have been satisfied.

Upon the issuance of any Letter of Credit or amendment, renewal, extension or modification to a Letter of Credit, the Issuing Bank shall promptly notify the Administrative Agent, who shall promptly notify each Revolving Lender, thereof, which notice shall be accompanied by a copy of such Letter of Credit or amendment, renewal, extension or modification to a Letter of Credit and the amount of such Lender's respective participation in such Letter of Credit pursuant to Section 2.18(d) . If the Issuing Bank is not the same person as the Administrative Agent, on the first Business Day of each calendar month, the Issuing Bank shall provide to the Administrative Agent a report listing all outstanding Letters of Credit and the amounts and beneficiaries thereof and the Administrative Agent shall promptly provide such report to each Revolving Lender.

(c) Expiration Date . Each Letter of Credit shall expire (upon non-renewal or otherwise) at or prior to the close of business on the earlier of (i) subject to the next sentence, the date which is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the Letter of Credit Expiration Date. If Borrower so requests in any Letter of Credit Request, the Issuing Bank shall issue a Letter of Credit that has automatic renewal provisions (each, an " **Auto-Renewal Letter of Credit** "); *provided* that any such Auto-Renewal Letter of Credit must permit the Issuing Bank to prevent any such renewal 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 in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Issuing Bank, Borrower shall not be required to make a specific request to the Issuing Bank for any such renewal. Once an Auto-Renewal Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized (but may not require) the Issuing Bank to permit the renewal of such Letter of Credit at any time to an expiry date not later than the earlier of (i) one year from the date of such renewal and (ii) the Letter of Credit Expiration Date; *provided* that the Issuing Bank shall not permit any such renewal if the Issuing Bank has determined that it would have no obligation at such time to issue such Letter of Credit in its renewed form under the terms hereof (by reason of the provisions of Section 2.18(l) or otherwise).

(d) Participations . By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby irrevocably grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Revolving Lender's Pro Rata Percentage of each LC Disbursement made by the Issuing Bank and not

reimbursed by Borrower on the date due as provided in Section 2.18(e) , or of any reimbursement payment required to be refunded to Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, or expiration, termination or cash collateralization of any Letter of Credit and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement .

(i) If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, Borrower shall reimburse such LC Disbursement by paying to the Issuing Bank an amount equal to such LC Disbursement not later than 3:00 p.m., New York City time, on the date that such LC Disbursement is made (or, in the case of an LC Disbursement denominated in an Alternate Currency, on the date three Business Days after such date), if Borrower shall have received notice of such LC Disbursement prior to 11:00 a.m., New York City time, on such date, or, if such notice has not been received by Borrower prior to such time on such date, then not later than 3:00 p.m., New York City time, on the Business Day immediately following the day that Borrower receives such notice (or, in the case of an LC Disbursement denominated in an Alternate Currency, on the date three Business Days after such Business Day); *provided* that Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with ABR Revolving Loans or Swingline Loans in an equivalent amount and, to the extent so financed, Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Loans or Swingline Loans.

(ii) If Borrower fails to make such payment when due, the Issuing Bank shall notify the Administrative Agent and the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from Borrower in respect thereof and such Revolving Lender's Pro Rata Percentage thereof. Each Revolving Lender shall pay by wire transfer of immediately available funds to the Administrative Agent not later than 4:00 p.m., New York City time, on such date (or, if such Revolving Lender shall have received such notice later than 12:00 noon, New York City time, on any day, not later than 11:00 a.m., New York City time, on the immediately following Business Day), an amount equal to such Revolving Lender's Pro Rata Percentage of the unreimbursed LC Disbursement in the same manner as provided in Section 2.02(c) with respect to Revolving Loans made by such Revolving Lender, and the Administrative Agent will promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. The Administrative Agent will promptly pay to the Issuing Bank any amounts received by it from Borrower pursuant to the above paragraph prior to the time that any Revolving Lender makes any payment pursuant to the preceding sentence and any such amounts received by the Administrative Agent from Borrower thereafter will be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made such payments and to the Issuing Bank, as appropriate.

(iii) If any Revolving Lender shall not have made its Pro Rata Percentage of such LC Disbursement available to the Administrative Agent as provided above, each of such Revolving Lender and Borrower severally agrees to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with the foregoing to but excluding the date such amount is paid, to the Administrative Agent for the account of the Issuing Bank at (i) in the case of

Borrower, the rate per annum set forth in Section 2.18(h) and (ii) in the case of such Lender, at a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation.

(iv) All payments made pursuant to this Section 2.18(e) shall be in the Approved Currency in which the LC Disbursement giving rise to such payment is denominated.

(f) Obligations Absolute . The Reimbursement Obligation of Borrower as provided in Section 2.18(e) shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein; (ii) any draft or other document presented under a Letter of Credit being proved to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that fails to comply with the terms of such Letter of Credit; (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.18 , constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of Borrower hereunder; (v) the fact that a Default shall have occurred and be continuing; or (vi) any material adverse change in the business, property, results of operations, prospects or condition, financial or otherwise, of Borrower and its Subsidiaries. None of the Agents, the Lenders, the Issuing Bank or any of their Affiliates shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; *provided* that the foregoing shall not be construed to excuse the Issuing Bank from liability to Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable Requirements of Law) suffered by Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures . The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly give written notice to the Administrative Agent and Borrower of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve Borrower of its Reimbursement Obligation to the Issuing Bank and the Revolving Lenders with respect to any such

LC Disbursement (other than with respect to the timing of such Reimbursement Obligation set forth in Section 2.18(e)).

(h) Interim Interest . If the Issuing Bank shall make any LC Disbursement, then, unless Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest payable on demand, for each day from and including the date such LC Disbursement is made to and including the date that Borrower is required to reimburse such LC Disbursement under Section 2.18(e)(i) , at the interest rate then in effect for ABR Loans or the Alternate Currency Base Rate for the relevant Alternate Currency plus the Applicable Margin, as the case may be, and thereafter, at the rate per annum determined pursuant to Section 2.06 (c) until (but excluding) the date that Borrower reimburses such LC Disbursement. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to Section 2.18(e) to reimburse the Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment.

(i) Cash Collateralization . If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, Borrower shall deposit on terms and in accounts satisfactory to the Collateral Agent, in the name of the Collateral Agent and for the benefit of the Revolving Lenders, an amount in cash in the relevant currencies equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; *provided* that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in Section 8.01(g) or (h) . Funds so deposited shall be applied by the Collateral Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of outstanding Reimbursement Obligations or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations of Borrower under this Agreement. If Borrower is required to provide an amount of cash collateral under this Section 2.18(i) as a result of the occurrence of an Event of Default, such amount *plus* any accrued interest or realized profits with respect to such amounts (to the extent not applied as aforesaid) shall be returned to Borrower within three Business Days after all Events of Default have been cured or waived.

(j) Additional Issuing Banks . Borrower may, at any time and from time to time, designate one or more additional Revolving Lenders, or affiliates of Revolving Lenders, to act as an issuing bank under the terms of this Agreement, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), the Issuing Bank and such Revolving Lender(s). Any Revolving Lender or affiliate of a Revolving Lender designated as an issuing bank pursuant to this paragraph (j) shall have all the rights and obligations of the Issuing Bank under the Loan Documents with respect to Letters of Credit issued or to be issued by it, and all references in the Loan Documents to the term "Issuing Bank" shall, with respect to such Letters of Credit, be deemed to refer to such Revolving Lender or affiliate in its capacity as the Issuing Bank, as the context shall require. The Administrative Agent shall notify the Lenders of any such additional Issuing Bank. If at any time there is more than one Issuing Bank hereunder, Borrower may, in its discretion, select which Issuing Bank is to issue any particular Letter of Credit.

(k) Resignation or Removal of the Issuing Bank . The Issuing Bank may resign as Issuing Bank hereunder at any time upon at least 30 days' prior notice to the Lenders, the Administrative Agent and Borrower. The Issuing Bank may be replaced at any time by written agreement among Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such resignation of the Issuing Bank shall become effective, Borrower shall pay all unpaid fees accrued for the account of the retiring Issuing Bank pursuant to Section 2.05(c) . From and after the effective date of any such resignation or replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit.

(l) Other. The Issuing Bank shall be under no obligation to issue any Letter of Credit if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which the Issuing Bank in good faith deems material to it.

The Issuing Bank shall be under no obligation to amend any Letter of Credit if (A) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

SECTION 2.19 Defaulting Lenders .

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) the Commitment Fee shall cease to accrue on the Commitment of such Lender so long as it is a Defaulting Lender (except to the extent it is payable to the Issuing Bank pursuant to clause (b)(v) below);

(b) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance

with their respective Pro Rata Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, Borrower shall within one Business Day following notice by the Administrative Agent, at its election, either (x) prepay Swingline Loans and/or Revolving Loans in an aggregate principal amount so that the reallocation described in clause (i) above can be fully effected or (y) (A) first, prepay such Defaulting Lender's Swingline Exposure and (B) second, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.18(i) for so long as such LC Exposure is outstanding;

(iii) if any portion of such Defaulting Lender's LC Exposure is cash collateralized pursuant to clause (ii) above, Borrower shall not be required to pay the LC Participation Fee with respect to such portion of such Defaulting Lender's LC Exposure so long as it is cash collateralized;

(iv) if any portion of such Defaulting Lender's LC Exposure is reallocated to the non-Defaulting Lenders pursuant to clause (i) above, then the LC Participation Fee with respect to such portion shall be allocated among the non-Defaulting Lenders in accordance with their Pro Rata Percentages; or

(v) if any portion of such Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.19(b) , then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, the LC Participation Fee payable with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated;

(c) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, renew, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateralized in accordance with Section 2.19(b) , and participations in any such newly issued or increased Letter of Credit or newly made Swingline Loan that is not, in either case, cash collateralized, shall be allocated among non-Defaulting Lenders in accordance with their respective Pro Rata Percentages (and Defaulting Lenders shall not participate therein); and

(d) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.14(d) but excluding Section 2.16(b)) may, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated non-interest bearing account and, subject to any applicable Requirements of Law, be applied (after conversion as necessary to the relevant currency which the Administrative Agent may effect in its reasonable discretion) at such time or times as may be determined by the Administrative Agent (i) first , to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii)

second , *pro rata* , to the payment of any amounts owing by such Defaulting Lender to the Issuing Bank or Swingline Lender hereunder, (iii) third , to the funding of any Loan or the funding or cash collateralization of any participation in any Swingline Loan or Letter of Credit 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, (iv) fourth , if so determined by the Administrative Agent and Borrower, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (v) fifth , *pro rata* , to the payment of any amounts owing to Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement and (vi) sixth , to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if such payment is (x) a prepayment of the principal amount of any Loans or Reimbursement Obligations in respect of LC Disbursements with respect to which a Defaulting Lender has funded its participation obligations and (y) made at a time when the conditions set forth in Section 4.03 are satisfied, such payment shall be applied solely to prepay the Loans of, and Reimbursement Obligations owed to, all non-Defaulting Lenders *pro rata* prior to being applied to the prepayment of any Loans, or Reimbursement Obligations owed to, any Defaulting Lender.

In the event that the Administrative Agent, Borrower, the Issuing Bank or the Swingline Lender, as the case may be, each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Pro Rata Percentage. The rights and remedies against a Defaulting Lender under this Section 2.19 are in addition to other rights and remedies that Borrower, the Administrative Agent, the Issuing Bank, the Swingline Lender and the non-Defaulting Lenders may have against such Defaulting Lender. The arrangements permitted or required by this Section 2.19 shall be permitted under this Agreement, notwithstanding any limitation on Liens or the *pro rata* sharing provisions or otherwise.

SECTION 2.20 Increase in Commitments .

(a) Borrower Request . Borrower may by written notice to the Administrative Agent elect to request (x) prior to the Revolving Maturity Date, an increase to the existing Revolving Commitments (each, an " **Incremental Revolving Commitment** ") and/or (y) the establishment of one or more new Term Loan Commitments (each, an " **Incremental Term Loan Commitment** ") by an amount not in excess of $250.0 million in the aggregate and not less than $10.0 million individually. Each such notice shall specify (i) the date (each, an " **Increase Effective Date** ") on which Borrower proposes that the increased or new Commitments shall be effective, which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent and (ii) the identity of each Eligible Assignee to whom Borrower proposes any portion of such increased or new Commitments be allocated and the amounts of such allocations; *provided* that any existing Lender approached to provide all or a portion of the increased or new Commitments may elect or decline, in its sole discretion, to provide such increased or new Commitment.

(b) Conditions . The increased or new Commitments shall become effective, as of such Increase Effective Date; *provided* that:

(i) each of the conditions set forth in Section 4.03 shall be satisfied;

(ii) after giving pro forma effect to the borrowings to be made on the Increase Effective Date and to any change in Consolidated EBITDA and any increase in Indebtedness resulting from the consummation of any Permitted Acquisition concurrently with such borrowings as of the date of the most recent financial statements delivered pursuant to Section 5.01(a) or (b) , Borrower shall be in compliance with each of the covenants set forth in Section 6.09 and the First Lien Leverage Ratio shall not be greater than 2.25:1.00;

(iii) Borrower shall make any payments required pursuant to Section 2.13 in connection with any adjustment of Revolving Loans pursuant to Section 2.20(d) ; and

(iv) Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Administrative Agent in connection with any such transaction.

(c) Terms of New Loans and Commitments . The terms and provisions of Loans made pursuant to the new Commitments shall be as follows:

(i) terms and provisions of Loans made pursuant to Incremental Term Loan Commitments (" **Incremental Term Loans** ") shall be, except as otherwise set forth herein or in the Increase Joinder, identical to those of the Term Loans (it being understood that Incremental Term Loans may be a part of the Term Loans);

(ii) the terms and provisions of Revolving Loans made pursuant to new Commitments shall be identical to the Revolving Loans;

(iii) the weighted average life to maturity of any Incremental Term Loans shall be no shorter than the weighted average life to maturity of the existing Term Loans;

(iv) the maturity date of Incremental Term Loans (the " **Incremental Term Loan Maturity Date** ") shall not be earlier than the Final Maturity Date;

(v) the Applicable Margins for the Incremental Term Loans shall be determined by Borrower and the Lenders of the Incremental Term Loans; *provided* that in the event that the Applicable Margins for any Incremental Term Loans are greater by more than 50 basis points than the Applicable Margins for the Term Loans, then the Applicable Margins for the Term Loans shall be increased to the extent necessary so that the Applicable Margins for the Incremental Term Loans are only 50 basis points greater than to the Applicable Margins for the Term Loans; *provided , further* , that in determining the Applicable Margins applicable to the Term Loans and the Incremental Term Loans, (x) original issue discount (" **OID** ") or upfront fees (which shall be deemed to constitute like amounts of OID) payable by Borrower to the Lenders of the Term Loans or the Incremental Term Loans in the primary syndication thereof shall be included (with OID being equated to interest based on an assumed four-year life to maturity) and (y) customary arrangement or commitment fees payable to the Lead Arrangers (or their affiliates) in connection with the Term Loans or to one or more arrangers (or their affiliates) of the Incremental Term Loans shall be excluded;

(vi) the minimum LIBOR Rate or Alternate Base Rate, if any, applicable to the Incremental Term Loans shall be determined by Borrower and the Lenders of the Incremental

Term Loans; *provided* that an equal minimum LIBOR Rate or Alternate Base Rate shall be applicable to the Term Loans;

(vii) to the extent that the terms and provisions of Incremental Term Loans are not identical to the Term Loans (except to the extent permitted by clause (iv), (v) or (vi) above) they shall be reasonably satisfactory to the Administrative Agent; and

(viii) any Incremental Revolving Commitments shall be on terms (other than upfront fees payable to Lenders providing Incremental Revolving Commitments or arrangers (or their affiliates) in connection therewith) and pursuant to documentation applicable to the Revolving Credit Facility.

The increased or new Commitments shall be effected by a joinder agreement (the " **Increase Joinder** ") executed by Borrower, the Administrative Agent and each Lender making such increased or new Commitment, in form and substance satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.20 .

(d) Adjustment of Revolving Loans . To the extent the Commitments being increased on the relevant Increase Effective Date are Revolving Commitments, then each Revolving Lender that is acquiring a new or additional Revolving Commitment on the Increase Effective Date shall make a Revolving Loan, the proceeds of which will be used to prepay the Revolving Loans of the other Revolving Lenders immediately prior to such Increase Effective Date, so that, after giving effect thereto, the Revolving Loans outstanding are held by the Revolving Lenders *pro rata* based on their Revolving Commitments after giving effect to such Increase Effective Date. If there is a new borrowing of Revolving Loans on such Increase Effective Date, the Revolving Lenders after giving effect to such Increase Effective Date shall make such Revolving Loans in accordance with Section 2.01(b) .

(e) Making of New Term Loans . On any Increase Effective Date on which new Commitments for Term Loans are effective, subject to the satisfaction of the foregoing terms and conditions, each Lender of such new Commitment shall make a Term Loan to Borrower in an amount equal to its new Commitment.

(f) Equal and Ratable Benefit . The Loans and Commitments established pursuant to this paragraph shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guarantees and security interests created by the Security Documents, except that new Term Loans may be subordinated in right of payment or the Liens securing any new Term Loans may be subordinated, in each case, as set forth in the Increase Joinder. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Liens and security interests granted by the Security Documents continue to be perfected under the UCC or otherwise after giving effect to the establishment of any such Class of Term Loans or any such new Commitments.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent, the Issuing Bank and each of the Lenders (with references to the Companies being references thereto after giving effect to the Transactions unless otherwise expressly stated) that:

SECTION 3.01 Organization; Powers .

Each Company (a) is duly organized and validly existing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted and to own and lease its property, except where the failure to have any such power or authority could not reasonably be expected to result in a Material Adverse Effect and (c) is qualified and in good standing (to the extent such concept is applicable in the applicable jurisdiction) to do business in every jurisdiction where such qualification is required, except in such jurisdictions where the failure to so qualify or be in good standing, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02 Authorization; Enforceability .

The Transactions to be entered into by each Loan Party are within such Loan Party's powers and have been duly authorized by all necessary action on the part of such Loan Party. This Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 No Conflicts .

Except as set forth on Schedule 3.03 , the execution, delivery and performance by each Loan Party of each Loan Document to which it is a party, (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings necessary to perfect Liens created by the Loan Documents and (iii) consents, approvals, registrations, filings, permits or actions the failure to obtain or perform which could not reasonably be expected to result in a Material Adverse Effect, (b) will not violate the Organizational Documents of such Loan Party, (c) will not violate any Requirement of Law, except for violations that could not reasonably be expected to result in a Material Adverse Effect, (d) will not violate or result in a default or require any consent or approval under any indenture, agreement or other instrument binding upon such Loan Party or its property, or (other than the Loan Documents) give rise to a right thereunder to require any payment to be made by any Loan Party, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect, and (e) will not result in the creation or imposition of any Lien on any property of any Loan Party, except Liens created by the Loan Documents and Permitted Liens.

SECTION 3.04 Financial Statements; Projections .

(a) Historical Financial Statements of Borrower . Borrower has heretofore delivered to the Lenders the consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Borrower (i) as of and for the fiscal years ended December 31, 2008 and December 31, 2009, reported upon by KPMG LLP, independent public accountants, and (ii) as of and for the six-month period ended June 30, 2010 and for the comparable period of the preceding fiscal year. Such financial statements and all financial statements delivered pursuant to Sections 5.01(a) and (b) present fairly in all material respects in accordance with GAAP the consolidated financial condition and results of operations and cash flows of Borrower and its Subsidiaries as of the dates and for the periods to which they relate, subject, in the case of the financial statements referred to in clause (ii) of the preceding sentence or delivered pursuant to Section 5.01(b) , to year-end audit adjustments and the absence of footnotes.

(b) Historical Financial Statements of the Target . Borrower has heretofore delivered to the Lenders the consolidated balance sheets and related income and cash flow statements of the Target (i) as of and for the fiscal years ended September 30, 2008 and September 30, 2009, reported upon on behalf of Deloitte LLP, chartered accountants and statutory auditors, and (ii) as of and for the semiannual period ended March 31, 2010 and for the comparable period of the prior fiscal year, subject, in the case of the financial statements referred to in clause (ii) of the preceding sentence, to year-end audit adjustments and the absence of footnotes. Such financial statements purport to have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (" **IFRS** "), and Borrower has no reason to believe as of the Effective Date that such financial statements do not present fairly in all material respects in accordance with IFRS the consolidated financial condition and results of operations and cash flows of the Target and its Subsidiaries as of the dates and for the periods to which they relate.

(c) No Liabilities . Since December 31, 2009, there has been no event, change, circumstance or occurrence that, individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Effect.

(d) Forecasts . The forecasts of financial performance of Borrower and its Subsidiaries furnished to the Lenders have been prepared in good faith by Borrower and based on assumptions believed by Borrower to reasonable.

SECTION 3.05 Properties .

(a) Generally . Each Company has good title to, or valid leasehold interests in, all of its property material to its business except to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect, and such title or leasehold interest is free and clear of all Liens except for Permitted Liens and minor irregularities or deficiencies in title that, individually or in the aggregate, do not interfere with its ability to conduct its business as currently conducted or to utilize such property for its intended purpose. Except to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect, the property of the Companies, taken as a whole, (i) is in good operating order, condition and repair (ordinary wear and tear excepted) and (ii) constitutes all the property which is required for the business and operations of the Companies as presently conducted.

(b) Real Property . As of the Effective Date, no Company owns any fee interest in any material real property in the United States.

(c) Collateral . Except to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect, each Company owns or has rights to use all of the Collateral purportedly owned by it and all rights with respect to any of the foregoing used in, necessary for or material to such Company's business as currently conducted. The use by each Company of such Collateral and all such rights with respect to the foregoing do not infringe on the rights of any person other than such infringement which could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No claim has been made and remains outstanding that any Company's use of any Collateral does or may violate the rights of any third party that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Intellectual Property .

(a) Ownership/No Claims . Each Company owns, is licensed, or is otherwise authorized to use, all patents, patent applications, trademarks, trade names, service marks, copyrights, trade secrets, proprietary information and processes, domain names and know-how, in each case necessary for the conduct of its business as currently conducted (the " **Intellectual Property** "), except for those the failure to own, license or otherwise be authorized to use which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. There is no claim pending against any Company alleging that the use of any such Intellectual Property or the conduct of the Company's business infringes, misappropriates or violates the intellectual property rights of any other person or challenging the validity of any such Intellectual Property owned by the Company, except, in any such case, for any claim that could not reasonably be expected to result in a Material Adverse Effect.

(b) No Violations or Proceedings . Except as could not reasonably be expected to result in a Material Adverse Effect, on and as of the Effective Date, there is no infringement, misappropriation or violation by others of any right of such Loan Party with respect to any copyright, patent or trademark pledged by it under the name of such Loan Party.

SECTION 3.07 Equity Interests and Subsidiaries .

(a) Equity Interests . Schedules 1(a) and 7(a) to the Perfection Certificate dated September 24, 2010 set forth a list of (i) Borrower, each direct Subsidiary of Borrower or any Subsidiary Guarantor and their respective jurisdictions of organization as of the Effective Date and (ii) the number of each class of its Equity Interests outstanding. All outstanding Equity Interests of each Company are duly and validly issued and, in the case of capital stock of any Company that is a corporation, are fully paid and non-assessable. Each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by it under the Security Agreement, free of any and all Liens, rights or claims of other persons, except for Permitted Liens, and, other than as set forth on Schedule 3.07(a) , there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests.

(b) No Consent of Third Parties Required . No consent of any person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary or reasonably desirable (from the perspective of a secured party) in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent for the benefit of the Secured

Parties under the Security Agreement or the exercise by the Collateral Agent of the voting or other rights provided for in the Security Agreement or the exercise of remedies in respect thereof.

SECTION 3.08 Litigation .

(a) There are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Company, threatened against or affecting any Company or the Target or any business, property or rights of any Company or the Target (i) that involve any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) Except for matters covered by Section 3.18 , no Company or any of its property is in violation of any Requirements of Law or is in default with respect to any Requirement of Law, where such violation or default, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09 Agreements .

None of the Companies nor, to the knowledge of Borrower, the Target is a party to any agreement or instrument or subject to any corporate or other constitutional restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10 Federal Reserve Regulations .

No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock. No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of Regulation U or X. The pledge of the Securities Collateral pursuant to the Security Agreement does not violate such regulations.

SECTION 3.11 Investment Company Act .

No Loan Party is an "investment company" under the Investment Company Act of 1940, as amended.

SECTION 3.12 Use of Proceeds .

Borrower will use the proceeds of (a) the Term Loans and Acquisition Revolving Loans made on the Closing Date and thereafter to finance the Transactions and pay related fees and expenses and (b) the Revolving Loans and Swingline Loans on and after the Closing Date for general corporate purposes.

SECTION 3.13 Taxes .

Each Company, and, to the knowledge of Borrower, the Target, has (a) timely filed or caused to be timely filed all federal Tax Returns and all material state, local and foreign Tax Returns required to have been filed by it, except for failure that could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect, (b) duly and timely paid, collected or remitted or

caused to be duly and timely paid, collected or remitted all Taxes (whether or not shown on any Tax Return) due and payable, collectible or remittable by it and all assessments received by it, except Taxes (i) that are being contested in good faith by appropriate proceedings and for which such Company has set aside on its books adequate reserves in accordance with GAAP or (ii) which could not be reasonably expected to, individually or in the aggregate, have a Material Adverse Effect and (c) satisfied all of its withholding Tax obligations except for failures that could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. Each Company, and, to the knowledge of Borrower, the Target, is unaware of any proposed or pending Tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. Except as could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect, none of the Companies or, to the knowledge of the Borrower, the Target has ever "participated" in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4.

SECTION 3.14 No Material Misstatements .

(a) The information that has been or will be made available to the Administrative Agent or the Lenders by any Loan Party in connection with the Loan Documents, taken as a whole, does not or will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the confidential information memorandum delivered on October 20, 2010 in connection with the primary syndication of the Commitments and Loans, together with the Form 10-K and Form 10-Q most recently filed by Borrower with the U.S. Securities and Exchange Commission, taken as a whole, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in the light of the circumstances under which such statements are made as of the date such information is dated; *provided* that to the extent any such information was based upon or constitutes a forecast or projection, each Loan Party represents only that such forecasts and projections have been prepared in good faith upon reasonable assumptions (it being understood that to the extent any such information, forecast or projection relates to the Target, the representations contained in this Section 3.14 are limited to Borrower's knowledge).

SECTION 3.15 [Reserved] .

SECTION 3.16 Solvency .

As of the Effective Date, on a pro forma basis after giving effect to the consummation of the Transactions and the making of the Loans to occur on the Closing Date, (a) the fair value of the properties of Borrower and its Subsidiaries, taken as a whole, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of Borrower and its Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) Borrower and its Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) Borrower and its Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

SECTION 3.17 Employee Benefit Plans .

(a) Except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (i) each Loan Party and each of its ERISA Affiliates is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder; (ii) no ERISA Event has occurred or is reasonably expected to occur, (iii) there are no underfunded Plans; and (iv) using actuarial assumptions and computation methods consistent with subpart I of subtitle E of Title IV of ERISA, no Loan Party or any of their ERISA Affiliates would have any liability to a Multiemployer Plan in the event of a complete withdrawal therefrom.

(b) Except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (i) each Foreign Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable Requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities; (ii) neither any Loan Party nor the Target has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan; and (iii) the present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan which is funded, determined as of the end of the most recently ended fiscal year of the respective Loan Party or the Target, as the case may be, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan, and for each Foreign Plan which is not funded, the obligations of such Foreign Plan are properly accrued.

SECTION 3.18 Environmental Matters .

(a) Except as, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(i) The Companies and their businesses, operations and Real Property are in compliance with, and the Companies have no liability under, any applicable Environmental Law;

(ii) The Companies have obtained all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of their property, under Environmental Law and all such Environmental Permits are valid and in good standing;

(iii) There has been no Release or threatened Release of Hazardous Material on, at, under or from any Real Property or facility presently or formerly owned, leased or operated by the Companies or their predecessors in interest that could result in liability of the Companies under any applicable Environmental Law;

(iv) There is no Environmental Claim pending or, to the knowledge of the Companies, threatened against the Companies, or relating to the Real Property currently or, to the knowledge of the Companies, formerly owned, leased or operated by the Companies;

(v) No person with an indemnity or contribution obligation to the Companies relating to compliance with or liability under Environmental Law is in default with respect to such obligation.

(vi) No Company is obligated to perform any Response or is conducting or financing any Response pursuant to any Environmental Law with respect to any Real Property or any other location;

(vii) No Real Property or facility owned, operated or leased by the Companies and, to the knowledge of the Companies, no Real Property or facility formerly owned, operated or leased by the Companies or any of their predecessors in interest is (A) listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA, (B) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA or (C) included on any similar list maintained by any Governmental Authority;

(viii) No Lien has been recorded or, to the knowledge of any Company, threatened under any Environmental Law with respect to any Real Property or other assets of the Companies; and

(ix) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby do not trigger any Governmental Real Property Disclosure Requirements.

SECTION 3.19 Insurance .

Each Company has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

SECTION 3.20 Security Documents .

(a) Security Agreement . The Security Agreement is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Security Agreement Collateral to the extent that Liens thereon and security interests therein can be created under the UCC and, (i) when financing statements in appropriate form are filed in the offices specified on Schedule 4 to the Perfection Certificate and (ii) upon the taking of possession or control by the Collateral Agent of the Security Agreement Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by each Security Agreement), the Liens created by the Security Agreement shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the grantors in the Security Agreement Collateral, including registered patents and trademarks, to the extent that such Liens and security interests can be perfected under the UCC by the filing of financing statements (other than fixture filings) and the taking of possession or control (excluding Collateral as to which the provision of possession or control is not required under the Security Agreement), in each case subject to no Liens other than Permitted Liens.

(b) Copyright Office Filing . When the Security Agreement or a short form thereof is filed in the United States Copyright Office, the Liens created by such Security Agreement shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the grantors thereunder in material Copyrights (as defined in such Security Agreement) registered or applied for with the United States Copyright Office, as the case may be, in each case subject to no Liens other than Permitted Liens.

(c) Valid Liens . Each Security Document delivered pursuant to Sections 5.11 and 5.12 will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, all of the Loan Parties' right, title and interest in and to the Collateral thereunder to the extent that Liens thereon and security interests therein can be created under the UCC, and (i) when all appropriate filings are made in the appropriate UCC filing offices as may be required under the UCC and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent required by any Security Document), the Liens created by such Security Document will constitute fully perfected Liens on, and security interests in, all right, title and interest of the Loan Parties in such Collateral to the extent that such Liens and security interests can be perfected under the UCC by the filing of financing statements and the taking of possession or control (excluding Collateral as to which the provision of possession or control is not required under the Security Agreement), in each case subject to no Liens other than the applicable Permitted Liens.

SECTION 3.21 Acquisition Documents .

Schedule 3.21 lists each of the Acquisition Documents. The Lenders have been furnished true and complete copies of each Acquisition Document, each of which is in full force and effect, in each case to the extent executed and delivered on or prior to the Effective Date.

SECTION 3.22 Anti-Terrorism Laws .

(a) No Loan Party, none of its Subsidiaries and, to the knowledge of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or Affiliate (i) has violated or is in violation of Anti-Terrorism Laws or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of offenses designated in any Requirement of Law implementing the "Forty Recommendations" and "Nine Special Recommendations" published by the Organisation for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(b) No Loan Party, none of its Subsidiaries and, to the knowledge of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or such Affiliate is acting or benefiting in any capacity in connection with the Loans is an Embargoed Person.

(c) Except to the extent authorized or exempted therefrom by or pursuant to any Requirement of Law, no Loan Party, none of its Subsidiaries and, to the knowledge of each Loan Party, none of its Affiliates and 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 Anti-Terrorism Law 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 prohibitions set forth in any Anti-Terrorism Law.

SECTION 3.23 Designation of Senior Indebtedness .

The principal of and accrued but unpaid interest on the Loans and the Reimbursement Obligations and other obligations in respect of the Letters of Credit, and the Fees and the obligations of Borrower under Hedging Agreements with respect to Indebtedness hereunder, are "Senior Indebtedness," and, by virtue of the next succeeding sentence, are (except for such obligations under such Hedging Agreements) "Designated Senior Indebtedness," in each case within the meaning of the Indenture dated as of March 1, 2010 with respect to the 2010 Convertible Notes. Borrower hereby designates the Loans and Reimbursement Obligations and the Letters of Credit as "Designated Senior Indebtedness" for purposes of such Indenture.

ARTICLE IV

CONDITIONS PRECEDENT

SECTION 4.01 Amendment and Restatement Effective Date .

(a) This Agreement (as amended and restated) shall become effective on the date (the " **Amendment and Restatement Effective Date** ") upon which the Administrative Agent shall have received executed counterparts of this Agreement from each of the Persons listed on Schedule 1.01(b) and each of the other parties hereto.

(b) The Administrative Agent shall notify Borrower and the Lenders of the Amendment and Restatement Effective Date, and such notice shall be conclusive and binding as to this Agreement becoming effective on such date

SECTION 4.02 Certain Funds Period .

During the Certain Funds Period, the obligation of each Lender to make the Term Loans and Acquisition Revolving Loans is subject to the satisfaction (or waiver pursuant to Section 10.02) of only the following conditions precedent:

(a) The Administrative Agent shall have received a Borrowing Request in accordance with the requirements hereof.

(b) Delivery to the Administrative Agent of a certificate signed by a duly authorized officer of Borrower confirming, as of the Closing Date, the satisfaction (unless waived by the Required Lenders) of the conditions specified in clauses (c), (d), (e), (f), (g), and (k) of this Section 4.02 .

(c) If the Scheme has not been switched to an Offer, the Scheme Effective Date shall have occurred and the Administrative Agent shall have received certified copies of (i) the court order confirming sanction of the Scheme, (ii) the shareholder resolutions referred to in and in the form set out in the Scheme Circular, and (iii) the confirmation-of-receipt stamp with respect to the registration of the court order from Companies House (or a copy of the cover letter from Target's solicitors delivering the court order to Companies House for registration, with confirmation of receipt by Companies House affixed); if the Scheme has been switched to an Offer, the Offer Unconditional Date shall have occurred and, in either case, there shall not have been any material amendment, supplement or modification of the Acquisition Conditions Precedent, or waiver of the Acceptance Condition or the Anti-trust Condition, not consented to by the Lead Arrangers, other than (x) a waiver of the Acceptance Condition to permit the

Offer to become unconditional with acceptance of Target Shares in an aggregate amount of not less than 50.1% of the Target Shares or (y) any amendments, supplements, modifications or waivers required by the Panel on Takeovers and Mergers, the High Court of England and Wales or any applicable law.

(d) There shall not have occurred and be continuing a breach of any Major Representation in any material respect.

(e) There shall not have occurred and be continuing a breach of any Major Covenant or a voluntary breach of Section 6.02 .

(f) At the time of and immediately after giving effect to the Term Loans or such Acquisition Revolving Loans, as the case may be, no Major Default shall have occurred and be continuing.

(g) The Lead Arrangers shall have received reasonably satisfactory evidence that the Equity Financing has been appropriately deposited, is freely available for, and is sufficient, together with the proceeds of Term Loans and the Acquisition Revolving Loans, for the purposes of funding UK Holdco for the purposes of the completion of the Acquisition.

(h) The Lead Arrangers and the Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoices have been presented therefor at least one Business Day prior to the Closing Date, reimbursement or payment of all reasonable out-of-pocket expenses required to be reimbursed or paid any Loan Party under any Loan Document on or prior to the Closing Date.

(i) [Reserved.]

(j) If the Scheme has been switched to an Offer, the Administrative Agent shall have received copies of the appointment of a receiving agent.

(k) There shall not be in effect any injunction or restraining order of any applicable Governmental Authority having jurisdiction to issue such injunction or restraining order prohibiting the making of the Term Loan or the Acquisition Revolving Loans or the use of the proceeds thereof, and it shall not be unlawful for the relevant Lender to make its Term Loan or Acquisition Revolving Loan.

SECTION 4.03 Conditions to All Credit Extensions Other than Term Loans and Acquisition Revolving Loans .

The obligation of each Lender and each Issuing Bank to make any Credit (other than any Term Loan or any Acquisition Revolving Loan prior to the end of the Certain Funds Period) shall be subject to the satisfaction (or waiver pursuant to Section 10.02) of each of the conditions precedent set forth below.

(a) Notice . The Administrative Agent shall have received a Borrowing Request as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03) if Loans are being requested or, in the case of the issuance, amendment, extension or renewal of a Letter of Credit, the Issuing Bank and the Administrative Agent shall have received an LC Request as required by Section 2.18 (b) or, in the case of the Borrowing of a Swingline Loan, the Swingline Lender and the Administrative Agent shall have received a Borrowing Request as required by Section 2.17(b) .

(b) No Default . No Default shall have occurred and be continuing on such date or after giving effect to the Credit Extensions to be made on such date and the application of the proceeds thereof.

(c) Representations and Warranties . Except, during the Clean-Up Period, for any Excluded Target Representation Breach, each of the representations and warranties made by any Loan Party set forth in Article III hereof or in any other Loan Document shall be true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) on and as of the date of such Credit Extension 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.

(d) No Legal Bar . No order, judgment or decree of any Governmental Authority shall purport to restrain such Lender from making any Loans to be made by it. No injunction or other restraining order shall have been issued prohibiting the transactions contemplated by this Agreement or the making of Loans hereunder.

(e) USA PATRIOT Act . With respect to Letters of Credit issued for the account of a Subsidiary only, the Lenders and the Administrative Agent shall have timely received the information required under Section 10.13 .

Each of the delivery of a Borrowing Request (other than the Borrowing Request for the any Term Loan or any Acquisition Revolving Loan prior to the end of the Certain Funds Period) or an LC Request and the acceptance by Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by Borrower and each other Loan Party that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in Sections 4.03(b) and (c) have been satisfied. Borrower shall provide such information as the Administrative Agent may reasonably request to confirm that the conditions in Sections 4.03(b) and (c) have been satisfied.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document (other than obligations for tax gross-up, yield protection, indemnification or expense reimbursement for which no claim has been made) shall have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, each Loan Party will, and will cause each of its Subsidiaries to:

SECTION 5.01 Financial Statements, Reports, etc .

Furnish to the Administrative Agent and each Lender:

(a) Annual Reports . As soon as available and in any event within 90 days (or such earlier date on which Borrower is required to file a Form 10-K under the Exchange Act) after the end of each fiscal year, beginning with the fiscal year ending December 31, 2010, (i) the consolidated balance sheet of Borrower as of the end of such fiscal year and related consolidated statements of income, cash flows and stockholders' equity for such fiscal year, in comparative form with such financial statements as of the end of, and for, the preceding fiscal year, and notes thereto, all prepared in accordance with Regulation S-X and accompanied by an opinion of KPMG LLP or other independent public accountants of recognized national standing (which opinion shall not be qualified as to scope (other than any customary qualifications in respect of businesses, operations or persons acquired pursuant to a Permitted Acquisition for periods prior to the consummation of such Permitted Acquisition)or contain any going concern or like qualification), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Borrower as of the dates and for the periods specified in accordance with GAAP, and (ii) a management's discussion and analysis of the financial condition and results of operations of Borrower for such fiscal year, as compared to amounts for the previous fiscal year and budgeted amounts (it being understood that the provision of an annual report on Form 10-K will satisfy the requirements of this Section 5.01(a)) ;

(b) Quarterly Reports . As soon as available and in any event within 45 days (or such earlier date on which Borrower is required to file a Form 10-Q under the Exchange Act) after the end of each of the first three fiscal quarters of each fiscal year, beginning with the fiscal quarter ending September 30, 2010, (i) the consolidated balance sheet of Borrower as of the end of such fiscal quarter and related consolidated statements of income for such fiscal quarter and of income and cash flows for the then elapsed portion of the fiscal year, in comparative form with the consolidated statements of income and cash flows for the comparable periods in the previous fiscal year, all prepared in accordance with Regulation S-X under the Securities Act and accompanied by a certificate of a Financial Officer stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Borrower as of the date and for the periods specified in accordance with GAAP consistently applied, and on a basis consistent with audited financial statements referred to in clause (a) of this Section, subject to normal year-end audit adjustments and the absence of footnotes, and (ii) a management's discussion and analysis of the financial condition and results of operations for such fiscal quarter and the then elapsed portion of the fiscal year, as compared to the comparable periods in the previous fiscal year and budgeted amounts (it being understood that the provision of a quarterly report on Form 10-Q will satisfy the requirements of this Section 5.01(b));

(c) Financial Officer's Certificate . (i) Concurrently with any delivery of financial statements under Section 5.01(a) or (b) , a Compliance Certificate (A) certifying that no Default has occurred and is continuing or, if such a Default has occurred and is continuing, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (B) beginning with the fiscal quarter ending September 30, 2010, setting forth computations in reasonable detail satisfactory to the Administrative Agent and demonstrating compliance with the covenants contained in Section 6.09 and, concurrently with any delivery of financial statements under Section 5.01(a) above (beginning with the fiscal year ending December 31, 2011), setting forth Borrower's calculation of Excess Cash Flow; and (ii) concurrently with any delivery of financial statements under Section 5.01(a) above, beginning with the fiscal year ending December 31, 2010, a report of the accounting firm opining on or certifying such financial statements stating that in the course of its regular audit of the financial statements of Borrower and its Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm obtained no

knowledge that any Default insofar as it relates to financial or accounting matters has occurred or, if in the opinion of such accounting firm such a Default has occurred, specifying the nature and extent thereof;

(d) Financial Officer's Certificate Regarding Collateral . Concurrently with any delivery of financial statements under Section 5.01 (a) (beginning with the fiscal year ending December 31, 2010), a certificate of a Financial Officer setting forth the information required pursuant to the Perfection Certificate Supplement or confirming that there has been no change in such information since the date of the Perfection Certificate or latest Perfection Certificate Supplement;

(e) Public Reports . Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Company with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed to holders of its Material Borrowed Indebtedness pursuant to the terms of the documentation governing such Indebtedness (or any trustee, agent or other representative therefor), as the case may be; and

(f) Other Information . Promptly, from time to time, such other information regarding the operations, business affairs and financial condition of any Company or the Target (including periodic financial statements of the Target), or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request.

Financial statements and other documents required to be delivered pursuant to clauses (a) , (b) or (e) of this Section 5.01 (to the extent any such financial statements or other documents are included in reports or other materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which (i) Borrower posts such financial statements or other documents, or provides a link thereto, on Borrower's website on the Internet or (ii) such financial statements or other documents are posted on Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that: (i) Borrower shall deliver paper copies of such financial statements and other documents to the Administrative Agent or any Lender that requests Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender, as the case may be, and (ii) Borrower shall notify the Administrative Agent of the posting of any such financial statements and other documents and provide to the Administrative Agent electronic versions (i.e., soft copies) thereof.

SECTION 5.02 Litigation and Other Notices .

Furnish to the Administrative Agent and each Lender written notice of the following promptly (and, in any event, within five Business Days after any Financial Officer of Borrower becomes aware thereof):

(a) any Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before

any Governmental Authority, (i) against any Company or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect or (ii) with respect to any Loan Document;

(c) any development (including with respect to any material contract to which Borrower or any of its Subsidiaries is a party) that has resulted in, or could reasonably be expected to result in a Material Adverse Effect; and

(d) the incurrence of any material Lien (other than Permitted Liens) on, or claim asserted against any of the Collateral.

SECTION 5.03 Existence; Businesses and Properties .

(a) Do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.05 or Section 6.06 or, in the case of any Subsidiary, where the failure to perform such obligations, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Pay and perform its material obligations under all Transaction Documents and, except to the extent that the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, (i) do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, privileges, leases, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; (ii) maintain and operate such business in substantially the manner in which it is presently conducted and operated; (iii) comply with all applicable Requirements of Law (including any and all zoning, building, Environmental Law, ordinance, code or approval or any building permits or any restrictions of record or agreements affecting the Real Property) and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted; and (iv) at all times maintain, preserve and protect all property material to the conduct of such business and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business) 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 may be properly conducted at all times; *provided* that nothing in this Section 5.03(b) shall prevent (i) sales of property, consolidations or mergers by or involving any Company in accordance with Section 6.05 or Section 6.06 ; (ii) the withdrawal by any Company of its qualification as a foreign corporation in any jurisdiction where such withdrawal, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect; or (iii) the abandonment by any Company of any rights, franchises, licenses, trademarks, trade names, copyrights or patents that such person reasonably determines are not useful to its business, economically worthwhile to maintain, or no longer commercially desirable.

SECTION 5.04 Insurance .

(a) Generally . Maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption), and with no more than such risk retentions, as are usually insured against in the same general area by companies of similar size engaged in the same or a similar business.

(b) Requirements of Insurance . All such insurance (other than directors and officers' insurance) shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice thereof, and (ii) name the Collateral Agent as mortgagee (in the case of property insurance covering any Mortgaged Property) or additional insured on behalf of the Secured Parties (in the case of liability insurance) or loss payee (in the case of property insurance covering any Mortgaged Property), as applicable.

(c) Flood Insurance . With respect to each Mortgaged Property, obtain flood insurance in such total amount as the Administrative Agent or the Required Lenders may from time to time reasonably require, if at any time the area in which any improvements located on any Mortgaged Property is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended from time to time.

(d) Broker's Report . At the request of the Administrative Agent, but no more frequently than once in each fiscal year of Borrower, deliver to the Administrative Agent, the Collateral Agent and the Lenders a report of a reputable insurance broker with respect to such insurance.

SECTION 5.05 Taxes .

(a) Payment of Taxes . Pay and discharge promptly when due all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default; *provided* that such payment and discharge shall not be required with respect to any such Tax, assessment, charge or levy so long as (x)(i) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books reserves or other appropriate provisions with respect thereto in accordance with GAAP and (ii) such contest operates to suspend collection of the contested Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien or (y) the failure to pay could not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect.

(b) Filing of Returns . Except to the extent that the failure to do so would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect, (i) timely and correctly file all material Tax Returns required to be filed by it and (ii) withhold, collect and remit all Taxes that it is required to collect, withhold or remit.

SECTION 5.06 Employee Benefits .

(a) Except to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect, comply in all material respects with the applicable provisions of ERISA and the Code.

(b) Furnish to the Administrative Agent:

(i) as soon as possible after, and in any event within five days after any Responsible Officer of any Loan Party or any ERISA Affiliate of any Loan Party knows or has reason to know

that, any ERISA Event has occurred that, alone or together with any other ERISA Event could be expected to result in liability of the Loan Parties or any of their ERISA Affiliates in an aggregate amount exceeding $15.0 million, a statement of a Financial Officer of such Loan Party setting forth details as to such ERISA Event and the action, if any, that the Loan Parties propose to take with respect thereto; and

(ii) following receipt of such statement by the Administrative Agent and upon request of the Administrative Agent, copies of

(A) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by any Loan Party or any ERISA Affiliate with the Internal Revenue Service with respect to each plan;

(B) the most recent actuarial valuation report for each Plan;

(C) such other documents or governmental reports or filings relating to any Plan as the Administrative Agent shall reasonably request;

(D) all notices received by any Loan Party or any ERISA Affiliates from a Multiemployer Plan sponsor or any governmental entity concerning an ERISA Event; and

(E) copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Loan Party or any of its ERISA Affiliates may request with respect to any Multiemployer Plan; *provided* that if any Loan Party or any of its ERISA Affiliates has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, the applicable Loan Party or ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof.

SECTION 5.07 Maintaining Records; Access to Properties and Inspections; Annual Meetings .

(a) Keep proper books of record and account in which, in all material respects, full, true and correct entries in conformity with GAAP and all Requirements of Law are made of all dealings and transactions in relation to its business and activities.

(b) (i) Unless an Event of Default shall have occurred and be continuing, no more frequently than once in each calendar year or (ii) if an Event of Default shall have occurred and be continuing, as often as may reasonably be desired, and in any case upon notice to Borrower or its applicable Subsidiary, during normal business hours, permit representatives of the Administrative Agent (accompanied by representatives of any Lender that shall elect to participate) to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and to discuss the business, operations, properties and financial and other condition of Borrower and its Subsidiaries with officers and employees of Borrower and its Subsidiaries and, so long as the Administrative Agent shall have given Borrower reasonable notice thereof and a reasonable opportunity to participate therein, its independent certified public accountants.

(c) Within 120 days after the end of each fiscal year of Borrower, at the request of the Administrative Agent, hold a meeting (at a mutually agreeable location, venue and time or, at the option of Borrower, by conference call, the costs of such venue or call to be paid by Borrower) with all Lenders who choose to attend such meeting (or conference call), at which meeting (or conference call) shall be reviewed the financial results of the previous fiscal year and the financial condition of the Companies.

SECTION 5.08 Use of Proceeds .

Use the proceeds of the Loans only for the purposes set forth in Section 3.12 and request the issuance of Letters of Credit only for general corporate purposes.

SECTION 5.09 Compliance with Environmental Laws .

Except to the extent that the failure to do so would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect: comply, and use reasonable efforts to cause all of its lessees and other persons occupying any Real Property owned, operated or leased by any Company to comply, in all material respects with all Environmental Laws and Environmental Permits applicable to its operations and its Real Property; obtain and renew all material Environmental Permits applicable to its operations and any of its Real Property; and conduct all Responses required of the Company by, and in accordance with, Environmental Laws; *provided* that no Company shall be required to undertake any Response to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

SECTION 5.10 [Reserved] .

SECTION 5.11 Additional Collateral; Additional Subsidiary Guarantors .

(a) Subject to this Section 5.11 , with respect to any property acquired after the Closing Date by any Loan Party that is intended to be subject to the Lien created by any of the Security Documents but is not so subject, promptly (and in any event within 30 days after the acquisition thereof) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent or the Collateral Agent shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent and, in the case of stock certificates in respect of Capital Stock of any Subsidiaries and other stock certificates and instruments having a face amount or value as reasonably determined by Borrower in excess of $10.0 million, the delivery thereof together with appropriate transfer forms duly executed in blank. Borrower shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of the Security Documents on such after-acquired properties.

(b) With respect to any person that is or becomes a Subsidiary after the Closing Date, promptly (and in any event within 30 days after such person becomes a Subsidiary) (i) deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of such Subsidiary that constitute certificated securities, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Loan Party evidencing obligations in, or which are reasonably likely at any time prior to the Term Loan Maturity Date to be in, a principal amount in excess of $10.0 million together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party, and (ii) cause such new Subsidiary (A) to execute a Joinder Agreement or such comparable documentation to become a Subsidiary Guarantor and a joinder agreement to the applicable Security Agreement, substantially in the form annexed thereto and (B) to take all actions necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Agreement to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent. Notwithstanding the foregoing, (1) the Equity Interests required to be delivered to the Collateral Agent pursuant to clause (i) of this Section 5.11(b) shall not include any Equity Interests of a Foreign Subsidiary or a Domestic Holding Company Subsidiary, (2) no Foreign Subsidiary shall be required to take the actions specified in clause (ii) of this Section 5.11(b) and (3) no Domestic Holding Company Subsidiary shall be required to take the actions specified in clause (ii) of this Section 5.11(b) to the extent that such action would cause such Subsidiary's obligation as a Subsidiary Guarantor to be with recourse to more than 65% of the outstanding Equity Interests held by such Subsidiary in Foreign Subsidiaries which, pursuant to clause (1) above (subject to the proviso to this Section 5.11(b)), are not required to be pledged by such Subsidiary, *provided* that the exception set forth in clause (1) shall not apply to (A) Voting Stock of any Subsidiary which is a first-tier controlled foreign corporation (as defined in Section 957(a) of the Code), or a Domestic Holding Company Subsidiary, representing 65% of the total voting power of all outstanding Voting Stock of such Subsidiary and (B) 100% of the Equity Interests not constituting Voting Stock of any such Subsidiary, except that any such Equity Interests constituting "stock entitled to vote" within the meaning of Treasury Regulation Section 1.956-2(c)(2) shall be treated as Voting Stock for purposes of this Section 5.11(b) .

(c) Promptly grant to the Collateral Agent, within 30 days of the acquisition thereof, a security interest in and Mortgage on each Real Property owned in fee by such Loan Party as is acquired by such Loan Party after the Closing Date and that, together with any improvements thereon, individually has a fair market value of at least $10.0 million, in each case, as additional security for the Secured Obligations (unless the subject property is already mortgaged to a third party to the extent permitted by Section 6.02). Such Mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and the Collateral Agent and shall constitute valid and enforceable perfected Liens subject only to Permitted Liens or other Liens acceptable to the Collateral Agent. The Mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the Liens in favor of the Collateral Agent required to be granted pursuant to the Mortgages and all taxes, fees and other charges payable in connection therewith shall be paid in full. Such Loan Party shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall require to confirm the validity, perfection and priority of the Lien of any existing Mortgage or new Mortgage against such after-acquired Real Property (including, if reasonably requested by the Collateral Agent, a title policy and a survey (in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent) in respect of such Mortgage).

(d) Anything in this Agreement or any other Loan Document to the contrary notwithstanding, (i) during the Certain Funds Period the Equity Financing, any proceeds of the Term Loans and the Acquisition Revolving Loans, any deposit account or securities account that contains only Equity Financing or any proceeds of the Term Loans or the Acquisition Revolving Loans and any Hedge Agreement entered into to hedge the pound/dollar exchange rate in respect of the Equity Financing and/or the proceeds of Term Loans and Acquisition Revolving Loans shall be excluded from the Collateral and no Secured Party shall have any Lien thereon or security interest therein, and each Secured Party hereby waives any right to setoff or similar right in respect of the Equity Financing, the proceeds of any Term Loan or Acquisition Revolving Loan or any such Hedging Agreement and (ii) the Cash Confirmation shall be excluded from the Collateral.

SECTION 5.12 Security Interests; Further Assurances .

Except as expressly contemplated by the Security Documents or Section 5.11(d) , promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent at Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Administrative Agent or the Collateral Agent reasonably necessary for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except as permitted by the applicable Security Document, or obtain any consents or waivers as may be necessary or appropriate in connection therewith. Except as expressly contemplated by the Security Documents, deliver or cause to be delivered to the Administrative Agent and the Collateral Agent from time to time such other documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent as the Administrative Agent and the Collateral Agent shall reasonably deem necessary to perfect or maintain the Liens on the Collateral pursuant to the Security Documents. Upon the exercise by the Administrative Agent, the Collateral Agent of any power, right, privilege or remedy pursuant to any Loan Document which requires any consent, approval, registration, qualification or authorization of any Governmental Authority, execute and deliver all applications, certifications, instruments and other documents and papers that the Administrative Agent or the Collateral Agent may reasonably require.

SECTION 5.13 Information Regarding Collateral .

(a) Not effect any change (i) in any Loan Party's legal name, (ii) in any Loan Party's identity or organizational structure, (iii) in any Loan Party's Federal Taxpayer Identification Number or organizational identification number, if any, or (iv) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Collateral Agent and the Administrative Agent not less than 30 days' prior written notice, or such lesser notice period agreed to by the Collateral Agent, of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent or the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. Each Loan Party agrees to promptly provide the Collateral Agent with certified Organizational Documents reflecting any of the changes described in the preceding sentence.

(b) Concurrently with the delivery of financial statements pursuant to Section 5.01(a) (beginning with the fiscal year ending December 31, 2011), deliver to the Administrative Agent and the Collateral Agent a Perfection Certificate Supplement and a certificate of a Financial Officer and the chief legal officer of Borrower certifying that all UCC financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction necessary to protect and perfect the security interests and Liens under the Security Documents for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period).

SECTION 5.14 [Reserved] .

SECTION 5.15 Maintenance of Ratings .

Use commercially reasonable efforts to cause the Loans and Borrower's corporate credit to continue to be rated by S&P and Moody's (but not to maintain a specific rating).

SECTION 5.16 The Scheme and Related Matters .

(a) Procure that a Scheme Circular or (following a Conversion Notice) an Offer Document is issued and despatched as soon as practicable and in any event within 28 days after the issuance of the Press Release or Offer Press Release, as applicable.

(b) Comply in all material respects with the Takeover Code, subject to any waivers granted by the Panel, and all other applicable laws and regulations in relation to any Offer or Scheme.

(c) Except as consented to by the Lead Arrangers in writing, not make or approve any increase in the price per Target Share at which the Scheme is proposed or make any other acquisition of any Target Share (including pursuant to an Offer) above the price per Target Share stated in the Press Release.

(d) Except as consented to by the Lead Arrangers in writing, not amend or waive the Anti-Trust Condition or, if the Scheme has been switched to an Offer, the Acceptance Condition, save for (i) any amendment or waiver required by the Panel on Takeovers and Mergers, a court or any other applicable law, regulation or regulatory body or (ii) a waiver of the Acceptance Condition to permit the Offer to become unconditional with acceptance of Target Shares in an aggregate amount of not less than 50.1% of the Target Shares to which the Offer relates;

(e) Not take any action which would require Borrower to make a mandatory offer for the Target Shares in accordance with Rule 9 of the Takeover Code.

(f) Promptly provide the Administrative Agent with such information as it may reasonably request regarding the status of the Acquisition (including, in the case of an Offer, the current level of acceptances) subject to any confidentiality, regulatory or other restrictions relating to the supply of such information.

(g) Deliver to the Administrative Agent copies of each Offer Document, receiving agent letter and Scheme Circular, any written agreement between Borrower and the Target with respect to

a Scheme, all other material announcements and documents published or delivered pursuant to the Offer or Scheme (other than the Cash Confirmation) and all legally binding agreements entered into by Borrower in connection with an Offer or Scheme, in each case except to the extent it is prohibited by law or regulation from doing so.

(h) Take any other steps necessary or advisable to ensure that, other than the Press Release, the Offer Press Release, the Scheme Circular or the Offer Document, as applicable, no public statement is made by it or any of its Subsidiaries in connection with the Scheme or Offer, as applicable, referring to the Lenders and the Loan Documents without the prior written consent of the Lenders (not to be unreasonably withheld), unless required to do so by the Takeover Code, Panel on Takeovers and Mergers, any regulation, any applicable stock exchange or any applicable government or other relevant regulatory authority.

(i) In the event that the Scheme is switched to an Offer, (i) within 15 Business Days procure that a press release announcing, in compliance with Rule 2.5 of the Takeover Code, a firm intention to proceed with the Offer (the " **Offer Press Release** ") is issued, (ii) deliver to the Administrative Agent (A) a Conversion Notice and (B) the Offer Press Release and (iii) except as consented to by the Lead Arrangers in writing, ensure that the terms and conditions contained in the Offer Document include the Acceptance Condition and the Anti-Trust Condition and are otherwise consistent in all material respects with those contained in the Scheme Circular (to the extent applicable for an Offer).

(j) Not deliver more than one Conversion Notice to the Administrative Agent.

(k) In the case of an Offer, (i) not declare the Offer unconditional as to acceptances until Borrower has received valid acceptances of Target Shares in respect of an aggregate amount of not less than 50.1% of the Target Shares, and (ii) promptly upon Borrower acquiring 90% of the Target Shares to which the Offer relates, ensure that notices under Section 979 of the Companies Act in respect of Target Shares are issued.

(l) In the case of a Scheme, within 30 days of the Closing Date, and if the Scheme has been switched to an Offer, within 30 days after the later of (i) the Closing Date and (ii) the date upon which Borrower owns 75% of the Target Shares, procure that such action as is necessary is taken to re-register Target (and any other relevant members of the Target Group) as a private limited company.

(m) Promptly provide the Administrative Agent with such information as it may reasonably request regarding the Equity Financing, including the balance thereof and account in which it is deposited.

SECTION 5.17 Control Agreements .

Borrower shall determine the aggregate balance of cash and Cash Equivalents of all Loan Parties in accounts (other than (i) each deposit account, the funds in which are used, in the ordinary course of business, solely for the payment of salaries and wages, workers' compensation, pension benefits and similar expenses or taxes related thereto, (ii) each deposit account the funds in which consist solely of employee flexible spending account deposits and (iii) each deposit account, the funds in which are used, in the ordinary course of business, solely for the payment of customer refunds) not subject to Control Agreements or other appropriate control agreements in favor of the Collateral Agent in form and substance reasonably satisfactory to the Administrative Agent, and if such aggregate balance shall at any

exceed $15.0 million for a period of 5 consecutive days, Borrower shall promptly eliminate such excess from such accounts or shall within 30 days enter, or cause the applicable Loan Parties to enter, into one or more Control Agreements or other appropriate control agreements in favor of the Collateral Agent in form and substance reasonably satisfactory to the Administrative Agent so that there shall not thereafter be any such excess; *provided* , however, that (x) Borrower shall have 60 days after the Effective Date (or such later date as the Administrative Agent shall agree in its sole discretion) to obtain such Control Agreements or other appropriate control agreements and (y) the Equity Financing and the proceeds of Term Loans and Acquisition Revolving Loans shall not be included in determining such aggregate balance cash and Cash Equivalents of all Loan Parties during the Certain Funds Period and no Control Agreement shall be required in respect of any deposit account that holds only deposits consisting of Equity Financing or the proceeds of Term Loans or Acquisition Revolving Loans during the Certain Funds Period.

SECTION 5.18 Post-Effectiveness Matters .

Satisfy each covenant set forth on Schedule 5.18 on or before the date set forth with respect thereto.

ARTICLE VI

NEGATIVE COVENANTS

Each Loan Party warrants, covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document (other than obligations for tax gross-up, yield protection, indemnification or expense reimbursement for which no claim has been made) have been paid in full and all Letters of Credit have been canceled or have expired and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, no Loan Party will, nor will it cause or permit any of its Subsidiaries to:

SECTION 6.01 Indebtedness .

Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except

(a) Indebtedness incurred under this Agreement and the other Loan Documents;

(b) (i) Indebtedness outstanding on the Effective Date that is, except in the case of any such Indebtedness among Borrower and its Subsidiaries or among the Target and its Subsidiaries or such other Indebtedness in a principal amount of less than $1.0 million, listed on Schedule 6.01(b) , (ii) refinancings or renewals thereof; *provided* that (A) any such refinancing Indebtedness is in an aggregate principal amount not greater than the aggregate principal amount of the Indebtedness being renewed or refinanced, *plus* the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith, (B) such refinancing Indebtedness has a later or equal final maturity and longer or equal weighted average life than the Indebtedness being renewed or refinanced and (C) if such Indebtedness is subordinated to any of the Obligations, such refinancing Indebtedness shall be subordinated thereto;

(c) Indebtedness under Hedging Obligations with respect to interest rates, foreign currency exchange rates or commodity prices, in each case not entered into for speculative purposes;

(d) Indebtedness permitted by Section 6.04(f) ;

(e) Indebtedness in respect of Purchase Money Obligations and Capital Lease Obligations, and refinancings or renewals thereof, in an aggregate amount not to exceed $30.0 million at any time outstanding;

(f) Indebtedness incurred by Foreign Subsidiaries in an aggregate amount not to exceed $10.0 million at any time outstanding;

(g) Indebtedness in respect of bid, performance or surety bonds, workers' compensation claims, health, disability or other employee benefits, property, cash or liability insurance or self-insurance and bankers acceptances issued for the account of any Company in the ordinary course of business, including guarantees or obligations of any Company with respect to letters of credit supporting such bid, performance or surety bonds, workers' compensation claims, health, disability or other employee benefits, property, cash or liability insurance or self-insurance obligations and bankers acceptances (in each case other than for an obligation for money borrowed);

(h) Contingent Obligations of any Loan Party in respect of Indebtedness otherwise permitted under this Section 6.01 ;

(i) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided , however* , that such Indebtedness is extinguished within five Business Days of incurrence;

(j) Indebtedness arising from agreements of Borrower or any Subsidiary providing for indemnification, purchase price adjustment or similar obligations, in each case incurred or assumed in connection with a Permitted Acquisition or an Asset Sale permitted hereunder, but excluding any guarantee by Borrower or any Subsidiary of Indebtedness incurred by the person acquiring the property sold pursuant to any such Asset Sale for the purpose of financing such person's acquisition of such property;

(k) Indebtedness of any person acquired pursuant to a Permitted Acquisition, which Indebtedness was not incurred in contemplation of such Permitted Acquisition, and refinancings and renewals thereof; *provided* that (i) any such refinancing Indebtedness is in an aggregate principal amount not greater than the aggregate principal amount of the Indebtedness being renewed or refinanced, *plus* the amount of any interest and premiums required to be paid thereon and reasonable fees and expenses associated therewith, (ii) such refinancing Indebtedness has a later or equal final maturity and longer or equal weighted average life than the Indebtedness being renewed or refinanced, (iii) if such Indebtedness is subordinated to any of the Obligations, such refinancing Indebtedness shall be subordinated thereto and (iv) the aggregate amount of Indebtedness permitted to be outstanding under this Section 6.01(k) shall not exceed $25.0 million at any time;

(l) Indebtedness consisting of the financing of insurance premiums incurred in the ordinary course of business;

(m) unsecured Indebtedness of Borrower, or secured Indebtedness of Borrower secured by Liens permitted by Section 6.02(p) ; *provided* that (i) at the time of the incurrence thereof no Event of Default shall exist or would result therefrom, (ii) after giving effect to the incurrence of such Indebtedness and the use of the proceeds thereof, Borrower shall be in compliance on a Pro Forma Basis as of the last day of the most recently completed Test Period with Sections 6.09(a) and (b) and the Total Leverage Ratio on a Pro Forma Basis as of the last day of the most recently completed Test Period does not exceed 4.00 to 1.0 and (iii) such Indebtedness shall have (A) a maturity date that is at least six months later than the then Final Maturity Date and (B) no scheduled amortization prior to such maturity date; and

(n) other unsecured Indebtedness of any Company in an aggregate amount not to exceed $10.0 million at any time

SECTION 6.02 Liens .

Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, the " **Permitted Liens** "):

(a) Liens for Taxes, assessments or governmental charges or levies not yet due and payable or delinquent and Liens for Taxes, assessments or governmental charges or levies, which are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP;

(b) Liens in respect of property of any Company imposed by Requirements of Law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, that are not overdue for a period of more than 30 days or which, if they secure obligations that are then due and unpaid, are being contested in good faith by appropriate proceedings;

(c) any Lien in existence on the Effective Date that is, except in the case of any such Lien securing obligations in a principal amount less than $1.0 million, set forth on Schedule 6.02(c) and any Lien granted as a replacement or substitute therefor; *provided* that any such replacement or substitute Lien (i) except as permitted by Section 6.01(b)(ii)(A) , does not secure an aggregate amount of Indebtedness, if any, greater than that secured on the Closing Date and (ii) does not encumber any property (or type of property) other than the property (or type of property) subject thereto on the Effective Date (any such Lien, an " **Existing Lien** ");

(d) easements, rights-of-way, restrictions (including zoning restrictions), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any Real Property, in each case whether now or hereafter in existence, not (i) individually or in the aggregate materially impairing the value or marketability of such Real Property or (ii) individually or in the aggregate materially interfering with the ordinary conduct of the business of the Companies at such Real Property;

(e) Liens arising out of judgments, attachments or awards not resulting in an Event of Default;

(f) Liens (x) imposed by Requirements of Law, or deposits made in the ordinary course of business in connection with, workers' compensation, unemployment insurance and other types of social security legislation, (y) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; *provided* that with respect to clauses (x), (y) and (z) of this paragraph (f), such Liens are for amounts not overdue for more than 30 days or, to the extent such amounts are so overdue, such amounts are being contested in good faith by appropriate proceedings;

(g) [Reserved.]

(h) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Company in the ordinary course of business;

(i) Liens securing Indebtedness incurred pursuant to Section 6.01(e) ; *provided* that any such Liens attach only to the property being developed, constructed, leased or purchased with the proceeds of such Indebtedness and do not encumber any other property of any Company (other than improvements thereon);

(j) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Company, in each case granted in the ordinary course of business in favor of the bank, banks, securities intermediary or securities intermediaries with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; *provided* that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness, other than Indebtedness of the type referred to in Section 6.01(i) or obligations in respect of dishonored or returned items;

(k) Liens on property of a person existing at the time such person is acquired or merged with or into or consolidated with any Company to the extent permitted hereunder (and not created in anticipation or contemplation thereof) and replacements and refinancings thereof; *provided* that such Liens do not extend to property not subject to such Liens at the time of acquisition (other than improvements thereon) and, in the case of any such replacement or refinancing Liens, are no more favorable to the lienholders than such existing Lien;

(l) Liens granted pursuant to the Security Documents to secure the Secured Obligations;

(m) leases, licenses, subleases and sublicenses granted by any Company in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Companies;

(n) the filing of UCC financing statements solely as a precautionary measure in connection with operating leases or consignment of goods;

(o) Liens securing Indebtedness incurred pursuant to Section 6.01(f) ; *provided* that (i) such Liens do not extend to, or encumber, property which constitutes Collateral and (ii) such Liens extend only to the property (or Equity Interests) of the Foreign Subsidiary incurring such Indebtedness;

(p) Liens securing secured Indebtedness permitted by Section 6.01(m) (including Contingent Obligations in respect thereof permitted by Section 6.01(h)) on Collateral; *provided* that such Liens are subordinated to the Liens of the Security Documents pursuant to, and are otherwise subject to, an intercreditor agreement reasonably satisfactory to the Administrative Agent and the Collateral Agent as evidenced by their execution and delivery thereof;

(q) the interest or title of a lessor under any lease entered into by Borrower or any of its Subsidiaries as lessee and covering only the property so leased;

(r) any interest of any licensor in any Intellectual Property licensed by Borrower or any Subsidiary;

(s) Liens arising as a matter of law to secure the purchase of goods purchased by Borrower or any Subsidiary, *provided* that the only obligations secured thereby are trade accounts payable with respect to the purchase of such goods arising in the ordinary course of business and the only property subject to such Liens are the goods so purchased and any title document in respect thereof;

(t) Liens on property existing at the time Borrower or any Subsidiary acquired such property (and not created in anticipation or contemplation thereof) and replacements and refinancings thereof; *provided* that such Liens do not extend to property not subject to such Liens at the time of acquisition (other than improvements thereon) and, in the case of any such replacement or refinancing Liens, are no more favorable to the lienholders than such existing Lien;

(u) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 6.04 , *provided* that such Liens do not extend to any assets other than the assets subject to such repurchase agreement;

(v) Liens on specific goods and proceeds thereof securing Borrower's or any Subsidiary's obligations in respect of letters of credit issued or created for the account of Borrower or such Subsidiary in the ordinary course of business to facilitate the purchase, storage or shipment of such goods;

(w) Liens securing reimbursement obligations and related interest, fees and expenses with respect to trade letters of credit permitted hereunder, *provided* that such Liens do not extend to any property other than the goods financed by, or purchased by means of, such letters of credit and documents of title in respect thereof;

(x) Liens on the Equity Financing, the proceeds of Term Loans and Acquisition Revolving Loans, and Deposit Accounts or Securities Accounts holding only the Equity Financing or such proceeds and any related currency exchange contract during the Certain Funds Period created in connection with the Cash Confirmation; and

(y) Liens not otherwise permitted by this Section 6.02 securing Indebtedness or other obligations of Borrower or any Subsidiaries so long as the aggregate outstanding principal amount of the obligations secured thereby does not exceed $20.0 million at any one time.

provided , *however* , that no consensual Liens shall be permitted to exist, directly or indirectly, on any Securities Collateral, other than Liens granted pursuant to the Security Documents and as permitted in Section 6.02(p) or (x) .

SECTION 6.03 Sale and Leaseback 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 which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a " **Sale and Leaseback Transaction** ") unless (i) the sale of such property is permitted by Section 6.06 and (ii) any Liens arising in connection with its use of such property are permitted by Section 6.02 .

SECTION 6.04 Investment, Loan, Advances and Acquisition .

Directly or indirectly, lend money or credit (by way of guarantee or otherwise) or make advances to any person, or purchase or acquire any Equity Interests, bonds, notes, debentures, guarantees or other obligations or securities of, or any other interest in, or make any capital contribution to, any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or purchase or acquire (in one transaction or a series of transactions) any assets (all of the foregoing, collectively, " **Investments** "), except that the following shall be permitted:

(a) the Companies may consummate the Transactions in accordance with the provisions of the Transaction Documents;

(b) Investments outstanding on the Closing Date and that are, in the case of any Investment other than an Investment among Borrower and its Subsidiaries or among the Target and its Subsidiaries or that has a book value of less than $1.0 million, identified on Schedule 6.04(b) ;

(c) the Companies may (i) acquire and hold accounts receivables owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (ii) invest in, acquire and hold Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(d) Hedging Obligations incurred pursuant to Section 6.01(c) ;

(e) loans and advances to directors, employees and officers of Borrower and its Subsidiaries for *bona fide* business purposes;

(f) Investments (i) by any Company in Borrower or any existing Subsidiary Guarantor, (ii) by a Subsidiary that is not a Subsidiary Guarantor in any other Subsidiary that is not a Subsidiary Guarantor and (iii) by Borrower or any Subsidiary Guarantor in any Subsidiary that is not a Subsidiary Guarantor, *provided* that after giving effect to any Investment under this Section 6.04(f)(iii) and the contemplated use of proceeds thereof, the Minimum Domestic Percentage Test shall be satisfied; *provided* that any Investment pursuant to this clause (f) that is in Indebtedness of any Loan Party to any Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations on terms reasonably

satisfactory to the Administrative Agent in connection with any insolvency proceeding with respect to the Obligor thereof;

(g) Investments in trade creditors or customers in the ordinary course of business received upon foreclosure, in satisfaction of judgments or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;

(h) Permitted Acquisitions;

(i) mergers and consolidations in compliance with Section 6.05 ;

(j) Investments made by Borrower or any Subsidiary as a result of consideration received in connection with an Asset Sale made in compliance with Section 6.06 ;

(k) to the extent permitted by Section 6.09(d) , Capital Expenditures made by Borrower or any Subsidiary on behalf of itself or as would otherwise be permitted pursuant to Section 6.04(f) ;

(l) purchases and other acquisitions of inventory, materials, equipment, tangible or intangible property, supplies or services in the ordinary course of business;

(m) leases of real or personal property in the ordinary course of business;

(n) contributions of any Equity Interest in any Foreign Subsidiary to any other Foreign Subsidiary;

(o) Investments to the extent that the consideration therefore consists of Qualified Capital Stock of Borrower or the proceeds of the issuance of Qualified Capital Stock of Borrower;

(p) loans and advances to officers, directors and employees of Borrower and its Subsidiaries for the sole purpose of purchasing Qualified Capital Stock of Borrower or of refinancing any such loans made by others (or purchase of such loans made by others), *provided* that if any such loans and advances are made in cash, the person making such loans or advances shall, substantially contemporaneously with the making of any such loans or advances, receive cash in the amount of such loans and advances;

(q) Investments by Borrower or any Subsidiary in any joint venture, *provided* that the aggregate consideration (other than any such consideration consisting of licenses of Intellectual Property that do not constitute Asset Sales) paid by Borrower or such Subsidiary in respect of such Investments shall not exceed $20.0 million in the aggregate at any one time outstanding for all such joint ventures; and

(r) other Investments in an aggregate amount not to exceed $10.0 million at any time outstanding.

An Investment shall be deemed to be outstanding to the extent not returned in the same form as the original Investment to the person making or holding such Investment.

SECTION 6.05 Mergers and Consolidations .

Wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation (or agree to do any of the foregoing at any future time), except that the following shall be permitted:

(a) the Transactions as contemplated by the Transaction Documents;

(b) Asset Sales in compliance with Section 6.06 ;

(c) Investments in compliance with Section 6.04 ;

(d) any Company may merge or consolidate with or into Borrower or any Subsidiary Guarantor (as long as Borrower is the surviving person in the case of any merger or consolidation involving Borrower and a Subsidiary which is or becomes a Subsidiary Guarantor is the surviving person in any other case); *provided* that the Lien on and security interest in any property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.11 or Section 5.12 , as applicable;

(e) any Foreign Subsidiary may merge or consolidate with or into any other Foreign Subsidiary; and

(f) any Subsidiary may dissolve, liquidate or wind up its affairs at any time; *provided* that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Effect.

To the extent the Required Lenders or all the Lenders, as applicable, waive the provisions of this Section 6.05 with respect to the sale or other transfer of any Collateral, or any Collateral is sold or otherwise transferred as permitted by this Section 6.05 (other than, in either case, a sale or transfer to Borrower or any Subsidiary Guarantor), such Collateral shall be sold, free and clear of the Liens created by the Security Documents, and, so long as Borrower shall have provided the Agents such certifications or documents as any Agent shall reasonably request in order to demonstrate compliance with this Section 6.05 , the Agents shall take all actions as are reasonably requested by Borrower in order to evidence or effect the foregoing.

SECTION 6.06 Asset Sales .

Effect any Asset Sale, or agree to effect any Asset Sale, except that the following shall be permitted:

(a) disposition of used, worn out, obsolete or surplus property by any Company in the ordinary course of business and the abandonment or other disposition of Intellectual Property that is, in the reasonable judgment of Borrower, no longer economically worthwhile to maintain or otherwise useful in the conduct of the business of the Companies taken as a whole;

(b) Asset Sales at fair market value; *provided* that (i) the aggregate fair market value of assets disposed in respect of all Asset Sales pursuant to this clause (b) shall not exceed $40.0 million in any fiscal year of Borrower (*provided , however,* that if the aggregate amount of Asset Sales made under this Section 6.06(b) in any fiscal year (beginning with the fiscal year ending December 31, 2011) shall be

less than the maximum amount of Asset Sales permitted under this Section 6.06(b) for such fiscal year, then the amount of such shortfall shall be added to the amount of Asset Sales permitted under this Section 6.06(b) for the immediately succeeding fiscal year) and (ii) at least 75% of the purchase price for all property subject to such Asset Sale shall be paid to Borrower or such Subsidiary solely in cash and Cash Equivalents;

(c) leases of real or personal property in the ordinary course of business;

(d) the Transactions as contemplated by the Transaction Documents;

(e) mergers and consolidations in compliance with Section 6.05 ;

(f) Investments in compliance with Section 6.04 ;

(g) Dividends in compliance with Section 6.07 ;

(h) other Asset Sales described in writing to the Lead Arrangers prior to the Effective Date; and

(i) other Asset Sales for aggregate consideration not to exceed $10.0 million in any fiscal year.

To the extent the Required Lenders or all the Lenders, as applicable, waive the provisions of this Section 6.06 with respect to the sale or other transfer of any Collateral, or any Collateral is sold or otherwise transferred as permitted by this Section 6.06 (other than, in either case, a sale or transfer to Borrower or any Subsidiary Guarantor) such Collateral shall be sold free and clear of the Liens created by the Security Documents, and, so long as Borrower shall have provided the Agents such certifications or documents as any Agent shall reasonably request in order to demonstrate compliance with this Section 6.06 , the Agents shall take all actions that are reasonably requested by Borrower in order to evidence or effect the foregoing. For purposes of Section 6.06(b)(ii) , the following shall be deemed to be cash: (a) the assumption of any liabilities of Borrower or any Subsidiary with respect to, and the release of Borrower or such Subsidiary from all liability in respect of, any Indebtedness of Borrower or the Subsidiaries permitted hereunder (in the amount of such Indebtedness) that is due and payable within one year of the consummation of such Asset Sale and (b) securities received by Borrower or any Subsidiary from the transferee that are immediately convertible into cash without breach of their terms or the agreement pursuant to which they were purchased and that are promptly converted by Borrower or such Subsidiary into cash.

SECTION 6.07 Dividends .

Authorize, declare or pay, directly or indirectly, any Dividends with respect to any Company, except that the following shall be permitted:

(a) Dividends by any Company to Borrower or any other Company which is a parent of such Company (and to any other stockholder thereof a basis not more favorable to such other stockholder than ratable with such parent);

(b) Dividends in an aggregate amount as determined at the time of each declaration or payment thereof equal to (i) the sum of (x) $10.0 million and (y) the sum of (A) 50% of the sum of the

Consolidated Net Income from the beginning of the first fiscal quarter of Borrower commencing on or after the Closing Date through the end of the most recently completed fiscal quarter (taken as one accounting period) (and minus 100% of any such Consolidated Net Income that is negative) and (B) 100% of the Net Cash Proceeds of any Equity Issuances and the fair market value of all other property and marketable securities received by Borrower in connection with any other Equity Issuance, in each case after the Effective Date (*provided* that the amount calculated pursuant to this clause (y) shall not be less than $0) less (ii) the aggregate amount of payments, prepayments, redemptions and acquisitions made pursuant to Section 6.10(a)(iv) ; *provided* that at the time of the declaration thereof no Event of Default shall exist or would result therefrom and, in the case of any Dividend in excess of $1.0 million after giving effect to such Dividend and to any incurrence of Indebtedness in connection therewith, Borrower is in compliance on a Pro Forma Basis as of the most recently completed Test Period with Sections 6.09(a) and (b) ; and

(c) Borrower may (i) repurchase shares of "Restricted Stock" and "Performance Stock" sold pursuant to the CSG Employee Stock Purchase Plan from a holder of such Equity Interests in Borrower whose employment with Borrower and its Subsidiaries has terminated, provided that the repurchase price paid for any such Restricted Stock or Performance Stock shall not exceed, in the case of Performance Stock, the purchase price initially paid by such Person for such Performance Stock or, in the case of Restricted Stock, the higher of the purchase price initially paid by such Person for such Restricted Stock or the Book Value (as defined in the applicable purchase agreement) of such Restricted Stock, (ii) repurchase options and warrants (or Equity Interests in Borrower issued upon the exercise of options or warrants) in connection with the "cashless exercise" of options or warrants and (iii) repurchase Equity Interests of Borrower issued pursuant to a stock incentive plan of Borrower or any of its Subsidiaries in such amounts as may be necessary to satisfy the tax withholding requirements under applicable law with respect to such Equity Interests in Borrower.

SECTION 6.08 Transactions with Affiliates .

Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of any Company (other than between or among Borrower and one or more Subsidiaries), other than any transaction or series of related transactions on terms and conditions at least as favorable to such Company as would reasonably be obtained by such Company at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

(a) Dividends permitted by Section 6.07 ;

(b) Investments permitted by Sections 6.04(e) , (f) and (n) ;

(c) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements;

(d) transactions with customers, clients, suppliers, joint venture partners or purchasers or sellers of goods and services, in each case in the ordinary course of business and otherwise not prohibited by the Loan Documents;

(e) the existence of, and the performance by any Loan Party of its obligations under the terms of, any limited liability company, limited partnership or other Organizational Document or securityholders or other agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party on the Effective Date and similar agreements that it may enter into thereafter; *provided* , *however* , that the existence of, or the performance by any Loan Party of obligations under, any amendment to any such existing agreement or any such similar agreement entered into after the Effective Date shall only be permitted by this Section 6.08(e) to the extent not more adverse to the interest of the Lenders in any material respect, when taken as a whole, than any of such documents and agreements as in effect on the Effective Date;

(f) sales of Qualified Capital Stock of Borrower to Affiliates of Borrower not otherwise prohibited by the Loan Documents and the granting of registration and other customary rights in connection therewith;

(g) any transaction with an Affiliate where the only consideration paid by any Loan Party is Qualified Capital Stock of Borrower; and

(h) the Transactions as contemplated by the Transaction Documents.

SECTION 6.09 Financial Covenants .

(a) Maximum Total Leverage Ratio . Permit the Total Leverage Ratio, as of the last day of any Test Period, to exceed 4.00 to 1.00.

(b) Maximum First Lien Leverage Ratio . Permit the First Lien Leverage Ratio, as of the last day of any Test Period, to exceed 2.50 to 1.00.

(c) Minimum Interest Coverage Ratio . Permit the Consolidated Interest Coverage Ratio, for any Test Period, to be less than 2.00 to 1.00.

(d) Limitation on Capital Expenditures . Permit the aggregate amount of Capital Expenditures made in any fiscal year of Borrower, to exceed the greater of (i) $40.0 million and (ii) the amount equal to 10% of the Consolidated Total Assets Less Goodwill as of the end of the most recently completed fiscal year of Borrower after giving effect on a Pro Forma Basis to the Transactions and any subsequent Permitted Acquisitions; *provided* , *however*, that if the aggregate amount of Capital Expenditures made in any fiscal year (beginning with the fiscal year ending December 31, 2011) shall be less than the maximum amount of Capital Expenditures permitted under this Section 6.09(d) for such fiscal year (after giving effect to any carryover), then the amount of such shortfall not exceeding 50% of such maximum shall be added to the amount of Capital Expenditures permitted under this Section 6.09(d) for the immediately succeeding fiscal year.

SECTION 6.10 Prepayments of Other Indebtedness; Modifications of Organizational Documents and Other Documents, etc .

So long as any Term Loans are outstanding, directly or indirectly:

(a) make (or give any notice in respect thereof) any optional payment or prepayment of principal on or optional redemption or acquisition for value of the 2010 Convertible Notes or any refinancing thereof permitted by Section 6.01(b) or any issuance of Indebtedness in an aggregate principal

amount of not less than $30.0 million permitted by Section 6.01(m) (any of the foregoing, " **Material Borrowed Indebtedness** "), except (i) a refinancing permitted by Section 6.01(b) , (ii) any payment to the extent made with Qualified Capital Stock of Borrower, (iii) any cash settlement of any conversion by the holders thereof of any 2010 Convertible Notes or any refinancing thereof permitted by Section 6.01(b) and (iv) optional payments, prepayments, redemptions and acquisitions in an aggregate amount not to exceed the amount, calculated at the time of such payment, prepayment, redemption or acquisition, calculated pursuant to Section 6.07(b)(i) less any Dividends paid in accordance with such Section 6.07(b) ; or

(b) amend or modify, or permit the amendment or modification of any document governing any Material Borrowed Indebtedness in any manner that is adverse in any material respect to the interests of the Lenders.

SECTION 6.11 Limitation on Certain Restrictions on Subsidiaries .

Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by Borrower or any Subsidiary, or pay any Indebtedness owed to Borrower or a Subsidiary, (b) make loans or advances to Borrower or any Subsidiary or (c) transfer any of its properties to Borrower or any Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) applicable Requirements of Law; (ii) this Agreement and the other Loan Documents; (iii) the 2004 Convertible Notes or the 2010 Convertible Notes; (iv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Subsidiary; (v) customary provisions restricting assignment of any agreement entered into by a Subsidiary in the ordinary course of business; (vi) any holder of a Lien permitted by Section 6.02 restricting the transfer of the property subject thereto; (vii) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale; (viii) any agreement in effect at the time such Subsidiary becomes a Subsidiary of Borrower, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of Borrower; (ix) without affecting the Loan Parties' obligations under Section 5.11 , customary provisions in partnership agreements, limited liability company organizational governance documents, asset sale and stock sale agreements and other similar agreements that restrict the transfer of ownership interests in such partnership, limited liability company or similar person; (x) restrictions on cash or other deposits or net worth imposed by suppliers or landlords under contracts entered into in the ordinary course of business; (xi) any instrument governing Indebtedness assumed in connection with any Permitted Acquisition, which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired; (xii) in the case of any joint venture which is not a Loan Party, restrictions in such person's Organizational Documents or pursuant to any joint venture agreement or stockholders agreements solely to the extent of the Equity Interests of or property held in the subject joint venture or other entity; (xiii) any customary restrictions imposed by any document or instrument evidencing, governing or securing any Indebtedness permitted by Section 6.01(f) or (k) reasonably believed by Borrower to be necessary in connection with the incurrence thereof; (xiv) any encumbrances or restrictions imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clauses (iii) or (viii) above and (xv) any encumbrances or restrictions imposed by the Cash Confirmation; *provided* that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing.

SECTION 6.12 Limitation on Issuance of Capital Stock .

With respect to any Subsidiary, issue any Equity Interest (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Equity Interest, except (i) for stock splits, stock dividends and additional issuances of Equity Interests which do not decrease the percentage ownership of Borrower or any Subsidiaries in any class of the Equity Interest of such Subsidiary; and (ii) Subsidiaries of Borrower formed after the Closing Date in accordance with Section 6.13 may issue Equity Interests to Borrower or the Subsidiary of Borrower which is to own such Equity Interests. All Equity Interests issued in accordance with this Section 6.12 (b) shall, to the extent required by Sections 5.11 and 5.12 or any Security Agreement, be delivered to the Collateral Agent for pledge pursuant to the applicable Security Agreement.

SECTION 6.13 [Reserved.]

SECTION 6.14 Business .

Engage (directly or indirectly) in any business other than those businesses in which Borrower and its Subsidiaries are engaged on the Effective Date after giving effect to the Transactions, and businesses that are related thereto or extensions thereof.

SECTION 6.15 [Reserved.]

SECTION 6.16 Fiscal Year .

Change the fiscal year-end of Borrower to a date other than December 31.

SECTION 6.17 No Further Negative Pledge .

Enter into any agreement, instrument, deed or lease which prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of their respective properties or revenues, whether now owned or hereafter acquired, securing the Secured Obligations or which requires the grant of any security for an obligation if security is granted for the Secured Obligations, except the following: (1) covenants in documents creating Liens permitted by Section 6.02 (other than Section 6.02(p)) prohibiting further Liens on the properties encumbered thereby (2) covenants in documents evidencing, governing or securing Indebtedness permitted by Section 6.01(k) to the extent that such covenants do not restrict in any manner (directly or indirectly) prior Liens created pursuant to the Loan Documents on any Collateral securing the Secured Obligations; and (3) any prohibition or limitation that (a) exists pursuant to applicable Requirements of Law, (b) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.06 pending the consummation of such sale, (c) restricts subletting or assignment of leasehold interests contained in any Lease governing a leasehold interest of Borrower or a Subsidiary, (d) exists in any agreement in effect at the time such Subsidiary becomes a Subsidiary of Borrower, so long as such agreement was not entered into in contemplation of such person becoming a Subsidiary or (e) is imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clause (3)(d); *provided* that such amendments and refinancings are no more materially restrictive with respect to such prohibitions and limitations than those prior to such amendment or refinancing.

SECTION 6.18 Compliance with Anti-Terrorism Laws .

(a) Directly or indirectly, in connection with the Loans, knowingly (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, except to the extent authorized or exempted by or pursuant to any Requirement of Law, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to any Anti-Terrorism Law, except to the extent authorized or exempted by or pursuant to any Requirement of Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) Directly or indirectly, in connection with the Loans, knowingly cause or permit any of the funds of such Loan Party that are used to repay the Loans to be derived from any unlawful activity with the result that the making of the Loans would be in violation of any Anti-Terrorism Law.

(c) Knowingly cause or permit (i) an Embargoed Person to have any direct or indirect interest in or benefit of any nature whatsoever in the Loan Parties or (ii) any of the funds or properties of the Loan Parties that are used to repay the Loans to constitute property of, or be beneficially owned directly or indirectly by, an Embargoed Person.

(d) The Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Loan Parties' compliance with this Section 6.18 .

ARTICLE VII

GUARANTEE

SECTION 7.01 The Guarantee .

The Subsidiary Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety to each Secured Party and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest on (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code) the Loans made by the Lenders to, and the Notes held by each Lender of, Borrower, and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Document or any Hedging Agreement or Treasury Services Agreement entered into with a counterparty that is a Secured Party, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the " **Guaranteed Obligations** "). The Subsidiary Guarantors hereby jointly and severally agree that if Borrower or other Subsidiary Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Subsidiary Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

SECTION 7.02 Obligations Unconditional .

The obligations of the Subsidiary Guarantors under Section 7.01 shall constitute a guaranty of payment and to the fullest extent permitted by applicable Requirements of Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of Borrower under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Subsidiary Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Subsidiary Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Subsidiary Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, Issuing Bank or any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected; or

(v) the release of any other Subsidiary Guarantor pursuant to Section 7.09 .

The Subsidiary Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against Borrower under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Subsidiary Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Subsidiary Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against Borrower or against

any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Subsidiary Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

SECTION 7.03 Reinstatement .

The obligations of the Subsidiary Guarantors under this Article VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

SECTION 7.04 Subrogation; Subordination .

Each Subsidiary Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01 , whether by subrogation or otherwise, against Borrower or any other Subsidiary Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

SECTION 7.05 Remedies .

The Subsidiary Guarantors jointly and severally agree that, as between the Subsidiary Guarantors and the Lenders, the obligations of Borrower under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.01) for purposes of Section 7.01 , notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Borrower) shall forthwith become due and payable by the Subsidiary Guarantors for purposes of Section 7.01 .

SECTION 7.06 Instrument for the Payment of Money .

Each Subsidiary Guarantor hereby acknowledges that the guarantee in this Article VII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Subsidiary Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

SECTION 7.07 Continuing Guarantee .

The guarantee in this Article VII is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

SECTION 7.08 General Limitation on Guarantee Obligations .

In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01 , then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Subsidiary Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the right of contribution established in Section 7.10) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

SECTION 7.09 Release of Subsidiary Guarantors .

If, in compliance with the terms and provisions of the Loan Documents, any Subsidiary Guarantor (a " **Released Guarantor** ") shall cease to be a Subsidiary of Borrower pursuant to a transaction permitted hereunder, such Released Guarantor shall, upon its so ceasing to be a Subsidiary of Borrower, be automatically released from its obligations under this Agreement (including under Section 10.03 hereof) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document, and the pledge of any of its Equity Interests that are no longer held by Borrower or a Subsidiary Guarantor to the Collateral Agent pursuant to the Security Agreements shall be automatically released, and, so long as Borrower shall have provided the Agents such certifications or documents as any Agent shall reasonably request, the Collateral Agent shall take such actions as are reasonably requested by Borrower to evidence or effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents.

SECTION 7.10 Right of Contribution .

Each Subsidiary Guarantor (other than CSG Media) hereby agrees that to the extent that a Subsidiary Guarantor (other than CSG Media) shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor (other than CSG Media) shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor (other than CSG Media) hereunder which has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 7.04 . The provisions of this Section 7.10 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent, the Issuing Bank, the Swingline Lender and the Lenders, and each Subsidiary Guarantor shall remain liable to the Administrative Agent, the Issuing Bank, the Swingline Lender and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.01 Events of Default .

The following events shall be " **Events of Default** ":

(a) default shall be made in the payment of any principal of any Loan or any Reimbursement Obligation when and as the same shall become due and payable, whether at the due date

thereof (including a Term Loan Repayment Date) or at a date fixed for prepayment (whether voluntary or mandatory) thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in paragraph (a) 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;

(c) any representation or warranty made or deemed made in any Loan Document or in any report, certificate, financial statement or other instrument furnished pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made or deemed made;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02(a) , 5.03(a) (with respect to Borrower only), 5.08 or Article VI ;

(e) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraphs (a), (b) or (d) immediately above) and such default shall continue unremedied or shall not be waived for a period of 30 days (or, in the case of a covenant, condition or agreement contained in the Fee Letter, 5 Business Days) after written notice thereof from the Administrative Agent or any Lender to Borrower;

(f) any Company (other than an Immaterial Subsidiary) shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due and payable beyond any applicable grace period, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf to cause, such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer purchase by the obligor; *provided* that it shall not constitute an Event of Default pursuant to this paragraph (f) unless the aggregate amount of all such Indebtedness referred to in clauses (i) and (ii) exceeds $10.0 million at any one time (*provided* that, in the case of Hedging Obligations, the amount counted for this purpose shall be the amount payable by all Companies if such Hedging Obligations were terminated at such time);

(g) 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 any Company (other than an Immaterial Subsidiary), or of a substantial part of the property of any Company (other than an Immaterial Subsidiary), under Title 11 of the U.S. 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 any Company (other than an Immaterial Subsidiary) or for a substantial part of the property of any Company (other than an Immaterial Subsidiary); or (iii) the winding-up or liquidation of any Company (other than an Immaterial Subsidiary); and 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;

(h) any Company (other than an Immaterial 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 clause (g) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Company (other than an Immaterial Subsidiary) or for a substantial part of the property of any Company (other than an Immaterial 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; (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due; (vii) take any action for the purpose of effecting any of the foregoing; or (viii) in the case of Borrower only, wind up or liquidate;

(i) one or more judgments, orders or decrees for the payment of money (to the extent not paid or covered by insurance as to which the relevant insurance company has not contested coverage) in an aggregate amount in excess of $10.0 million shall be rendered against any Company (other than an Immaterial Subsidiary) or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of 30 consecutive days during which execution shall not be effectively stayed;

(j) one or more ERISA Events and/or one or more similar events with respect to Foreign Plans shall have occurred that, when taken together with all other such ERISA Events and similar events with respect to Foreign Plans that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(k) any security interest and Lien purported to be created by any Security Document in any material portion of the Collateral shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, the Liens, rights, powers and privileges purported to be created and granted under such Security Document (including, except to the extent attributable to the Collateral Agent's failure to maintain possession of Collateral delivered to it, a perfected first priority security interest in and Lien on all of the Collateral thereunder (except as otherwise expressly provided in such Security Document)) in favor of the Collateral Agent, or shall be asserted in writing by Borrower or any other Loan Party not to be a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) security interest in or Lien on any material portion of the Collateral covered;

(l) any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by any Loan Party, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Loan Party shall repudiate or deny in writing any portion of its liability or obligation for the Obligations; or

(m) there shall have occurred a Change in Control.

Notwithstanding the foregoing, for the period from the Effective Date until the date which is 90 days after the Closing Date (the " **Clean-Up Period** "), a breach of any representation or warranty in any Loan Document or any covenant, condition or agreement in any Loan Document existing by reason of circumstances existing on the Closing Date and relating solely to the business or operations

of the Target (or any obligation to procure or ensure in relation thereto) shall not constitute a Default if and for so long as the circumstances giving rise to such breach:

(i) are capable of being cured during the Clean-up Period and Borrower and its Subsidiaries are using reasonable efforts to cure such breach (it being understood for the avoidance of doubt that untrue disclosure or financial statements cannot be cured by amending, supplementing or restating such disclosure or financial statements);

(ii) have not been knowingly caused or approved by Borrower; and

(iii) have not had, and would not reasonably be expected to have, a Material Adverse Effect;

(each such excluded breach of any representation or warranty, an " **Excluded Target Representation Breach** ").

SECTION 8.02 Remedies upon Event of Default .

If any Event of Default (other than an event with respect to Borrower described in Section 8.01(g) or (h)) occurs and is continuing, the Administrative Agent may and, at the request of the Required Lenders, shall, by notice to Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans and Reimbursement Obligations then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans and Reimbursement Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of Borrower 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 Borrower and the Subsidiary Guarantors, anything contained herein or in any other Loan Document to the contrary notwithstanding; and if an Event of Default with respect to Borrower described in Section 8.01(g) or (h) occurs, the Commitments shall automatically terminate and the principal of the Loans and Reimbursement Obligations then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other Obligations of Borrower 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 Borrower and the Subsidiary Guarantors, anything contained herein or in any other Loan Document to the contrary notwithstanding.

During the Certain Funds Period, if there exists an Event of Default which is continuing that (a) is a Major Default or (b) results from a breach of one or more Major Representations in any material respect or (c) results from a breach of any Major Covenant, then the Administrative Agent may, and at the request of the Required Lenders, shall, by notice to Borrower, terminate the Commitments, and thereupon the Commitments shall terminate immediately and the principal of the Loans and Reimbursement Obligations, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower, and in case of any event with respect to Borrower described in Section 8.01(g) or (h) , the Commitments shall automatically terminate the principal of the Loans and Reimbursement Obligations, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of Borrower accrued hereunder shall automatically become due and payable, without presentment, demand, protest or other

notice of any kind, all of which are hereby waived by Borrower. Notwithstanding anything to the contrary in this Agreement, during the Certain Funds Period, the Administrative Agent and the Lenders shall not, except as provided in the immediately preceding sentence, (A) if the conditions specified in Section 4.02 have been satisfied, decline or refuse or fail to make available any Term Loans or Acquisition Revolving Loans, (B) cancel any of the Commitments to the extent to do so would prevent or limit the making of a Term Loan or an Acquisition Revolving Loan, (C) cancel, accelerate or cause repayment or prepayment of any amounts owing hereunder or under any other Loan Document to the extent to do so would prevent or limit the making of a Term Loan or an Acquisition Revolving Loan, (D) exercise any right of set-off or counterclaim in respect of a Loan or a requested Loan to the extent to do so would prevent or limit the making of a Term Loan or an Acquisition Revolving Loan or (E) rescind, terminate or cancel this Agreement or any of the Commitments or exercise any similar right or remedy or make or enforce any claim under the Loan Documents it may have to the extent to do so would prevent or limit the making of a Term Loan or an Acquisition Revolving Loan; and all provisions in the Loan Document shall be interpreted and construed accordingly. After the Certain Funds Period, all of the rights, remedies and entitlements of the Administrative Agent and the Lenders shall be available notwithstanding that certain rights, remedies and entitlements were not exercised or available during the Certain Funds Period.

SECTION 8.03 Application of Proceeds .

The proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Collateral Agent of its remedies shall be applied, in full or in part, together with any other sums then held by the Collateral Agent pursuant to this Agreement, promptly by the Collateral Agent as follows:

(a) *First* , to the payment of all reasonable costs and expenses, fees, commissions and taxes of such sale, collection or other realization including compensation to the Collateral Agent and its agents and counsel, and all expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith and all amounts for which the Collateral Agent is entitled to indemnification pursuant to the provisions of any Loan Document, together with interest on each such amount at the rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second* , to the payment of all other reasonable costs and expenses of such sale, collection or other realization including compensation to the other Secured Parties and their agents and counsel and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith, together with interest on each such amount at the rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(c) *Third* , without duplication of amounts applied pursuant to clauses (a) and (b) above, to the indefeasible payment in full in cash, *pro rata* , of interest and other amounts constituting Obligations (other than principal, Reimbursement Obligations and obligations to cash collateralize Letters of Credit) and any fees, premiums and scheduled periodic payments due under Hedging Agreements or Treasury Services Agreements constituting Secured Obligations and any interest accrued thereon, in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(d) *Fourth* , to the indefeasible payment in full in cash, *pro rata* , of the principal amount of the Obligations and any premium thereon (including Reimbursement Obligations and

obligations to cash collateralize Letters of Credit) and any breakage, termination or other payments under Hedging Agreements and Treasury Services Agreements constituting Secured Obligations and any interest accrued thereon; and

(e) *Fifth* , the balance, if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (e) of this Section 8.03 , the Loan Parties shall remain liable, jointly and severally, for any deficiency.

ARTICLE IX

THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT

SECTION 9.01 Appointment and Authority .

Each of the Lenders and the Issuing Bank hereby irrevocably appoints UBS AG, Stamford Branch, to act on its behalf as the Administrative Agent and the Collateral Agent hereunder and under the other Loan Documents and authorizes such Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agents by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article (other than the provisions of Section 9.06) are solely for the benefit of the Administrative Agent, the Collateral Agent, the Lenders and the Issuing Bank, and neither Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions (other than the provisions of Section 9.06).

SECTION 9.02 Rights as a Lender .

Each person serving as an 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 an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each person serving as an Agent hereunder in its individual capacity. Such person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Borrower or any Subsidiary or other Affiliate thereof as if such person were not an Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 9.03 Exculpatory Provisions .

No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, no Agent:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall 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 such 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 such Agent shall not be required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Requirements of Law; and

(c) shall, 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 Borrower or any of its Affiliates that is communicated to or obtained by the person serving as such Agent or any of its Affiliates in any capacity.

No Agent shall be liable for any action taken or not taken by it (x) 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 such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.02) or (y) in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent by Borrower, a Lender or the Issuing Bank.

No Agent shall 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 or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent or the Collateral 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 us used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

Each party to this Agreement acknowledges and agrees that the Administrative Agent may use an outside service provider for the tracking of all UCC financing statements required to be filed pursuant to the Loan Documents and notification to the Administrative Agent, of, among other things, the upcoming lapse or expiration thereof, and that any such service provider will be deemed to be acting at the request and on behalf of Borrower and the other Loan Parties. No Agent shall be liable for any action taken or not taken by any such service provider.

SECTION 9.04 Reliance by Agent .

Each 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. Each 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 of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative

Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall be entitled to rely upon the advice of any such counsel, accountants or experts and shall not be liable for any action taken or not taken by it in accordance with such advice.

SECTION 9.05 Delegation of Duties .

Each 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, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent. Each 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 each 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 Agent.

SECTION 9.06 Resignation of Agent .

(a) Each Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Borrower, 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 Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and the Issuing Bank, appoint a successor Agent meeting the qualifications set forth above *provided* that if the Agent shall notify Borrower and the Lenders that no qualifying person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the Issuing Bank under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through an Agent shall instead be made by or to each Lender and the Issuing Bank directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring 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 paragraph). The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article IX and Section 10.03 shall continue in effect for the benefit of such retiring 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 Agent was acting as Agent.

(b) Any resignation by UBS AG, Stamford Branch as Administrative Agent pursuant to Section 9.06(a) shall, unless UBS AG, Stamford Branch gives notice to Borrower otherwise, also constitute its resignation as Issuing Bank and Swingline Lender, and such resignation as Issuing Bank and

Swingline Lender shall become effective simultaneously with the discharge of the Administrative Agent from its duties and obligations as set forth in the immediately preceding paragraph (except as to already outstanding Letters of Credit and LC Obligations and Swingline Loans, as to which the Issuing Bank and the Swingline Lender shall continue in such capacities until the LC Exposure relating thereto shall be reduced to zero and such Swingline Loans shall have been repaid, as applicable, or until the successor Administrative Agent shall succeed to the roles of Issuing Bank and Swingline Lender in accordance with the next sentence and perform the actions required by the next sentence). Upon the acceptance of a successor's appointment as Administrative Agent hereunder, unless UBS AG, Stamford Branch and such successor gives notice to Borrower otherwise, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank and Swingline Lender and (ii) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit. At the time any such resignation of the Issuing Bank shall become effective, Borrower shall pay all unpaid fees accrued for the account of the retiring Issuing Bank pursuant to Section 2.05(c) .

SECTION 9.07 Non-Reliance on Agent and Other Lenders .

Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon any 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 Agreement. Each Lender further represents and warrants that it has had the opportunity to review each document made available to it on the Platform in connection with this Agreement and has acknowledged and accepted the terms and conditions applicable to the recipients thereof. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender 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 Withholding Tax .

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting the provisions of Section 2.15(a) or (c) , each Lender and the Issuing Bank shall, and does hereby, indemnify the Administrative Agent, and shall make payable in respect thereof within 30 days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the Internal Revenue Service or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not property executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender or the Issuing Bank by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the Issuing Bank hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or Issuing Bank under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.08 . The agreements in this Section 9.08 shall survive the resignation and/or replacement of the Administrative Agent, any

assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

SECTION 9.09 No Other Duties, etc .

Anything herein to the contrary notwithstanding, none of the Lead Arrangers, Syndication Agent or Co-Documentation 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 (i) in its capacity, as applicable, as the Administrative Agent, the Collateral Agent, a Lender or the Issuing Bank hereunder or (ii) in the case of the Lead Arrangers, the powers expressly set forth herein.

SECTION 9.10 Enforcement .

Notwithstanding anything to the contrary contained herein or in any other Loan Document, 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, or as the Required Lenders may require or otherwise direct, for the benefit of all the Lenders and the Issuing Bank; *provided, however* , that the foregoing shall not prohibit (a) 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, (b) the Issuing Bank or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Issuing Bank or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with, and subject to, the terms of this Agreement, or (d) 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 bankruptcy or insolvency law.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 Notices .

(a) Generally . Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (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 telecopier as follows:

(i) if to any Loan Party, to Borrower at:

CSG Systems International, Inc.
9555 Maroon Circle
Englewood, Colorado 80112
Attention: Treasurer
Telecopier No.: (303) 796-2870
Email: dave.schaaf@csgsystems.com

(ii) if to the Administrative Agent, the Collateral Agent or Issuing Bank, to it at:

UBS AG, Stamford Branch
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Houssem Daly
Telecopier No.: (203) 719-4176

(iii) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire; and

(iv) if to the Swingline Lender, to it at:

UBS Loan Finance LLC
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Houssem Daly
Telecopier No.: (203) 719-4176

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier 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 delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b). Any party hereto may change its address or telecopier number for notices and other communications hereunder by written notice to Borrower, the Agents, the Issuing Bank and the Swingline Lender.

(b) Electronic Communications . Notices and other communications to the Lenders and the Issuing Bank hereunder may (subject to the provisions of this Section 10.01) 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 the Issuing Bank pursuant to Article II if such Lender or the Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (including pursuant to the provisions of this Section 10.01); *provided* that approval of such procedures may be limited to particular notices or communications.

Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent or the Lenders pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials (the " **Communications** "), by transmitting them in an electronic medium in a format reasonably acceptable to the Administrative Agent at DL-UBSAgency@ubs.com or at such other e-mail address(es) provided to

Borrower from time to time or in such other form as the Administrative Agent shall require. In addition, each Loan Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in this Agreement or any other Loan Document or in such other form as the Administrative Agent shall require. Nothing in this Section 10.01 shall prejudice the right of the Agents, the Issuing Bank, any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document or as any such Agent or the Issuing Bank, as the case may be, shall require.

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); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, 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.

To the extent consented to by the Administrative Agent in writing from time to time, the Administrative Agent agrees that receipt of the Communications (other than any such Communication that (A) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (C) provides notice of any Default under this Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder) by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents.

(c) Platform . Each Loan Party further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on SyndTrak or a substantially similar secure electronic transmission system (the " **Platform** "). The Platform is provided "as is" and "as available." The Agents do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, 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 in connection with the Communications or the Platform. In no event shall any Agent or any of its Related Parties have any liability to the Loan Parties, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or such Agent's transmission of communications through the Internet, except to the extent the liability of such person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such person's gross negligence or willful misconduct.

(d) Public/Private . Each Loan Party hereby authorizes the Administrative Agent to distribute (i) to Private Siders all Communications, and (ii) to Public Siders only Communications Borrower identifies in writing as not containing any MNPI (" **Public Side Communications** "). Borrower

represents and warrants that no Public Side Communication contains any MNPI. Borrower agrees to designate as Public Side Communications only those Communications or portions thereof that it reasonably believes in good faith do not include MNPI, and agrees to use all commercially reasonable efforts to designate any Communications provided under Section 5.01(a) , (b) and (c) as Public Side Communications. " **Private Siders** " shall mean Lenders' employees and representatives who have declared that they are authorized to receive MNPI. " **Public Siders** " shall mean Lenders' employees and representatives who have not declared that they are authorized to receive MNPI; it being understood that Public Siders may be engaged in investment and other market-related activities with respect to Borrower's or its affiliates' securities or loans. " **MNPI** " shall mean material non-public information (within the meaning of United States federal securities laws) with respect to Borrower, its affiliates and any of their respective securities.

Each Lender acknowledges that United States federal and state securities laws prohibit any person from purchasing or selling securities on the basis of material, non-public information concerning the issuer of such securities or, subject to certain limited exceptions, from communicating such information to any other person. Each Lender confirms that it has developed procedures designed to ensure compliance with these securities laws.

Each Lender acknowledges that circumstances may arise that require it to refer to Communications that may contain MNPI. Accordingly, each Lender agrees that it will use commercially reasonable efforts to designate at least one individual to receive Communications that are not Public Side Communications on its behalf in compliance with its procedures and applicable law and identify such designee (including such designee's contact information) on such Lender's Administrative Questionnaire. Each Lender agrees to notify the Administrative Agent in writing from time to time of such Lender's designee's e-mail address to which notice of the availability of Communications that are not Public Side Communications may be sent by electronic transmission.

Each Lender that elects not to be given access to Communications that are not Public Side Communications does so voluntarily and, by such election, (i) acknowledges and agrees that the Agents and other Lenders may have access to Communications that are not Public Side Communications that such electing Lender does not have and (ii) takes sole responsibility for the consequences of, and waives any and all claims based on or arising out of, not having access to Communications that are not Public Side Communications.

SECTION 10.02 Waivers; Amendment .

(a) Generally . No failure or delay by any Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by this Section 10.02 , and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or the Issuing Bank may have had notice or knowledge of

such Default at the time. No notice or demand on Borrower in any case shall entitle Borrower to any other or further notice or demand in similar or other circumstances.

(b) Required Consents . Subject to Section 10.02(c) , (d) and (e) and Section 2.20 , neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Borrower and the Required Lenders or Borrower and the Administrative Agent with the consent of the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Loan Party or Loan Parties that are party thereto and the Required Lenders or such Loan Party or Loan Parties and the Administrative Agent or the Collateral Agent, as applicable, with the consent of the Required Lenders; *provided* that no such agreement shall be effective if the effect thereof would:

(i) increase the Commitment of any Lender or change the currency or currencies available thereunder without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default shall constitute an increase in the Commitment of any Lender);

(ii) reduce the principal amount or premium, if any, of any Loan (except in connection with a payment contemplated by clause (viii) below) or LC Disbursement or reduce the rate of interest thereon including any provision establishing a minimum rate (other than interest pursuant to Section 2.06(c)), or reduce any Fees payable hereunder, or change the form or currency of payment of any Obligation, without the written consent of each Lender directly affected thereby (it being understood that any amendment or modification to the financial definitions in this Agreement shall not constitute a reduction in the rate of interest for purposes of this clause (ii));

(iii) (A) change the scheduled final maturity of any Loan, or any scheduled date of payment of any installment of the principal amount of any Term Loan under Section 2.09 , (B) postpone the date for payment of any Reimbursement Obligation or any interest, premium or fees payable hereunder, (C) reduce the amount of, waive or excuse any such payment (other than waiver of any increase in the interest rate pursuant to Section 2.06(c)), or (D) postpone the scheduled date of expiration of any Commitment or any Letter of Credit beyond the Revolving Maturity Date, in any case, without the written consent of each Lender directly affected thereby;

(iv) increase the maximum duration of Interest Periods hereunder, without the written consent of each Lender directly affected thereby;

(v) permit the assignment or delegation by Borrower of any of its rights or obligations under any Loan Document, without the written consent of each Lender;

(vi) release all or substantially all of the Subsidiary Guarantors from their Guarantee (except as expressly provided in Article VII), or limit their liability in respect of such Guarantee, without the written consent of each Lender;

(vii) other than as expressly contemplated by the Loan Documents, release all or a substantial portion of the Collateral from the Liens of the Security Documents or alter the relative priorities of the Secured Obligations entitled to the Liens of the Security Documents, in each case

without the written consent of each Lender (it being understood that additional Classes of Loans pursuant to Section 2.20 or consented to by the Required Lenders may be equally and ratably secured by the Collateral with the then existing Secured Obligations under the Security Documents);

(viii) change Section 2.14(b) , (c) or (d) in a manner that would alter the *pro rata* sharing of payments or setoffs required thereby or any other provision in a manner that would alter the *pro rata* allocation among the Lenders of Loan disbursements, including the requirements of Sections 2.02(a) , 2.17(d) and 2.18(d) , without the written consent of each Lender directly affected thereby; *provided* that this clause (viii) shall not apply to any change made to any of such Sections 2.14(b) , (c) or (d) or any such other provision that allows Borrower or any Subsidiary to make payments (as consideration for an assignment, sale or participation or otherwise) on Term Loans without any Loan Party, the payor or the recipient of such payments complying with the *pro rata* sharing of payments and setoffs required by such Sections or provisions, so long as such change requires that (x) Borrower and its Subsidiaries offer to make such payments to all Term Loan Lenders on a *pro rata* basis based on the aggregate principal amount of Term Loans then outstanding, (y) such payments are actually allocated to the Term Loans whose holders have elected to make them subject to such offer on a *pro rata* basis based on the aggregate principal amount of all Term Loans that have been made so subject to such offer and (z) all Term Loans that are paid in any such offer are deemed fully repaid and extinguished for all purposes and may not be reborrowed;

(ix) change any provision of this Section 10.02(b) or Section 10.02(c) or (d) , without the written consent of each Lender directly affected thereby (except for additional restrictions on amendments or waivers for the benefit of Lenders of additional Classes of Loans pursuant to Section 2.20 or consented to by the Required Lenders);

(x) change the percentage set forth in the definition of "Required Lenders," "Required Class Lenders," "Required Revolving Lenders" or any other provision of any Loan Document (including this Section) specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), other than to increase such percentage or number or to give any additional Lender or group of Lenders such right to waive, amend or modify or make any such determination or grant any such consent;

(xi) change the application of prepayments as among or between Classes under Section 2.10(g) , without the written consent of the Required Class Lenders of each Class that is being allocated a lesser prepayment as a result thereof (it being understood that the Required Lenders may waive, in whole or in part, any prepayment so long as the application, as between Classes, of any portion of such prepayment that is still required to be made is not changed and, if additional Classes of Term Loans under this Agreement pursuant to Section 2.20 or consented to by the Required Lenders are made, such new Term Loans may be included on a *pro rata* basis in the various prepayments required pursuant to Section 2.10(g));

(xii) subordinate the Obligations to any other obligation, without the written consent of each Lender;

(xiii) change or waive any provision of Article X as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the written consent of such Agent;

(xiv) change or waive any obligation of the Lenders relating to the issuance of or purchase of participations in Letters of Credit, without the written consent of the Administrative Agent and the Issuing Bank; or

(xv) change or waive any provision hereof relating to Swingline Loans (including the definition of "Swingline Commitment"), without the written consent of the Swingline Lender.

Notwithstanding anything to the contrary herein:

(I) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except to the extent the consent of such Lender would be required under clause (i), (ii) or (iii) of the first proviso to the first sentence of this Section 10.02(b) ;

(II) any Loan Document may be waived, amended, supplemented or modified pursuant to an agreement or agreements in writing entered into by Borrower and the Administrative Agent (without the consent of any Lender) solely to cure a defect or error, or to grant a new Lien for the benefit of the Secured Parties or extend an existing Lien over additional property; and

(III) at any time prior to the date which is 90 days after the Closing Date or, if earlier, the date of a Successful Syndication, this Agreement may be amended pursuant to a written instrument or instruments executed by the Administrative Agent at the direction of the Lead Arrangers (and without the consent of any other person (*provided* that the Lead Arrangers shall have consulted with Borrower)) in order to implement the relevant provisions of the Fee Letter under "Market Flex" (and subject to the limitations therein).

(c) Collateral . Without the consent of any other person, the applicable Loan Party or Parties and the Administrative Agent and/or Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law.

(d) Dissenting Lenders . If, in connection with any proposed change, waiver, discharge or termination of the provisions of this Agreement as contemplated by Section 10.02(b) , the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then Borrower shall have the right to replace all, but not less than all, of such non-consenting Lender or Lenders (so long as all non-consenting Lenders are so replaced) with one or more persons pursuant to Section 2.16(b) so long as at the time of such replacement each such new Lender consents to the proposed change, waiver, discharge or termination.

(e) Refinanced Term Loans . In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans (" **Refinanced Term Loans** ") with a replacement term loan tranche hereunder which shall constitute Term Loans hereunder (" **Replacement Term Loans** "); *provided* that (i) the aggregate principal amount of Replacement Term Loans shall not exceed the aggregate principal amount of Refinanced Term Loans, (ii) the maturity date for Replacement Term Loans shall not be earlier than the maturity date of Refinanced Term Loans, (iii) the weighted average life to maturity of Replacement Term Loans shall not be shorter than the weighted average life to maturity of Refinanced Term Loans at the time of such refinancing and (iv) all other terms (other than interest rate and fees) applicable to Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing Replacement Term Loans than, those applicable to Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the Final Maturity Date in effect immediately prior to such refinancing.

SECTION 10.03 Expenses; Indemnity; Damage Waiver .

(a) Costs and Expenses . Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent and their respective Affiliates (including the reasonable fees, charges and disbursements of a single counsel (and any necessary local counsel) for the Administrative Agent and/or the Collateral Agent) in connection with the syndication of the credit facilities provided for herein (including the obtaining and maintaining of CUSIP numbers for the Loans), the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including in connection with post-closing searches to confirm that security filings and recordations have been properly made and including any costs and expenses of the service provider referred to in Section 9.03 , (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank (including the fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.03 , or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by Borrower . Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Collateral Agent (and any sub-agent thereof) each Lender and the Issuing Bank, and each Related Party of any of the foregoing persons (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 fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any party hereto or any third party 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 amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, 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 contemplated hereby or thereby, (ii) any Loan or Letter of Credit or

the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank 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), (iii) any actual or alleged presence or Release or threatened Release of Hazardous Materials on, at, under or from any property owned, leased or operated by any Company at any time, or any Environmental Claim related in any way to any Company, or (iv) any actual or prospective 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 Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders . To the extent that Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section 10.03 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Collateral Agent, the Issuing Bank, the Swingline 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), the Collateral Agent (or any sub-agent thereof), the Issuing Bank, the Swingline 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) of such unpaid amount (such indemnity shall be effective whether or not the related losses, claims, damages, liabilities and related expenses are incurred or asserted by any party hereto or any third party); *provided* that (i) 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), the Collateral Agent (or any sub-agent thereof), the Swingline Lender or the Issuing Bank 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), the Collateral Agent (or any sub-agent thereof), the Swingline Lender or Issuing Bank in connection with such capacity and (ii) such indemnity for the Swingline Lender or the Issuing Bank shall not include losses incurred by the Swingline Lender or the Issuing Bank due to one or more Lenders defaulting in their obligations to purchase participations in Swingline Exposure under Section 2.17(d) or LC Exposure under Section 2.18(d) or to make Revolving Loans under Section 2.18(e) (it being understood that this proviso shall not affect the Swingline Lender's or the Issuing Bank's rights against any Defaulting Lender). The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.14 . For purposes hereof, a Lender's " *pro rata* share" shall be determined based upon its share of the sum of the total Revolving Exposure, outstanding Term Loans and unused Commitments at the time.

(d) Waiver of Consequential Damages, Etc . To the fullest extent permitted by applicable Requirements of Law, no Loan Party, Lender, Agent, Issuing Bank or Swingline Lender shall assert, and each Loan Party, Lender Agent, Issuing Bank and Swingline Lender hereby waives, any claim against any Indemnitee, any Loan Party or any Related Person in respect of any Loan Party, 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, *provided* that nothing contained in this

sentence shall limit the indemnity obligations of Borrower hereunder to the extent such special, indirect, consequential or punitive damages are included in any third-party claim in connection with which indemnification is provided for hereunder. No Indemnitee, Loan Party or Related Person in respect of any Loan Party 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.

(e) Payments . All amounts due under this Section shall be payable not later than 3 Business Days after demand therefor.

(f) Notwithstanding the foregoing, Borrower's responsibility for Taxes and Other Taxes shall be governed by Section 2.15 , to the exclusion of this Section 10.03 .

SECTION 10.04 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 Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent, the Issuing Lender, the Swingline Lender and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section 10.04 , (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section 10.04 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by Borrower shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders .

(i) Subject to the conditions set forth in paragraph (b)(ii) below, 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 and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed, subject as provided in clause (A)(y) below) of:

(A) Borrower; *provided* that (x) the consent of Borrower shall not be required for an assignment of a Term Loan; (y) the consent of Borrower shall not be required for an assignment of any Revolving Commitment, Revolving Loan or Term Commitment (I) by Royal Bank of Canada or UBS Loan Finance LLC, Stamford Branch, prior to completion of a Successful Syndication (*provided* that any such assignment shall be made in consultation with Borrower) or (II) if an Event of Default has occurred and is continuing; and (z) the consent of Borrower shall not be required for an assignment of any Revolving Commitment or Revolving Loan to a Lender with a Revolving Commitment immediately prior to giving effect to such assignment; *provided* that, in

addition to the consent rights of Borrower as may be otherwise applicable under this clause (A), a written confirmation of Borrower shall be required for any assignment of Term Commitments, Revolving Commitments or Revolving Loans during the Certain Funds Period for the sole and exclusive purpose of permitting Borrower to confirm that the required consent from its financial advisor for the Transactions has been obtained to the effect that such assignment will not, and could not reasonably be expected to, materially affect or be prejudicial to such financial advisor in its capacity as issuer of the cash confirmation statement contained in the Press Release and the Scheme Circular and/or Offer Document in connection with the Acquisition (it being understood that upon the request of the Lead Arrangers, Borrower shall request such consent promptly and in good faith);

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment of (x) any Revolving Commitment to an assignee that is a Lender with a Revolving Commitment immediately prior to giving effect to such assignment or (y) all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the Issuing Bank and the Swingline Lender; *provided* that no consent of the Issuing Bank or the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of any assignment of Terms Loans or assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, 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 $5.0 million, in the case of any assignment in respect of Revolving Loans and/or Revolving Commitments, or $1.0 million, in the case of any assignment in respect of Term Loans and/or Term Loan Commitments, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, Borrower otherwise consent (each such consent not to be unreasonably withheld or delayed);

(B) 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 Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate tranches on a non- *pro rata* basis;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and

recordation fee of $3,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(D) without the prior written consent of the Administrative Agent, no assignment shall be made to a prospective assignee that bears a relationship to Borrower described in Section 108(e)(4) of the Code; and

(E) so long as no Event of Default has occurred and is continuing, without the written consent of Borrower, no assignment may be made to a competitor of Borrower.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 10.04 , from and after the effective date specified in each Assignment and Assumption, the Eligible 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 2.12 , 2.13 , 2.15 and 10.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph 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 Section 10.04(d) .

(c) Register . The Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the " **Register** "). The entries in the Register shall be conclusive in the absence of manifest error, and Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower, the Issuing Bank (with respect to Revolving Lenders only), the Collateral Agent, the Swingline Lender (with respect to Revolving Lenders only) and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations . Any Lender may at any time, without the consent of, or notice to, Borrower, the Administrative Agent, the Issuing Bank or the Swingline Lender sell participations to any person (other than a natural person or Borrower or any of its Affiliates) (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 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, (iii) Borrower, the Administrative Agent and the Lenders and Issuing Bank shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (iv) without the prior written consent of the Administrative Agent, no participation shall be sold to a prospective Participant that bears a relationship to Borrower described in Section 108(e)(4) of the Code and (v) so long as no Event of Default has

occurred and is continuing, without the written consent of Borrower, no participation may be sold to a competitor of Borrower.

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 the Loan Documents and to approve any amendment, modification or waiver of any provision of the 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, modification or waiver described in clause (i), (ii) or (iii) of the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (e) of this Section, Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 , 2.13 and 2.15 (subject to the requirements of those Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; *provided* 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 an agent of Borrower, 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 this Agreement (the " **Participant Register** "); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit 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.

(e) Limitations on Participant Rights . A Participant shall not be entitled to receive any greater payment under Sections 2.12 , 2.13 and 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant (except to the extent such entitlement to receive a greater payment results from an adoption of or any change in any Requirement of Law or in the application thereof that occurs after the Participant acquired the applicable participation), unless the sale of the participation to such Participant is made with Borrower's prior written consent (not to be unreasonably withheld or delayed). No Participant shall be entitled to the benefits of Section 2.15 unless such Participant complies with Section 2.15(e) as if it were a Lender (it being understood that the documentation required under Section 2.15(e) shall be delivered by the applicable Participant to the participating Lender) and such Participant agrees to be subject to the provisions of Sections 2.15(f) and 2.16 as if it were a Lender; *provided* that Section 2.16 shall only apply to the extent such Participant would otherwise be entitled to receive any greater payment under Sections 2.12 , 2.13 and 2.15 than the applicable Lender would have been entitled to.

(f) 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 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. In the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of Borrower or the Administrative Agent, collaterally assign

or pledge all or any portion of its rights under this Agreement, including the Loans and Notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities.

(g) Electronic Execution of Assignments . The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures 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 Requirement of 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 10.05 Survival of Agreement .

All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement (other than obligations for tax gross-up, yield protection, indemnification or expense reimbursement for which no claim has been made) is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12 , 2.14 , 2.15 and Article X (but with respect to Section 10.12 , only for a period of one year from (i) if the Closing Date does not occur, the Effective Date or (ii) if the Closing Date occurs, the date upon which this Agreement is terminated) shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the payment of the Reimbursement Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06 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 or expense payable to the Administrative Agent or the Lead Arrangers, 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 other than as otherwise expressly agreed by the parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or other electronic transmission (i.e. a "pdf" or "tif" document) shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07 Severability .

Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08 Right of Setoff .

If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Requirements of 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, the Issuing Bank or any such Affiliate to or for the credit or the account of Borrower or any other Loan Party against any and all of the obligations of Borrower or such Loan Party now or hereafter existing that are then due under this Agreement or any other Loan Document to such Lender or the Issuing Bank, irrespective of whether or not such Lender or the Issuing Bank shall have made any demand under this Agreement or any other Loan Document and although such obligations of Borrower or such Loan Party may be owed to a branch or office of such Lender or the Issuing Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Bank or their respective Affiliates may have. Each Lender and the Issuing Bank agrees to notify Borrower 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 10.09 Governing Law; Jurisdiction; Consent to Service of Process .

(a) Governing Law . This Agreement and the transactions contemplated hereby, and all disputes between the parties under or relating to this Agreement or the facts or circumstances leading to its execution, whether in contract, tort or otherwise, shall be construed in accordance with and governed by the laws (including statutes of limitation) of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

(b) Submission to Jurisdiction . Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action 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 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.

(c) Venue . Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Requirements of Law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 10.09(b) . Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Requirements of 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 any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopier) in Section 10.01 . Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by applicable Requirements of Law.

SECTION 10.10 Waiver of Jury Trial .

Each party hereto hereby waives, to the fullest extent permitted by applicable Requirements of 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, any other Loan Document or the transactions contemplated hereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party 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 by, among other things, the mutual waivers and certifications in this Section.

SECTION 10.11 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 10.12 Treatment of Certain Information; Confidentiality .

Each of the Administrative Agent, the Lenders and the Issuing Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (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), (b) to the extent requested by any Governmental Authority or regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Requirements of Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) 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, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.12 , to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and its obligations or (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Lender, (g) with the consent of Borrower or (h) to the extent such Information

(x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower. For purposes of this Section, " **Information** " means all information received from Borrower or any of its Subsidiaries relating to Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by Borrower or any of its Subsidiaries unless such information is clearly identified at the time of delivery as not including any confidential information. 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.

SECTION 10.13 USA PATRIOT Act Notice and Customer Verification .

Each Lender that is subject to the USA PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notify Borrower that pursuant to the "know your customer" regulations and the requirements of the USA PATRIOT Act, they are required to obtain, verify and record information that identifies each Loan Party, which information includes the name, address and tax identification number (and other identifying information in the event this information is insufficient to complete verification) that will allow such Lender or the Administrative Agent, as applicable, to verify the identity of each Loan Party. This information must be delivered to the Lenders and the Administrative Agent no later than five days prior to the Closing Date and thereafter promptly upon request. This notice is given in accordance with the requirements of the USA PATRIOT Act and is effective as to the Lenders and the Administrative Agent.

SECTION 10.14 Interest Rate Limitation .

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable Requirements of Law (collectively, the " **Charges** "), shall exceed the maximum lawful rate (the " **Maximum Rate** ") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Requirements of Law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 10.15 [Reserved] .

SECTION 10.16 Obligations Absolute .

To the fullest extent permitted by applicable Requirements of Law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

(a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;

(b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Obligations;

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or

(f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties.

SECTION 10.17 Dollar Equivalent Calculations .

For purposes of this Agreement, the Dollar Equivalent of each Loan that is an Alternate Currency Revolving Loan shall be calculated on the date when any such Loan is made, on the first Business Day of each month and at such other times as designated by the Administrative Agent. Such Dollar Equivalent shall remain in effect until the same is recalculated by the Administrative Agent as provided above and notice of such recalculation is received by Borrower, it being understood that until such notice of such recalculation is received, the Dollar Equivalent shall be that Dollar Equivalent as last reported to Borrower by the Administrative Agent. The Administrative Agent shall promptly notify Borrower and the Lenders of each such determination of the Dollar Equivalent.

For purposes of this Agreement, the Dollar Equivalent of the stated amount of each Letter of Credit that is an Alternate Currency Letter of Credit shall be calculated on the date when such Letter of Credit is issued, on the first Business Day of each month and at such other times as designated by the Issuing Bank in consultation with Administrative Agent. Such Dollar Equivalent shall remain in effect until the same is recalculated by the Issuing Bank as provided above and notice of such recalculation is received by Borrower, it being understood that until such notice of such recalculation is received, the Dollar Equivalent shall be that Dollar Equivalent as last reported to Borrower by the Issuing Bank. The Issuing Bank shall promptly notify Borrower, Administrative Agent and the Lenders of each such determination of the Dollar Equivalent.

SECTION 10.18 Judgment Currency .

(a) Borrower's obligation hereunder and under the other Loan Documents to make payments in the applicable Approved Currency (pursuant to such obligation, the " **Obligation Currency** ") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent or such Lender under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing

judgment against Borrower in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the " **Judgment Currency** ") an amount due in the Obligation Currency, the conversion shall be made at the Relevant Currency Equivalent, and in the case of other currencies, the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the Business Day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the " **Judgment Currency Conversion Date** ").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, Borrower shall pay, or cause to be paid, the amount necessary such that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date .

(c) For purposes of determining the Relevant Currency Equivalent or any other rate of exchange for this Section 10.18 , such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

SECTION 10.19 Euro .

(a) If at any time that an Alternate Currency Revolving Loan is outstanding, the relevant Alternate Currency (other than the euro) is fully replaced as the lawful currency of the country that issued such Alternate Currency (the " **Issuing Country** ") by the euro so that all payments are to be made in the Issuing Country in euros and not in the Alternate Currency previously the lawful currency of such country, then such Alternate Currency Revolving Loan shall be automatically converted into a Loan denominated in euros in a principal amount equal to the amount of euros into which the principal amount of such Alternate Currency Revolving Loan would be converted pursuant to law and thereafter no further Loans will be available in such Alternate Currency.

(b) Borrower shall from time to time, at the request of any Lender, pay to such Lender the amount of any losses, damages, liabilities, claims, reduction in yield, additional expense, increased cost, reduction in any amount payable, reduction in the effective return of its capital, the decrease or delay in the payment of interest or any other return forgone by such Lender or its Affiliates as a result of the tax or currency exchange resulting from the introduction of, changeover to or operation of the euro in any applicable nation or eurocurrency market.

SECTION 10.20 Special Provisions Relating to Currencies Other Than Dollars .

(a) All funds to be made available to Administrative Agent or the Issuing Bank, as applicable, pursuant to this Agreement in any Alternate Currency shall be made available to Administrative Agent or the Issuing Bank, as applicable, in immediately available, freely transferable, cleared funds to such account with such bank in the principal financial center of the Issuing Country with respect to such Alternate Currency (or in London) as Administrative Agent or the Issuing Bank, as applicable, shall from time to time nominate for this purpose.

(b) In relation to the payment of any amount denominated in any Alternate Currency, neither the Administrative Agent nor the Issuing Bank shall be liable to Borrower or any of the Lenders for any delay, or the consequences of any delay, in the crediting to any account of any amount required by this Agreement to be paid by the Administrative Agent or the Issuing Bank if such Administrative Agent or Issuing Bank shall have taken all relevant and necessary steps to achieve, on the date required by this Agreement, the payment of such amount in immediately available, freely transferable, cleared funds (in any Alternate Currency) to the account with the bank in the principal financial center of the Issuing Country with respect to such Alternate Currency(or in London) which Borrower or, as the case may be, any Lender shall have specified for such purpose. In this Section 10.20(b) , " **all relevant steps** " means all such steps as may be prescribed from time to time by the regulations or operating procedures of such clearing or settlement system as Administrative Agent or Issuing Bank may from time to time determine for the purpose of clearing or settling payments of any Alternate Currency. Furthermore, and without limiting the foregoing, neither the Administrative Agent nor the Issuing Bank shall be liable to Borrower or any of the Lenders with respect to the foregoing matters in the absence of its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision or pursuant to a binding arbitration award or as otherwise agreed in writing by the affected parties).

SECTION 10.21 Amendment and Restatement . On the Amendment and Restatement Effective Date, the Existing Credit Agreement shall be amended and restated to be as provided herein, and the Lenders party hereto shall become and be the Lenders with the Commitments provided for herein without any requirement for compliance with Section 10.04 . The parties hereto acknowledge and agree that (a) this Agreement and the other Loan Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation, payment and reborrowing, or termination of the "Obligations" (as defined in the Existing Credit Agreement) under the Existing Credit Agreement as in effect prior to the Amendment and Restatement Effective Date and which remain outstanding; (b) such "Obligations" are in all respects continuing (as amended and restated hereby); (c) the Liens and security interests granted under the Security Documents securing payment of such "Obligations" are in all respects continuing and in full force and effect; and (d) references in the Security Documents to the "Credit Agreement" shall be deemed to be references to this Agreement, and to the extent necessary to effect the foregoing, each such Security Document is hereby deemed amended accordingly.

[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 above written.

CSG SYSTEMS INTERNATIONAL, INC.

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

CSG SYSTEMS, INC.

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

CSG INTERACTIVE MESSAGING, INC.

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

CSG SERVICES, INC.

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

CSG INTERNATIONAL HOLDINGS, LLC

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

TELUTION, INC.

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

COMTECNET, INCORPORATED

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

DATAPROSE, INC.

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

CSG MEDIA, LLC

By: /s/ Peter E. Kalan
Name: Peter E. Kalan
Title: President & CEO

UBS SECURITIES LLC, as Lead Arranger

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By: /s/ April Varner-Nanton
Name: April Varner-Nanton
Title: Director

UBS AG, STAMFORD BRANCH, as Issuing Bank, Administrative Agent and Collateral Agent

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By: /s/ April Varner-Nanton
Name: April Varner-Nanton
Title: Director

UBS LOAN FINANCE LLC, as Swingline Lender and Lender

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By: /s/ April Varner-Nanton
Name: April Varner-Nanton
Title: Director

ROYAL BANK OF CANADA, as Lead Arranger and Lender

By: /s/ William J. Caggiano
Name: William J. Caggiano
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION, as
Co-Documentation Agent and Lender

By: /s/ David A. Wild
Name: David A. Wild
Title: Vice President

Fifth Third Bank, as Co-Documentation Agent and Lender

By: /s/ Garland F. Robeson IV
Name: Garland F. Robeson IV
Title: Assistant Vice President

Compass Bank, an Alabama banking corporation, as Co-Documentation Agent and Lender

By: /s/ Mark Sunderland
Name: Mark Sunderland
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agent and Lender

By: /s/ Randall J. Schmidt
Name: Randall J. Schmidt
Title: Vice President

U.S. Bank National Association, as
Co-Documentation Agent and Lender

By: /s/ Blake Malia
Name: Blake Malia
Title: Vice President

JPMorgan Chase Bank, N.A., as Co-Documentation Agent and Lender

By: /s/ Brian McDougal
Name: Brian McDougal
Title: Credit Executive

HSBC BANK USA, NATIONAL ASSOCIATION, as
Co-Documentation Agent and Lender

By: /s/ Steven T. Brennan
Name: Steven T. Brennan
Title: Senior Vice President (SC15219)

Applicable Margin

Total Leverage Ratio	Revolving Loans		Applicable
	Eurocurrency	ABR	Fee
Level I **≥ 2.0:1.0**	3.75%	2.75%	0.75%
Level II **< 2.0:1.0 but ≥ 1.5:1.0**	3.50%	2.50%	0.625%
Level III **< 1.5:1.0**	3.25%	2.25%	0.50%

Each change in the Applicable Margin or Applicable Fee resulting from a change in the Total Leverage Ratio shall be effective with respect to all outstanding Loans and Letters of Credit on and after the fifth Business Day after the date of delivery to the Administrative Agent of the financial statements and certificates required by Section 5.01(a) or (b) and Section 5.01(c) , respectively, indicating such change until the fifth Business Day after the next date of delivery of such financial statements and certificates indicating another such change. Notwithstanding the foregoing, the Leverage Ratio shall be deemed to be in Level I (i) at any time during which Borrower has failed to deliver the financial statements and certificates required by Section 5.01(a) or (b) and Section 5.01(c) , respectively, and (ii) at any time during the existence of an Event of Default.

In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.01 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected would have led to a higher Applicable Margin for any period (an " **Applicable Period** ") than the Applicable Margin applied for such Applicable Period, then (i) Borrower shall immediately deliver to the Administrative Agent a correct Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined by reference to the corrected Compliance Certificate (but in no event shall the Lenders owe any amounts to Borrower), and (iii) Borrower shall immediately pay to the Administrative Agent the additional interest owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with the terms hereof. This paragraph shall not limit the rights of the Administrative Agent and the Lenders hereunder.

Pages where confidential treatment has been requested are stamped "Confidential Treatment Requested and the Redacted Material has been separately filed with the Commission," and places where information has been redacted have been marked with (***).

EXHIBIT 10.21A

FIFTH AMENDMENT
TO THE
RESTATED AND AMENDED
CSG MASTER SUBSCRIBER MANAGEMENT SYSTEM AGREEMENT
BETWEEN
CSG SYSTEMS, INC.
AND
COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

This FIFTH AMENDMENT (the "Amendment") is made by and between **CSG Systems, Inc** . ("CSG") and **Comcast Cable Communications Management, LLC** ("Customer"). The Effective Date of this Amendment is the date last signed below. CSG and Customer entered into a certain Restated and Amended CSG Master Subscriber Management System Agreement (CSG document #2296663) dated July 1, 2008 (the "Agreement") and now desire to amend the Agreement in accordance with the terms and conditions set forth in this Amendment. If the terms and conditions set forth in this Amendment shall be in conflict with the Agreement, the terms and conditions of this Amendment shall control. Any terms in initial capital letters or all capital letters used as a defined term but not defined in this Amendment shall have the meaning set forth in the Agreement. Upon execution of this Amendment by the parties, any subsequent reference to the Agreement between the parties shall mean the Agreement as amended by this Amendment. Except as amended by this Amendment, the terms and conditions set forth in the Agreement shall continue in full force and effect according to their terms.

CSG and Customer agree to the following:

1. **Upon the Effective Date of this Amendment, Schedule F , Fees, Section entitled CSG Services, Subsection II, Interfaces, Subsection C. High-speed data, is amended to add the following charge:**

Description of Item/Unit of Measure	Frequency	Fee
4.. Non Voice Record Processing	********** **********	*******

2. **Effective May 1, 2010, Schedule P to the Agreement shall be deleted in its entirety and replaced with the new Schedule P attached hereto and which is incorporated herein by this reference.**

IN WITNESS WHEREOF the parties hereto have caused this Amendment to be executed by their duly authorized representatives.

COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC ("CUSTOMER")

By: Andrew J. Baer
Name: Andrew J. Baer
Title: SVP & CIO
Date: 10/21/2010

CSG SYSTEMS, INC. ("CSG")

By: /s/ Michael J. Henderson
Name: Michael J. Henderson
Title: EVP Sales & Marketing
Date: 10/25/2010

***** Confidential Treatment Requested and the Redacted Material has been separately filed with the Commission.**

Schedule P

Customer Authorization Schedule

CSG Document	Comcast Personnel	Title	Comment
Master Agreement & Amendments (and all categories Listed below)	**********	Chief Information Officer	
	**********	SVP and Chief Procurement Officer	
SOW / DSOW	**********	SVP Finance & Accounting	Contract Administration
	**********	Vice President, Business Operations	Contract Administration
	**********	Vice President, Billing Systems	
LOA	**********	Director of Billing	Technical Administrator
	**********	Vice President, Billing Systems	Contract Administration
	**********	Vice President, Business Operations	Contract Administration
	**********	SVP Finance & Accounting	
	**********	Director of Billing Systems	
SRF	**********	Director of Billing	Technical Administrator
	**********	Director of Billing Systems	
	**********	Vice President, Billing Systems	
	**********	Vice President, Business Operations	
	**********	SVP Finance & Accounting	
IPA	**********	Director of Billing Systems	
	**********	Vice President, Billing Systems	
BRD	**********	Director of Billing Systems	
	**********	Vice President, Billing Systems	
Billing Disputes	**********	SVP Finance & Accounting	
	**********	Vice President, Billing Systems	
	**********	Manager Finance	

Pages where confidential treatment has been requested are stamped "Confidential Treatment Requested and the Redacted Material has been separately filed with the Commission," and places where information has been redacted have been marked with (***).

EXHIBIT 10.23B

FOURTH AMENDMENT
TO THE
CSG MASTER SUBSCRIBER MANAGEMENT SYSTEM AGREEMENT
BETWEEN
CSG SYSTEMS, INC.
AND
DISH NETWORK, L.L.C.

This FOURTH AMENDMENT (this " **Amendment** ") is made by and between CSG Systems, Inc., a Delaware corporation (" **CSG** "), and DISH Network, L.L.C., a Colorado limited liability company (" **Customer** "). This amendment shall be effective as of the date last signed below (the " **Effective Date** "). CSG and Customer entered into a certain CSG Master Subscriber Management System Agreement (Document #2301656) entered into effective as of January 1, 2010 (the " **Agreement** "), and now desire to further amend the Agreement in accordance with the terms and conditions set forth in this Amendment. If the terms and conditions set forth in this Amendment shall be in conflict with the Agreement, the terms and conditions of this Amendment shall control. Any terms in initial capital letters or all capital letters used as a defined term but not defined in this Amendment shall have the meaning set forth in the Agreement, as amended hereby. Upon execution of this Amendment by the parties, any subsequent reference to the Agreement between the parties shall mean the Agreement as amended by this Amendment. Except as amended by this Amendment, the terms and conditions set forth in the Agreement shall continue in full force and effect according to their terms.

CSG and Customer agree as follows as of the Effective Date:

1. Schedule F , of the Agreement, DATA COMMUNICATION SERVICES, Subsection I entitled "Direct Connect into the CSG's Data Center," shall be deleted in its entirety and replaced with the following:

I. Direct Connect into the CSG Data Center

If Customer chooses to run its own private circuits (each a " **Direct Connect Circuit** ") into the CSG Data Center and/or CSG's BCP Recovery Data Center, there are charges associated with this type of connectivity. CSG will provide secure access to the CSG network once the Direct Connect Circuit has been run into the CSG Data Center.

If Customer elects to run one or more Direct Connect Circuit(s) into the CSG Data Center, then (a) Customer will remain responsible for the maintenance of such circuit(s) as well as the maintenance of any equipment associated with such circuit(s), which equipment may include, but is not limited to, routers, switches, and firewalls, (b) CSG will provide network access points as required to provide connectivity for such circuit(s) to CSG's mainframe computer and open systems environments within the CSG Data Center. The fees associated with this connectivity are as follows:

- Direct Connect Installation Fee *****
- Direct Connect Monthly Support Fee ***** ********
- Optional – Direct Connect Circuit Access to BCP Recovery Data Center Monthly Fee *****

Note: All direct connections must be reviewed and approved by the CSG Network Engineering team.

In consideration of the direct connect fees set forth herein, CSG will provide all managed data center services in connection with the Direct Connect Circuits. Such services include, among other things, facilities such as floor, rack, power, and hands and feet support, on a 24/7 basis.

Note 1: Upon Execution of this Amendment, in partial consideration of Customer's payment of the Monthly Processing Fee, *** ***** ******* *** ******** ********** *** **** *** ******** ****** ******* ******** (the " **Customer Circuits** ") that ********* **** *** ******** ** **** *******, *.*.*., *** ** ***** ********* ** ***'* **** ******, *** *** ** ***** ********* ** ***'* *** ******** **** ******, *** ** ********** ******, *********, *** *** ******* **, *** ****** ******* ********** ***, ****** ******* ******* ******* *** ** ******* *** *** ****** ******* ******* ****** ** ***'* *** ******** **** ******.

***** Confidential Treatment Requested and the Redacted Material has been separately filed with the Commission.**

2. In addition to the direct connections for the Customer Circuits, Customer desires to utilize, and CSG shall provide, direct connections for ** *** additional Direct Connect Circuits that originate **** *** ******** ** ********'* ******** *****-***** ************* *******, ********, ***, *** ** ***** ********* ** ***'* **** ******, *** *** ** ***** ********* ** ***'* *** ******** **** ******, in consideration of the fees set forth below. Customer agrees and recognizes that, pursuant to the Agreement, Customer is responsible for the acts or omissions of its selected third-party contractors, which, for the purposes of this Amendment shall include, but shall not be limited to, EchoStar, LLC.**

Description of Item/Unit of Measure	Frequency	Fee
• Direct Connect Installation Fee **(Note 1) (Note 2)**	***-****	*********
• Direct Connect Monthly Support *** *** *** *** ***** **** ********* **** ********'* ******** *****-***** ************* *******, ********, ***, *** ********** ** ***'* **** ****** **** ***** * ***********	*******	*******
• Optional – Direct Connect Circuit Access to *** ****** **** ******-*** *** ***** **** ***** * ***********	*******	*******

Note 1: All direct connections must be reviewed and approved by a CSG engineer.
Note 2: *** ***-**** ****** ******* ************ *** *** **** ****** ** ******** ** ****** ** ************ #******** ***** **** *** ****.
Note 3: *** ******* ****** ******* ******* *** ******** *** *** **** ***** ***** ********* ** **** ********. ************** ** *** **** ***** ** ******** ** ****** ** ************* ********* ***** **** *** ****.

IN WITNESS WHEREOF the parties hereto have caused this Amendment to be executed by their duly authorized representatives.

DISH Network, l.l.c. ("CUSTOMER")

By: Michael McClaskey
Name: Michael McClaskey
Title: CIO
Date: 11/17/10

CSG SYSTEMS, INC. ("CSG")

By: Michael J. Henderson
Name: Michael J. Henderson
Title: EVP Sales & Marketing
Date: 11/19/10

Pages where confidential treatment has been requested are stamped "Confidential Treatment Requested and the Redacted Material has been separately filed with the Commission," and places where information has been redacted have been marked with (***).

EXHIBIT 10.24C

FORTY-NINTH AMENDMENT
OF THE
CSG MASTER SUBSCRIBER MANAGEMENT SYSTEM AGREEMENT
BETWEEN
CSG SYSTEMS, INC.
AND
TIME WARNER CABLE INC.

This Forty-ninth Amendment (the "Amendment") is made by and between **CSG Systems, Inc.** , a Delaware corporation ("CSG"), and **Time Warner Cable Inc.** ("TWC"). CSG and TWC entered into a certain CSG Master Subscriber Management System Agreement executed March 13, 2003, and effective as of April 1, 2003, as amended (the "Agreement"), and now desire to further amend the Agreement in accordance with the terms and conditions set forth in this Amendment. If the terms and conditions set forth in this Amendment shall be in conflict with the Agreement, the terms and conditions of this Amendment shall control. Any terms in initial capital letters or all capital letters used as a defined term, but not defined in this Amendment, shall have the meaning set forth in the Agreement. Upon execution of this Amendment by the parties, any subsequent reference to the Agreement between the parties shall mean the Agreement as amended by this Amendment. Except as amended by this Amendment, the terms and conditions set forth in the Agreement shall continue in full force and effect according to their terms.

CSG and TWC agree to the following as of the Effective Date:

1. **Subsection E, "Archival for Reports (Note 1)," of Section B, "Ancillary Services for Video and HSD (as applicable)," under "CSG Services, I. "Processing," in " Schedule F and corresponding Note 1 are deleted in their entirety as well as any references to "Archival for Reports" otherwise in the Agreement. As a result, CSG will no longer create and/or deliver physical CD Rom/DVDs for Customer's production reports and will no longer be obligated to retain and distribute CD Rom/DVDs produced prior to the Effective Date.**
2. **CSG will retain Customer's production report data for a period of ***-******* ****** ***** **** from creation of such production report in order for CSG to provide Support Services pursuant to the Agreement.**
3. **Currently, CSG provides each Customer's production report data to such Customer's designated third party vendor via an SFTP ** ** ********** ****** ** ******** ** ***. Upon reasonable advance notice from Customer, CSG shall provide such production report data, at Customer's direction, either to an alternative third party vendor of Customer's choice or directly to Customer. If Customer elects to use a CSG web reporting application for report archiving, *** *** ******** **** ******* ** ********* ** *** ********* ***/** ********* ** **** ** ********* *** ******* **** ********.**
4. **Customer desires to receive an additional Advanced ******** File Report. As a result, for the Monthly Fees specified in Schedule F of the Agreement, the ***** **** ******* ** ******** **** ******, ****-*** Monthly Monetary Transaction Activity report," will be deployed and available to Customer as the ***** ******** Report for Customer's ***** *** schemas.**
5. **Customer may make requests to CSG for additional ******** Reports, from time to time. Any such additional ******** Reports will be subject to the fees specified in Scheduled F of the Agreement and will be implemented upon the parties' execution of Letters of Authorization ("LOAs") or Statement of Work ("SOW").**

***** Confidential Treatment Requested and the Redacted Material has been separately filed with the Commission.**

THIS AMENDMENT is executed and effective as of the day and year last signed below ("Effective Date").

TIME WARNER CABLE INC. ("TWC")	**CSG SYSTEMS, INC. ("CSG")**
By: /s/ Frank Boncimino	By: /s/ Joe Ruble
Name: Frank Boncimino	Name: Joe Ruble
Title: SVP, Chief Information Officer	Title: EVP-General Counsel
Date: December 16, 2010	Date: 12-27-10

EXHIBIT 21.01

CSG Systems International, Inc.

Subsidiaries of the Registrant
As of December 31, 2010

Subsidiary	State or Country of Organization
Billing Intec Uruguay S.A.	Uruguay
Comtecnet Incorporated	New Jersey
CSG Interactive Messaging, Inc.	Delaware
CSG International Holdings, LLC	Delaware
CSG Media LLC	Delaware
CSG Services, Inc.	Delaware
CSG Systems International, Inc.	Delaware
CSG Systems U.K. Limited	United Kingdom
CSG Systems U.S. Holding Limited	United Kingdom
CSG Systems, Inc.	Delaware
Dataphone (Holdings) Limited	United Kingdom
DataProse, Inc.	California
Digiquant Malaysia Sdn. Bhd	Malaysia
Inception to Implementation (M) Sdn. Bhd	Malaysia
Independent Technology Billing Solutions S de RL de CV	Mexico
Independent Technology Systems (India) Pvt. Ltd.	India
Independent Technology Systems Limited	United Kingdom
Independent Technology Systems Scandinavia AB	Sweden
Independent Technology Systems SL Unipersonal	Spain
Intec (Guernsey) 1 Limited	Guernsey
Intec (Guernsey) 2 Limited	Guernsey
Intec Billing (Holding) Canada Ltd	Canada
Intec Billing Australia Pty Ltd	Australia
Intec Billing Canada Ltd.	Canada
Intec Billing Ireland	Ireland
Intec Billing Nigeria Limited	Nigeria
Intec Billing, Inc.	Delaware
Intec Outsourcing Services (Midwest), Inc.	Delaware
Intec Systems (Asia) Sdn Bhd	Malaysia
Intec Systems Vietnam Co, Ltd	Vietnam
Intec Telecom Systems (Australia) Pty Ltd	Australia
Intec Telecom Systems (France) SARL	France
Intec Telecom Systems (Revenue Assurance Division) Limited	United Kingdom
Intec Telecom Systems (Singapore) Pte Ltd.	Singapore
Intec Telecom Systems Denmark A/S	Denmark
Intec Telecom Systems Deutschland GmbH	Germany
Intec Telecom Systems do Brasil Limitada	Brazil
Intec Telecom Systems Italia SpA	Italy
Intec Telecom Systems Limited	United Kingdom
Intec Telecom Systems Pty Ltd	Australia
Intec Telecom Systems South Africa (Pty) Limited	South Africa
Intec USA, Inc.	Delaware
Telution, Inc.	Delaware

EXHIBIT 23.01

Consent of Independent Registered Public Accounting Firm

The Board of Directors
CSG Systems International, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-8 (File Nos. 333-10315, 333-32951, 333-48451, 333-83715, 333-42202, 333-81656, 333-104206, 333-117928 and 333-125584) and Form S-3/A (File No. 333-117427) of CSG Systems International, Inc. of our reports dated March 8, 2011, with respect to the consolidated balance sheets of CSG Systems International, Inc. as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010, and the effectiveness of internal control over financial reporting as of December 31, 2010, which appear in the December 31, 2010 annual report on Form 10-K of CSG Systems International, Inc.

Our report dated March 8, 2011, on the effectiveness of internal control over financial reporting as of December 31, 2010, contains an explanatory paragraph that states CSG Systems International, Inc. acquired Intec Telecom Systems PLC on November 30, 2010, and management excluded from its assessment of the effectiveness of CSG Systems International, Inc.'s internal control over financial reporting as of December 31, 2010, Intec Telecom Systems PLC's internal control over financial reporting associated with $439.0 million and $332.2 million of total assets and net assets, respectively, and total revenues of $17.8 million included in the consolidated financial statements of CSG Systems International, Inc. and subsidiaries as of and for the year ended December 31, 2010. Our audit of internal control over financial reporting of CSG Systems International, Inc. also excluded an evaluation of the internal control over financial reporting of Intec Telecom Systems PLC.

/s/ KPMG LLP

Denver, Colorado
March 8, 2011

EXHIBIT 31.01

CERTIFICATIONS PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Peter E. Kalan, certify that:

1. I have reviewed this annual report on Form 10-K of CSG Systems International, Inc.;

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 registrant as of, and for, the periods presented in this report;

4. The registrant'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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: March 8, 2011

/s/ Peter E. Kalan
Peter E. Kalan
Chief Executive Officer and President

EXHIBIT 31.02

CERTIFICATIONS PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Randy R. Wiese, certify that:

1. I have reviewed this annual report on Form 10-K of CSG Systems International, Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant'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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: March 8, 2011

/s/ Randy R. Wiese
Randy R. Wiese
Executive Vice President and Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Peter E. Kalan, the Chief Executive Officer and Randy R. Wiese, the Chief Financial Officer of CSG Systems International, Inc., each certifies that, to the best of his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CSG Systems International, Inc.

March 8, 2011

/s/ Peter E. Kalan
Peter E. Kalan
Chief Executive Officer and President

March 8, 2011

/s/ Randy R. Wiese
Randy R. Wiese
Executive Vice President and Chief Financial Officer