As filed with the Securities and Exchange Commission on December 22, 2017

File No. 001-38289

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

AMENDMENT NO. 2
TO
FORM 10
GENERAL FORM FOR REGISTRATION OF SECURITIES PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

Avaya Holdings Corp.
(Exact Name of Registrant as Specified in its Charter)

Delaware	7372	26-1119726
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

4655 Great America Parkway
Santa Clara, California 95054
(Address of Principal Executive Offices)

(908) 953-6000
(Registrant's telephone number, including area code)

Copies to:

Adele C. Freedman
Vice President & Deputy General Counsel, Corporate Law
Avaya Holdings Corp.
4655 Great America Parkway
Santa Clara, California 95054
(908) 953-6000

Joshua N. Korff, P.C.
Michael Kim
Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
(212) 446-4800

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

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common stock, $0.01 par value per share	New York Stock Exchange

Securities to be registered pursuant to Section 12(g) of the Act: None.

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

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

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EXPLANATORY NOTE

Avaya Holdings Corp. ("Avaya Holdings") is filing this registration statement on Form 10 pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") because we are seeking to list our common stock, par value $0.01 per share, on the New York Stock Exchange.

Once the registration of our common stock becomes effective, we will be subject to the requirements of Section 13(a) of the Exchange Act, including the rules and regulations promulgated thereunder, which will require us to file, among other things, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements with the U.S. Securities and Exchange Commission, or the SEC, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12 of the Exchange Act.

Our periodic and current reports will be available on our website, https://investors.avaya.com/financial-info/sec-filings, free of charge, as soon as reasonably practicable after such materials are filed with, or furnished to, the SEC.

On January 19, 2017, Avaya Inc. and certain of its affiliates, including Avaya Holdings (the "Debtor Affiliates" and, together with Avaya Inc., the "Debtors"), commenced chapter 11 cases (the "Bankruptcy Filing") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors completed the Restructuring (as defined below) and emerged from chapter 11 proceedings on December 15, 2017.

On the date of the Bankruptcy Filing, the capital structure of the Company, Avaya Inc. and the Debtor Affiliates and non-Debtor Affiliates (collectively, the "Avaya Enterprise") included approximately $6.0 billion in funded debt. The majority of this funded debt was a legacy of the 2007 transaction in which the Avaya Enterprise was taken private. The remainder of the funded debt originated as part of the Avaya Enterprise's 2009 acquisition of Nortel Enterprise Systems. In addition to this indebtedness, the following challenges led the Debtors to commence the chapter 11 cases in January 2017:

- Business model shift : The decline in economic activity between 2008 and 2010, together with the market trends away from hardware-based business communications under the capital expenditure model towards software and services offerings under the operating expense model, had a substantial impact on the Avaya Enterprise's operations. The Avaya Enterprise also faced ongoing competition to its core Unified Communications Product and Service offerings from numerous competitors such as Cisco and Microsoft. In light of these factors, the Avaya Enterprise experienced significant revenue declines over the past several years.
- Substantial annual cash requirements : The Avaya Enterprise's cash flow profile was negatively impacted by the substantial costs associated with its debt load, which increased over the last decade. Annual cash interest payments averaged approximately $440 million since fiscal 2014, with a corresponding impact on cash flow available to fund the research, development and other investments required to remain competitive in the market. From fiscal 2014 to fiscal 2016, annual cash requirements averaged approximately $900 million, including: (a) approximately $440 million in cash interest payments and (b) annual pension and other post-retirement employment benefits funding of approximately $180 million, as well as ongoing cash needs related to restructuring costs, capital expenditures and cash taxes.
- October 2017 debt maturities : Approximately $617 million of the Debtors' indebtedness was scheduled to mature in October 2017.

On April 13, 2017, the Debtors filed a Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its Debtor Affiliates and related disclosure statement for the Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its

Debtor Affiliates. On August 7, 2017, the Debtors filed the First Amended Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its Debtor Affiliates (as amended, the "First Amended Plan of Reorganization") and related disclosure statement for the First Amended Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its Debtor Affiliates (the "Amended Disclosure Statement"). The Bankruptcy Court signed an order approving the Amended Disclosure Statement on August 25, 2017. On September 8, 2017, the Debtors filed the solicitation versions of the First Amended Plan of Reorganization and Amended Disclosure Statement. On September 9, 2017, the Bankruptcy Court assigned the Debtors and their major stakeholder constituencies to mediation. The mediation resulted in a resolution between these constituencies, and, as a result, the Debtors filed a further amended plan of reorganization, the Second Amended Joint Plan of Reorganization (as amended, the "Plan of Reorganization"), and a Disclosure Statement Supplement on October 24, 2017. On November 28, 2017, the Bankruptcy Court entered an order confirming the Debtors' Plan of Reorganization, which, among other things, provided for the following treatments for certain creditor and equity classes:

- First lien debt claims: pro rata share of (i) new secured debt (or cash to the extent such debt is partially or fully syndicated) to be issued in connection with the Restructuring (as defined below) and (ii) 90.5% of the reorganized Avaya Holdings' common stock (subject to dilution by the post-Emergence Date (as defined below) equity incentive plan, that provides for reorganized Avaya Holdings' common stock, or other interests in Avaya Holdings, on a fully diluted basis, to be reserved for directors, officers and employees of the Debtors (the "Equity Incentive Plan") and the Warrants (as defined below)) less the reservation of up to 2.55% of the reorganized Avaya Holdings' common stock (subject to dilution by the Equity Incentive Plan and the Warrants) to be established on or prior to the Emergence Date for pro rata distributions on account of general unsecured claims (the "General Unsecured Recovery Equity Reserve").
- Second lien notes claims: pro rata share of 4.0% of the reorganized Avaya Holdings' common stock (subject to dilution by the Equity Incentive Plan and the Warrants) and a pro rata share of warrants to acquire 5.0% of reorganized Avaya Holdings' common stock (subject to dilution by the Equity Incentive Plan) (the "Warrants").
- General unsecured claims: pro rata share of the $58 million general unsecured recovery pool, which the general unsecured creditors may irrevocably elect to receive as reorganized Avaya Holdings' common stock (subject to dilution by the Equity Incentive Plan and the Warrants) or cash proceeds (pursuant to an election submitted prior to the applicable voting deadline).
- Claims of Pension Benefit Guaranty Corporation ("PBGC") in connection with the termination of the Avaya Inc. Pension Plan for Salaried Employees ("APPSE"): (i) $340 million in cash and (ii) 5.5% of the reorganized Avaya Holdings' common stock (subject to dilution by the Equity Incentive Plan and the Warrants).
- Pre-emergence equity interests in Avaya Holdings: cancelled.

The Company is not required to file this registration statement pursuant to the Securities Act of 1933, as amended (the "Securities Act"). This registration statement shall not constitute an offer to sell, nor a solicitation of an offer to buy, its securities.

CERTAIN TERMS USED IN THIS REGISTRATION STATEMENT

Unless otherwise indicated or the context otherwise requires, references in this registration statement to the terms below will have the following meanings:

- "Avaya," "we," "our," "us" and the "Company" refer to Avaya Holdings Corp. and its consolidated subsidiaries;
- "Avaya Holdings" or the "Parent" refer to Avaya Holdings Corp.;
- "Bankruptcy Code" refers to title 11 of the United States Code;
- "Bankruptcy Court" refers to the U.S. Bankruptcy Court for the Southern District of New York;
- "Bankruptcy Filing" refers to the voluntary petition for relief filed by the Debtors on January 19, 2017 in the Bankruptcy Court;
- "Debtors" refers to Avaya Holdings, Avaya Inc. and certain of their affiliates;
- "Emergence Date" refers to the date, December 15, 2017, on which substantial consummation (as that term is defined by section 1102(2) of the Bankruptcy Code) of the Plan of Reorganization occurred;
- "Exchange Act" refers to the Securities Exchange Act of 1934, as amended;
- "PBGC" refers to the Pension Benefit Guaranty Corporation;
- "Plan of Reorganization" refers to the Second Amended Joint Plan of Reorganization filed by the Debtors on October 24, 2017 and approved by the Bankruptcy Court on November 28, 2017;
- "Restructuring" refers to the consummation of the transactions contemplated by the Plan of Reorganization; and
- "Securities Act" refers to the Securities Act of 1933, as amended.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this registration statement, including statements containing words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “target,” “can,” “could,” “may,” “should,” “will,” “would” or similar words, constitute “forward-looking statements.” These forward-looking statements, which are based on our current plans, expectations and projections about future events, should not be unduly relied upon. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. We caution you therefore against relying on any of these forward-looking statements.

The forward-looking statements included herein are based upon our assumptions, estimates and beliefs and involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements and may be affected by a variety of risks and other factors, which may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include:

- we face formidable competition from providers of unified communications and contact center products and related services;
- market opportunity for business communications products and services may not develop in the ways that we anticipate;
- our ability to rely on our indirect sales channel;
- our products and services may fail to keep pace with rapidly changing technology and evolving industry standards;
- we rely on third-party contract manufacturers and component suppliers, some of which are sole source and limited source suppliers, as well as warehousing and distribution logistics providers;
- recently completed bankruptcy proceedings may adversely affect our operations in the future;
- our actual financial results may vary significantly from the financial projections filed with the Bankruptcy Court;
- our historical financial information may not be indicative of our future financial performance;
- our quarterly and annual revenues and operating results have historically fluctuated and the results of one period may not provide a reliable indicator of our future performance;
- operational and logistical challenges as well as changes in economic or political conditions, in a specific country or region;
- our revenues are dependent on general economic conditions and the willingness of enterprises to invest in technology;
- the potential that we may not be able to protect our proprietary rights or that those rights may be invalidated or circumvented;
- certain software we use is from open source code sources, which, under certain circumstances, may lead to unintended consequences;
- changes in its tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities;

- cancellation of indebtedness income is expected to result in material reductions in, or elimination of, tax attributes;
- tax examinations and audits;
- fluctuations in foreign currency exchange rates;
- business communications products are complex, and design defects, errors, failures or "bugs" may be difficult to detect and correct;
- if we are unable to integrate acquired businesses effectively;
- failure to realize the benefits we expect from our cost-reduction initiatives;
- liabilities incurred as a result of our obligation to indemnify, and to share certain liabilities with, Lucent (as defined below) in connection with our spin-off from Lucent in September 2000;
- transfers or issuances of our equity may impair or reduce our ability to utilize our net operating loss carryforwards and certain other tax attributes in the future;
- our ability to retain and attract key personnel;
- our ability to establish and maintain proper and effective internal control over financial reporting;
- if we do not adequately remediate our material weaknesses, or if we experience additional material weaknesses in the future;
- potential litigation in connection with our emergence from bankruptcy;
- breach of the security of our information systems, products or services or of the information systems of our third-party providers;
- business interruptions, whether due to catastrophic disasters or other events;
- claims that were not discharged in the Plan of Reorganization could have a material adverse effect on our results of operations and profitability;
- potential litigation and infringement claims, which could cause us to incur significant expenses or prevent us from selling our products or services;
- the composition of our board of directors has changed significantly;
- we have entered into many related party transactions with a significant number of our foreign subsidiaries, which could adversely affect us in the event of their bankruptcy or similar insolvency proceeding; and
- environmental, health and safety, laws, regulations, costs and other liabilities.

Any of the assumptions underlying forward-looking statements could be inaccurate. All forward-looking statements are made as of the date of this registration statement and the risk that actual results will differ materially from the expectations expressed in this registration statement will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this registration statement, whether as a result of new information, future events, changed circumstances or any other reason. In light of the significant uncertainties inherent in the forward-looking statements included in this registration statement, the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this registration statement will be achieved.

MARKET, RANKING AND OTHER INDUSTRY DATA

This registration statement includes industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. In particular, the Gartner reports described below represent research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc., ("Gartner") and are not representations of fact. Each Gartner report speaks as of its original publication date (and not as of the date of this filing) and the opinions expressed in the Gartner reports are subject to change without notice. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. Statements as to our market position are based on market data currently available to us. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Item 1.A. Risk Factors" in this registration statement.

Certain information in the text of this registration statement is contained in industry publications or data compiled by a third-party. The sources of these industry publications and data are provided below:

- Gartner Forecast: Mobile Phones, Worldwide, 2015-2021, 3Q17 Update, Annette Zimmermann, et al., September 2017.
- Gartner Forecast: PCs, Ultramobiles and Mobile Phones, Worldwide, 2015-2021, 3Q17 Update, Ranjit Atwal, et al., September 2017.
- Gartner Magic Quadrant for Unified Communications, Steve Blood, et al., July 2017.
- Gartner Magic Quadrant for Contact Center Infrastructure, Worldwide, Drew Kraus, et al., May 2017.
- IDC MarketScape: Worldwide Unified Communications and Collaboration 2017 Vendor Assessment, July 2017.
- Canalys, Worldwide Voice Messaging Market and Forecasts, September 2017.
- Canalys, Worldwide contact center market and forecasts, August 2017.
- Canalys, Worldwide Unified Communications Call Control Market Q2 2017.

ITEM 1. BUSINESS

Our Company

Avaya is a leading global business communications company, providing an expansive portfolio of software and services for contact center and unified communications, offered on-premises, in the cloud or as a hybrid solution. We provide our solutions to a broad range of companies, from small businesses to large multinational enterprises and government organizations. As of September 30, 2017, we had a presence in more than 100 countries worldwide and during the past three fiscal years we serviced more than 90% of the Fortune 100 organizations. Our products and services portfolio spans software, hardware, professional and support services and cloud services. These fall under two reporting segments:

- **Global Communications Solutions, or GCS,** encompasses our contact center and unified communications solutions and our real-time collaboration software and hardware products, all of which target small and medium to very large enterprise businesses and are delivered through a hybrid cloud environment. Our omnichannel contact center applications offer highly reliable, scalable communications-centric solutions including voice, email, chat, social media, video, performance management and ease of third-party integration that can improve customer service and help companies compete more effectively. Our unified communications solutions help companies increase employee productivity, improve customer service and reduce costs by integrating multiple forms of communications, including telephony, e-mail, instant messaging and video. Avaya embeds communications directly into the applications, browsers and devices employees use every day to create a single, powerful gateway for voice, video, messaging, conferencing and collaboration. We free people from their desktop and give them a more natural and efficient way to connect, communicate and share—when, where and how they want. This reporting segment also includes an open, extensible development platform, which allows our customers and third parties to adapt our technology by creating custom applications and automated workflows for their unique needs and allows them to integrate Avaya's capabilities into their existing infrastructure and business applications.
- **Avaya Global Services, or AGS,** includes professional and support services designed to help our customers maximize the benefits of using our products and technology. Our services include support for implementation, deployment, training, monitoring, troubleshooting and optimization, among others. This reporting segment also includes our private cloud and managed services, which enable customers to take advantage of our technology on-premises or in a private, public or hybrid (i.e., mix of on-premises, private and/or public) cloud environment, depending on our solution and customer needs. The majority of our revenue in this reporting segment is recurring in nature and based on multi-year services contracts.

Prior to July 2017 when we sold our Avaya Networking business, we had three reporting segments—GCS, AGS and Networking.

As businesses increasingly seek to improve customer experience and team engagement through the quality and efficiency of contact center and unified communications, they are confronted with several industry trends presenting emerging and varied challenges. We believe the key trends are:

- the increasing workforce mobility and use of smartphones and mobile tablets by consumers and employees;
- shifting priorities of business leaders as they work to digitally transform their companies, including an increased preference for cloud delivery of applications, and management of multiple and varied devices, all of which must be handled with the security the business demands;
- increasing demand for information technology ("IT") purchases under operating expense models over capital expense models; and
- the rise of omnichannel customer service as consumers embrace new technologies and devices in creative ways and at an accelerating pace.

We aim to be the leader in our industry in addressing customer needs and priorities resulting from recent trends and emerging challenges. We have invested and continue to invest in open, mobile enterprise communication and collaboration platforms and are poised to serve a broad range of needs, from servicing phone systems to deploying leading-edge contact center technology via the cloud. While we remain committed to protecting and evolving the investments that customers have made in our technology and solutions, in the past several years we have also responded to the emerging landscape by evolving our market and product approach in three important ways.

1) We have invested in R&D and new technologies to develop and provide more comprehensive contact center and unified communications products and services, continuing our focus on the enterprise while expanding the value we can provide to midmarket customers.

2) We have evolved our product design philosophy, anticipating demand for applications that are cloud- and mobile-enabled. We design our products to be flexible, extensible, secure and reliable. This approach allows our customers to transition from traditional communications and collaboration technology to newer solutions that are more manageable and cost-effective.

3) We have increased our focus on delivering integrated holistic solutions including:

- **Customer Engagement** — a single, integrated, omnichannel solution consisting of software and services, which are open, context-driven, fully integrated and fully customizable through our open, easy-to-use development platform.
- **Team Engagement** — a solution primarily comprised of our real-time collaboration and unified communications products and services (such as audio, web and video conferencing systems, mobile video software, phones and session border controller that increases communications security) and a development environment.
- **Developer Engagement** — a flexible development platform and orchestration tool to communications-enable customer applications and workflows across the enterprise. It uses open Application Programming Interfaces, or APIs, pre-built application and workflow tasks and a visual workflow tool to put more power into the hands of the developer.
- **Analytics Engagement** — this solution takes data from relevant, disparate sources and collects, correlates and presents it in a unified interface for meaningful analysis in both instantaneous and historical trending scenarios.

We design and build these engagement solutions for our customers. We define “engagement” as improved team and customer communications and collaboration that lead to a set of tangible outcomes that a business experiences. These tangible benefits include higher employee productivity, customer satisfaction, customer value and, ultimately, profitability.

We take a hybrid cloud approach and believe all organizations, including large enterprises, will have a mix of how they leverage different deployment options to run and operate their applications. We support all of the different cloud models and mixes that exist to enable organizations to select the method that suits their business needs. We expect a continued hybridization of models, allowing our customers to mix and match these environments according to their needs.

With our solutions, we can address the needs of a diverse range of businesses, including large multinational enterprises, small and medium-sized businesses and government organizations. Our customers operate in a broad range of industries, including financial services, manufacturing, retail, transportation, energy, media and communications, hospitality, healthcare, education and government. We employ a flexible go-to-market strategy with direct or indirect presence in more than 100 countries. As of September 30, 2017, we had approximately 6,300 channel partners and for fiscal 2017 our product revenue from indirect sales through our channel partners represented approximately 73% of our total product revenue.

For fiscal 2017 and 2016, we generated revenue of $3,272 million and $3,702 million, of which 44% and 47% was generated by products and 56% and 53% by services, respectively. Revenue from software and services was 78% and 75% of total revenue, and recurring revenue (which we define as revenue from products and services that are delivered pursuant to multi-period contracts) was approximately 56% and 51% for fiscal 2017 and 2016, respectively. Revenue generated in the United States for fiscal 2017 and 2016 represented 55% and 56% of our total revenue, respectively. For fiscal 2017 and 2016, operating income (loss) was $137 million and $(316) million and Adjusted EBITDA was $866 million and $940 million, respectively. For fiscal 2016, operating loss reflected $542 million of impairment of goodwill and intangibles. See "Item 2. Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations—EBITDA and Adjusted EBITDA" for a definition and explanation of Adjusted EBITDA and a reconciliation of loss from continuing operations to Adjusted EBITDA.

In addition, for fiscal 2017 and 2016, revenue outside of the U.S. represented 45% and 44% of total revenue, respectively.

The Benefits of Our Solutions

Avaya combines our products and services — including products, applications and services from our partners—into innovative, comprehensive and customer-focused solutions that help our customers digitally transform their enterprises and address their team, customer, developer and analytics needs. We do this through a flexible approach to deployment, from on-premises to mobile and hybrid cloud environments. We believe our unified communications, contact center, developer and analytics technology help businesses and organizations of all sizes deliver superior customer experiences while increasing productivity and profitability.

Avaya Customer Engagement Solutions

Avaya Customer Engagement Solutions are designed to accommodate the future of fast-paced consumer adoption and to help our customers improve customer experience and maximize customer lifetime value, while expanding communications channels to include chat, email, mobile applications, analytics, video, social, branch offices and more. Our solutions can be implemented relatively quickly by leveraging automation, which helps customers dramatically reduce time-to-value on their investment. Our execution has paid off in increased customer lifetime value, revenue and profitability for our customers, as they evolve to integrate more communications channels and mobile devices into their customer service strategies. These solutions are predominantly made up of our contact center products and services and are supported by our development environment. Some of the benefits of Avaya Customer Engagement Solutions include enabling customers to:

- Cultivate the ultimate customer journey by enabling businesses to personalize every step and possibility of customer-agent interactions. This purpose-built, omnichannel solution gives customers complete integration and management of their traditional voice and digital channels, assisted or self-service (i.e., interactive voice response, chatbots, etc.).
- Take a holistic view of the customer contact world by addressing customer touchpoints, routing, resource matching, leveraging context and acknowledging preferences—capturing every detail along the way.
- Capitalize on big data across the enterprise. Customers can get real-time, fully meshed insights into what's going on with their customers and break down the silos around traditional analytics tools. Avaya delivers rich visualization of data to support smarter decision-making that shapes business strategies while also driving increased customer satisfaction and improving the agent experience.

Avaya Team Engagement Solutions

Avaya Team Engagement Solutions are designed to offer businesses the simplicity of a single solution to address workforce communication and collaboration needs, including via mobile devices. Our solutions help our

customers build more efficient and responsive businesses, improve workforce productivity and mobility, while allowing employees to securely use a variety of devices and communications channels to collaborate. Some of the benefits of Avaya Team Engagement Solutions include:

- **Communications modernization** : Avaya helps modernize communications ecosystems by centralizing, consolidating and virtualizing underlying technology infrastructures and making applications available via the cloud. This model is built to accommodate mobile device usage, reduce total cost of ownership ("TCO") for the entire collaboration environment and allows firms to transition from a capital expenditure to operating expenditure model. For example, an Avaya cloud solution can be implemented to integrate virtualized voice, calendar, directory, video, messaging, chat and conferencing capabilities. This enables cloud access to communications tools for desk-based and remote workers and improves security, delivering TCO efficiencies and rapid payback.
- **Worker productivity** : Our conferencing, messaging and other unified communications solutions are designed to help our customers integrate products that support desk-workers, teleworkers and frequent business travelers, thereby increasing the mobility and productivity of their workforce. Our customers are increasingly demanding that individual workers be able to communicate across device types, channels and geographic locations, knowing that their devices, data and connections are reliable and secure. For example, our customers using the Avaya Session Border Controller can securely extend the corporate unified communications capabilities to a remote user on a mobile device and to desk phones in their remote and home offices.
- **Team productivity** : We help our customers improve team productivity by reducing the complexity of team collaboration channels, enabling off-the-shelf and customizable application integration, and providing omnichannel conferencing across audio, web and video for room, desktop and mobile platforms. Our solutions also provide the opportunity to simplify and expand by moving conferencing services into the cloud. For example, Avaya Equinox can enable employees or remote workers to collaborate using high-definition, secure video conferencing accessed through on-premises conference rooms, desktop systems and mobile devices.
- **Devices:** We offer a range of hard-phones with models supporting wideband audio and touchscreens, and video conferencing room systems, making it convenient to collaborate "face-to-face" with colleagues, partners and customers. Our most recent device, Avaya Vantage, is an innovative, all-glass, dedicated desktop device that comes with the superior telephony capabilities such as security, ease of administration, excellent acoustics, and is fully customizable and designed for mobility.
- **Communications Enabled Business Processes** : Embedding communications into the business applications customers use every day makes it easier for employees to find and distribute information, prioritize work and communicate both needs and decisions. With the Avaya Breeze Application Development Platform, customers can integrate unified communications technology and contact center capabilities, including voice, video, text and email into social, mobile and cloud applications, automated workflows for their unique needs, and Avaya's capabilities into their existing infrastructure and business applications. This application development platform is user-friendly, with no detailed or specialized knowledge of communications protocols required.

Avaya Developer Engagement Solutions

Avaya Developer Engagement Solutions, grounded in Avaya Breeze, enable users to take control of their customer experience, driving more automated and informed workflows that meet the specific needs of the customer interaction, including when and how they want it. Developers can bring disparate systems together seamlessly, as well as embed voice, short message service, or SMS, multimedia messaging service, or MMS, and video collaboration in their existing applications rather than having to develop these capabilities natively.

The Avaya Breeze platform includes a software developer kit ("SDK"); an application store (i.e., Avaya Snapp Store); commercially available Snap-ins that run on Avaya Breeze developed by Avaya, our customers

and our partner network; a cloud-based developer sandbox environment (i.e., Avaya Collaboratory) for building and testing apps; a partner developer community; and a client SDK (i.e., Avaya Breeze Client SDK) that developers can use to develop clients on any device—MacOS, Android, iOS, etc.—as well as for operation on the new Avaya Vantage device.

Another key part of our Developer Engagement Solutions is Zang Cloud, a fully formed communications platform-as-a-service, or CPaaS, offering voice, text message and call recording services as communications-enabling apps and workflows across the enterprise. Zang Cloud makes it easy to integrate "click-to-connect" communication such as chat, voice and SMS into mobile, web or desktop environments. Integrated with Avaya Breeze, Zang Cloud provides a cloud-based or hybrid complement to on-premises UC platforms.

This family of products and solutions, driven by Avaya Breeze, provides the following benefits:

- **Reduce IT overhead and drive a consistent user experience:** Avaya Breeze orchestrates across disparate enterprise applications via open interfaces into one cohesive enterprise workflow.
- **Reduce the burden on developers:** Avaya Breeze leverages predefined tasks via Engagement Designer's visual-based drag-and-drop tool, re-using the piece parts across multiple applications and workflows. This enables other technology individuals who may lack Java skills to build applications and workflows via this powerful visual design tool.
- **Enable more cost-effective customer interactions:** Reduce costly phone-based interactions by seamlessly inserting multi-channel communications based on preference and context.
- **Reduce error-prone processes:** Avaya Breeze enables developers to intercept inbound and outbound calls and insert intelligence or automate steps based on the context of the interaction. Customers simply set triggers in the platform, which are then activated as part of the workflow in real time.
- **Drive out the use of costly or risky legacy applications:** Customers can replace one-off tools or services by automating and communication-enabling mundane and expensive tasks. This enables them to remove potentially error-prone manual processes across systems.
- **Enable more expedient use of multi-channel communications:** Businesses can leverage web service and publicly available APIs, bringing telephone, web SMS, MMS or video interactions into the customer workflow, just as they would another application or computing device. While they can develop applications from scratch to embed communications with Avaya Breeze, they can also communications-enable existing applications, saving time and money.

Avaya Analytics Engagement Solutions

Avaya Analytics Engagement Solutions provide the information that companies need to optimize their team and customer engagement ecosystems. With this information, businesses can better understand customer preferences, agent performance and system effectiveness as their business grows and evolves. Some of the benefits include:

- **Omnichannel data silos are integrated:** Rigid data models and report writers are made open and customizable.
- **Publish/Subscribe analytics platform supports a variety of analysis methodologies** : The data model is extensible, allowing for enterprise customer and application data to be easily correlated together.
- **Open, modular analytics platform with data collectors, event processor and rich presentation interface** : Ad hoc reports and custom dashboards are available for preferred analysis at any stage of the journey.

Trends Shaping Our Industry

We believe there are a number of key trends shaping our industry and that there is a substantial market opportunity for market participants to capitalize on these trends.

A New Mobile Workforce

The increase in mobile technology has created a world more focused on real-time, flexible and always-on communication. We see companies increasingly looking for ways to make corporate applications and customer information and interaction more accessible via mobile devices as the usage of those devices by workers continues to rise worldwide.

Investment in Digital Transformation

Although we have traditionally sold our products, services and solutions to Chief Information Officers ("CIOs"), our research finds that more and more of the buying decisions are being influenced by Chief Executive Officers ("CEOs"), Chief Marketing Officers ("CMOs") and Chief Digital Officers ("CDOs"). They are becoming more involved because digital transformation has expanded beyond the data center and IT infrastructure to encompass business operations and customer experiences. CEOs, CMOs and CDOs are recognizing growing customer and employee demand for better interactions across multiple channels, and they see an opportunity to differentiate their companies and lines of business through superior customer experience. We believe the increasing importance of technology as both an internal and external facing presence of the enterprise, as well as the high stakes of data breaches, are reasons CEOs are increasingly engaged in the decision-making process. CMOs and CDOs are gaining additional budget authority as they are tasked with managing customer experience and marketing activities using modern communications technology and rich data. We believe that as a result of this shift in decision-making roles, customer engagement solutions need to provide businesses with better ways to engage with end users securely across multiple platforms and channels, creating better customer experiences and thus higher revenues for the business.

Chief Technology Officers ("CTOs") and CIOs, we believe, have three critical priorities:

1) **Manage the reliable and secure integration of an increasing number and variety of devices and endpoints** : Today, business users not only use desk-based devices, but also laptops, smartphones and tablets. Gartner reports from a September 2017 forecast that these devices are growing at a compound annual growth rate of 3.4% for smartphones, and 3.1% for tablets through 2021. To communicate seamlessly and securely across devices, applications and endpoints must be managed as part of an integrated communications infrastructure.

2) **Leverage existing technology infrastructure while positioning for the future** : The speed at which new enterprise technology enters the market is challenging companies to rapidly adopt and install new technology. We believe this pressure creates strong demand for systems that do not require enterprise-wide overhauls of existing technology. Instead, it favors incremental, flexible, extensible technologies that are easy to adopt and compatible with existing infrastructures. As a result, many customers are in the midst of transitioning from on-premises to cloud-based delivery models.

3) **Shift to cloud-based applications** : Companies today seek technology that helps them lower TCO and increase deployment speed and application agility, including a variety of public, private and hybrid cloud solutions. They also seek to shift away from a complex, proprietary capital-intensive model to one that is more open and efficient.

Communications Enabled Business Applications

Teams need to work together from any location, using their favorite business applications, and are increasingly accessing these applications via the cloud. Moving in and out of applications to perform communications functions reduces worker productivity. Avaya helps employees get access to real-time information quickly and easily by integrating communications functionality directly into business applications.

Omnichannel Engagement Hubs Replacing Call Centers

Like workforces, the customers of our customers are also increasingly using mobile devices and expecting service interactions with companies across multiple communications channels and devices. Customer interactions are evolving from voice-centric, point-in-time, contact center transactions to ongoing customer conversations over multiple interactions and across multiple media and modes of communication. Customers expect businesses to know about the history of their interactions, even when they occur across a mix of self-service and agent assisted communications methods, including voice, video, email, chat, mobile, web and social media.

Our Large and Growing Addressable Market Opportunity

We believe that the above trends create significant market opportunity for Team, Customer, Developer and Analytics engagement solutions. In addition, we believe the limitations of traditional collaboration products and services and capital-intensive buying models present an opportunity for differentiated vendors to gain market share. We believe that the total available market for these solutions includes spending on unified communications and contact center applications, as well as spending on one-time and recurring professional, managed/cloud and support services to implement, maintain and manage these tools. We believe we can expand our business in some segments such as private cloud and managed services, and other markets that we serve will grow and continue to represent a large opportunity for us. The markets we serve includes large enterprises having 2,000 or more employees, as well as midmarket enterprises having between 100 and 2,000 employees.

These markets are impacted positively by the need for enterprises to increase productivity and upgrade their unified communications strategy to a more integrated approach, accounting for mobility, varied devices and multiple communications channels. In response to this need, we expect that aggregate total spending on unified communications, contact center, developer engagement, analytics, support services, and managed/cloud and professional services will grow.

Furthermore, the midmarket is a growing opportunity for our products and services. We believe the market opportunity for the portion of the midmarket segment which we serve is growing, but we also believe it is underserved and willing to invest in IT enhancements. We have a set of offerings that are specifically designed to address the needs of midmarket businesses and to simplify processes and streamline information exchange within companies. Our set of offerings lets midmarket companies deliver a collaboration experience that integrates voice, video and mobile device communications at price points affordable to them.

Our Competitive Strengths

We believe the following competitive strengths position us well to capitalize on the opportunities created by the market trends affecting our industry.

A Leading Position across our Primary Markets

We are a leader in business communications, with leading market share in worldwide contact center and unified messaging and among the leaders in unified communications and enterprise telephony. Recently, we were named as a Leader in the IDC MarketScape: Worldwide Unified Communications and Collaborations 2017 Vendor Assessment. We are also positioned in the visionaries' quadrant in each of Gartner's Magic Quadrants for Unified Communications and Contact Center Infrastructure, Worldwide as of July and May 2017, respectively. Additionally, we believe we are a leading provider of private cloud and managed services. We also believe that our market leadership and our incumbent position within our customer base provides us with a better opportunity to cross-sell to existing customers and win new customers.

Open Standards Technology that Supports Multi-vendor, Multi-platform Environments

Our open standards-based technology is designed to accommodate customers with multi-vendor environments seeking to leverage existing investments. Providing enterprises with strong integration capabilities

allows them to take advantage of new collaboration and contact center technology as it is introduced. It does not limit customers to a single vendor or add to the backlog of integration work. We also continue to invest in our developer ecosystem, Avaya DevConnect, which has grown to include approximately 28,900 members as of September 30, 2017. We believe Avaya DevConnect, together with our APIs and applications development environments allow businesses to derive unique value from our architecture.

Leading Service Capabilities Tied to a Large Recurring Revenue Stream

AGS is a leading provider of recurring support services relating to business communications products. Our worldwide services-delivery infrastructure and capabilities help customers address critical business communications needs from initial planning and design through implementation, maintenance and day-to-day operation, monitoring and troubleshooting. We believe AGS is uniquely positioned as a result of close collaboration between our R&D and service planning teams in advance of new products being released. AGS was a pioneer of the omnichannel support experience in enterprise support: customers can use "Ava," our virtual agent, to get immediate answers online. They can also connect with one of our experts via web chat, web talk or web video. AGS can also directly access our R&D teams when necessary to quickly resolve customer issues. Avaya service includes proactive and preventive measuring including automated system monitoring and EXPERTS™ automated resolution linked to human expertise when appropriate and included are a wide variety of diagnostics and tools which help optimize performance and uptime for customer systems. These capabilities allow Avaya to provide quality service for Avaya products.

AGS offers a broad portfolio of capabilities through our Professional Services organization, including implementation/enablement services, system optimization, innovation services, management partnership and custom applications development.

In addition, AGS delivers private cloud and managed services with a focus on customer performance and growth. These services can range from managing software releases to operating customer communication systems to helping customers migrate to next-generation business communications environments. We believe that our deep understanding of application management supporting unified communications, contact center and video uniquely position us to best manage and operate cloud-based communications systems for our customers.

We believe our personnel are the best in the industry, trained by the best in the industry and supported by the best in the industry. Award winning levels of customer satisfaction for support transactions are a testament to the asset which is our people. These dedicated professionals have shown, time and again, their passion for satisfying customer needs, driving proactive and preventive agenda to help customers maintain optimum levels of service.

Our service delivery is most often provided to customers through recurring contracts. In fiscal 2017, we generated 56% of our revenues from services with 83% of service revenues from recurring contracts. Recurring contracts for support services typically have terms that range from one to five years, and contracts for private cloud and managed services typically have terms that range from one to seven years. In fiscal 2017, the U.S. accounted for approximately 60% of our revenue for support service. We believe our services relationships have provided us with a large recurring revenue base and significant visibility into our customers' future collaboration needs.

Lower Total Cost of Ownership

Many vendors try to address customer demands by layering on more architectures and protocols. In the process, they frequently sacrifice simplicity, flexibility and TCO. In contrast, our products and services are able to address these needs with less hardware and without sacrificing performance, which when combined with our deployment methods, we believe help contribute to a lower TCO for Team and Customer Engagement solutions.

Large, Diverse and Global Customer Installed Base

Our products and services address the needs of a diverse range of customers from large multinational enterprises to small and medium-sized businesses in various industries, including financial services, manufacturing, retail, transportation, energy, media and communications, health care, education and government. As of September 30, 2017, we had a presence in more than 100 countries worldwide and during the past three fiscal years we serviced more than 90% of the Fortune 100. We believe our large and diverse customer base provides us with recurring revenue and the opportunity to further expand within our customer base.

Our Growth Strategy

We believe we are well-positioned worldwide and have a multi-faceted strategy to capture a significant share of the technology refresh cycle being driven by digital transformation and the industry's focus on omnichannel, workflow automation and cloud-based solutions.

Expand our Cloud Offerings and Capabilities

In our experience, technology and business leaders are increasingly turning to cloud-based technologies and business models that allow enterprises to cut costs, increase productivity, simplify IT environments and shift when possible to subscription-based models.

We are investing in a strategy to expand our hybrid cloud solutions and to deliver a complete portfolio of technologies that consist of Customer Engagement, Team Engagement, Developer Engagement and Analytics Engagement solutions across on-premises, private, public and hybrid cloud development models.

Increase Mobility Offerings to Customers

As global workforces change and demand mobile engagement solutions, we intend to meet these demands. For example, the Avaya Aura Platform and Avaya IP Office Platform are designed to support mobility, providing dynamic access to applications and services based on need, not location.

Invest in Open Standards, Product Differentiation and Innovation

As potential customers look to migrate to our products and services, our open architecture can integrate with incumbent competitor systems and provide a path for gradual transition while still achieving cost savings and improved functionality.

During fiscal 2017, we enhanced our product line with 70 new product releases. We also expect to continue to make investments in product innovation and R&D across the portfolio to create enhancements and breakthroughs. We believe this will encourage customers to upgrade their products more frequently. We also plan to continue embracing cloud computing and mobility opportunities, and to seek new ways to leverage the virtual desktop infrastructure trend to securely deliver business communications to users.

Expand our Services Business

We are working to broaden the options for cloud-based service offerings, expand our consulting services capabilities and to upsell the installed base to our private cloud and managed services offerings. We also strive to provide more options along the spectrum of our existing service offerings for customers who want such services. We are constantly improving our tools and infrastructure to improve the service levels we provide. Our custom applications development team also currently has a backlog of customer-funded applications development opportunities that we are working to monetize.

Increase our Midmarket Offerings, Capabilities and Market Share

We believe our communications market opportunity for the portion of the midmarket segment which Avaya serves is growing. We define the midmarket as firms with between 100 and 2,000 employees. Not only do we believe this segment is growing, but we believe midmarket businesses are underserved and willing to invest in IT enhancements. We intend to continue to invest in our midmarket offerings and go-to-market resources to increase market share and meet the growing demands of this segment.

Increase Sales to Existing Customers and Pursue New Customers

We believe that we have a significant opportunity to increase our sales to our existing customers by offering new solutions from our diverse product portfolio, including cloud and mobility solutions. This ability is supported by our market leadership, global scale and extensive customer interaction, including at the C-suite, and creates a strong platform from which to drive and shape the evolution of enterprise communications. Our track record with our customers gives us credibility that we believe provides us with a competitive advantage in helping them cope with this evolution. In addition, we believe our refreshed product and services portfolio provides increased potential for acquiring new customers.

Invest in Sales and Distribution Capabilities

Our flexible go-to-market strategy, which consists of both a direct sales force and approximately 6,300 channel partners as of September 30, 2017, allows us to reach customers across industries and around the globe while allowing them to interact with Avaya in a way that fits their organization. We intend to continue investing in our channel partners and sales force to optimize their market focus, enter new vertical segments and provide our channel partners with training, marketing programs and technical support through our Avaya Edge program. We also leverage our sales and distribution channels to accelerate customer adoption and generate an increasing percentage of our revenue from our new high-value software products, video collaboration, midmarket offerings and user experience-centric applications.

Expand Margins and Profitability

We have maintained our focus on profitability levels and implemented a number of cost savings initiatives. These initiatives, along with decreases in the amortization of acquired technology intangible assets, have contributed to improvements in our gross margin. Our gross margin has improved from 59.5% in fiscal 2015 to 61.1% in fiscal 2017. This improvement in gross margin along with other cost savings is also reflected in Adjusted EBITDA, a key metric management uses to evaluate our performance. Adjusted EBITDA as a percentage of revenues improved from 22.1% in fiscal 2015 to 26.5% in fiscal 2017. See “Item 2. Financial Information—Management’s Discussion and Analysis of Financial Condition and Results of Operations—EBITDA and Adjusted EBITDA” for a definition and explanation of Adjusted EBITDA and a reconciliation of loss from continuing operations to Adjusted EBITDA.

We expect to pursue additional cost reduction opportunities which are likely to be more targeted and may include increased automation of our processes, headcount attrition, actions to address unproductive assets, real estate consolidation, sales back office and front line skill transformations and balancing our professional services structure. For example, in July 2017, we sold our Networking business, which had underperformed our other two segments in EBITDA and Adjusted EBITDA. Having delivered substantial cost structure reductions over the past several years, we believe the opportunities for additional savings and execution of our growth strategy can result in further margin and profitability expansion.

Our Products and Services

Overview

Avaya possesses diverse product and services portfolios and combines individual products and services to solve customer challenges. The products and services that make up these solutions are organized in two reporting segments: GCS and AGS, as described above.

The majority of our product portfolio is made up of software products that reside with either a client or server. Our client software resides on both our own and third-party devices, including desk phones, tablets, laptops and smartphones. It provides users with access to unified communications capabilities such as voice and video calling, audio conferencing, instant messaging and contact directories. Our server-side software controls communication and collaboration for the enterprise. It delivers rich value-added applications such as messaging, telephony, voice, video and web conferencing, mobility and customer service. Our hardware includes a broad range of desk phones, servers and gateways. A portion of our portfolio has been subjected to rigorous interoperability and security testing and is approved for acquisition by the U.S. Government. Avaya's portfolio of services includes product support, integration, private cloud and managed services as well as professional services that enable customers to optimize and manage their communications networks worldwide and achieve enhanced business results.

Global Communications Solutions

Enterprises of all sizes depend on Avaya for unified communications, collaboration, and contact center applications and technology that help improve efficiency, engagement and competitiveness. Our people-centric products integrate voice, video and data, enabling users to communicate and collaborate in real-time, in the mode best suited to each interaction. This eliminates inefficiencies in communications to help make organizations more productive and responsive.

The following is a representative list of products included in the GCS reporting segment:

Conferencing and Video

- **Avaya Equinox Conferencing:** Avaya Equinox provides a single platform supporting all the different modes of conferencing. High-scale audio conferencing, extensive web collaboration, rich multi-vendor HD video, along with event streaming to 100,000 users in an all-in-one solution. Users have one login and one easy solution to learn for all conferencing requirements.
- **Avaya Scopia XT Video Conferencing Endpoints:** Dedicated hardware video conferencing endpoints ranging from immersive multi-stream telepresence and conference room systems to dedicated desktop systems.
- **Avaya Equinox Client:** The Avaya Equinox client is a soft phone application that provides access to UC and conferencing on Windows, MacOS, iOS, Android and Avaya Vantage devices.

  The Equinox "mobile-first" user experience with the unique "Top of Mind" screen aggregates all communications activity—meeting calendar, instant messaging, send and access messages for text, audio, video, images and files, call history—for single touch, rapid response. Important activities are displayed in the Top of Mind screen where one can see at a glance when their next meeting is, who called or instant messaged. Single touch response enables rapid return calls, instant messages, or IMs, and video sessions, along with the ability to easily join and invite colleagues to secure online meetings with rich collaboration tools. Equinox also supports easy escalation. For example, an instant message can migrate to a full multiparty collaboration session. The Favorites and Contacts lists, combined with real-time presence, makes tracking down and engaging colleagues fast and effective.

Communications and Messaging

- **Avaya one-X Communicator and one-X Mobile:** Ideal for users who communicate frequently, manage multiple calls, set up ad-hoc conferencing and need to be highly reachable, Avaya one-X Communicator software provides users with access to unified communications capabilities including voice and video calling, audio conferencing, instant messaging and presence, corporate directories and communication logs. Avaya one-X Mobile software enables users to access enterprise communications from a wide selection of mobile devices, including high-end smart phones and tablets. A choice of one-X Mobile clients is available for popular platforms including iOS and Android.
- **Avaya Client Applications:** Software that provides access to Avaya voice and video services from business applications such as Microsoft Skype for Business/Microsoft Lync, Microsoft Office Communications Server, Microsoft Outlook, Microsoft Office, IBM Sametime and customer relationship management applications such as Salesforce.com and Microsoft Dynamics.
- **Avaya Aura Messaging:** Unified messaging software that gives users access to email, voicemail and fax from a single interface. It uses an all-Linux platform with local survivability and geo-redundant capabilities to serve large distributed or centralized configurations, with the option to store messages in an Avaya and/or Microsoft Exchange message store.
- **Avaya Equinox for Web:** Avaya Equinox for Web is a browser extension that embeds access to Avaya communications and collaboration tools, including voice and video calling, phone control, IM and presence, into web environments, including standard browsers like Microsoft Internet Explorer or Google Chrome and web applications like Salesforce.com, Google Apps or Microsoft Office 365.

Platforms, Infrastructure and Phones

- **Avaya Equinox:** Avaya Equinox enables a single, unified, device agnostic experience that lets employees communicate and collaborate on any device from any location at any time.

  Equinox delivers next generation unified communications between employees, customers, partners and colleagues through voice and video calling, presence, IM and meetings. Equinox includes collaboration tools such as screen and application sharing, a virtual whiteboard and online meeting spaces including streaming and can be accessed from virtually any location or device—everything to keep active employees connected, engaged and productive.
- **Avaya Aura Core:** Avaya Aura Core is a next-generation architecture powering our customers' communications and collaboration services. Based on Internet-Protocol Multimedia System, or IMS, an industry standard defined by the 3rd Generation Partnership Project, this core provides a flat communications control and management function using Session Initiation Protocol, or SIP, methods. Unlike point-to-point SIP, or even standard client server SIP approaches used by most of our competitors, the Avaya Aura Core uses the Session Initiation Protocol IMS Service Control signaling standard to allow multiple independent applications to serve communication sessions. Avaya Aura Core can scale to hundreds of thousands of users, serving the small enterprise all the way through the largest enterprise customers in the world.

  The Avaya Aura Core virtualized approach allows it to be very flexible in deployment models, from operating on-site at the customer location, to running in public clouds like Amazon Web Services. It supports multiple hypervisors and provides the customer with a variety of choices, including perpetual and subscription licensing models. It can also be delivered as a service from Avaya.
- **Avaya IP Office:** Avaya IP Office is a unified communications software solution designed specifically for midmarket customers. Avaya IP Office offers significant deployment and licensing flexibility. It can be deployed on-premises or in the cloud with licensing models ranging from perpetual to subscription models. It was designed to simplify processes and streamline information exchange within companies. Communications capabilities can be added as needed. The latest version of Avaya IP Office (10.1) gives

midmarket customers features and functions that large enterprises use, but at a scale that is efficient and affordable for them. Avaya IP Office delivers a seamless collaboration experience across voice, video and mobility for up to 3,000 users.

- **Avaya Session Border Controller, or SBC, for Enterprise:** SBC provides enhanced security for collaboration within and outside of the enterprise, helping to protect SIP trunks from multiple threats and allowing SIP remote users to simply and securely connect communication and collaboration applications to the enterprise without the need of VPN connection. This is made up of hardware, software or both.
- **Avaya Vantage:** Avaya Vantage is a new dedicated desktop communications device that integrates voice, video, chat and collaboration apps. The all glass device has no mechanical buttons, offers signature unmatched audio quality and an optional corded or cordless handset. Avaya Vantage is a convenient and cost-effective platform to provide vertical and use-case specific client interfaces developed with the Avaya Breeze Client SDK.
- **Avaya Phones:** Avaya's range of phones and portable technologies include internet protocol ("IP") and digital desk phones, digital enhanced cordless telecommunications, or DECT, handsets, wireless phones and conference room phones. Avaya phones offer capabilities such as touch screen and applications such as integration to corporate calendar, directory and presence, enhanced audio quality for a "you-are-there" experience, customization and soft keys, and multiple lines appearances.

Assisted Customer Experience Management

- **Avaya Oceana:** This is our newest family of customer engagement software solutions built on the Avaya Breeze platform. It delivers omnichannel engagement across voice, chat, email, mobile, co-browsing and social media channels. Customers can be matched to agents based on key attributes and agents are provided with full visibility of the context of previous customer interactions. Avaya Oceana also provides visual workflow automation for customer journey-driven experiences that generate customer loyalty, retention, share of wallet and repeat business. It extends channels, workspaces, analytics and workflows to provide unprecedented flexibility, and enables organizations to customize the solution for their exact use cases.
- **Avaya Aura Call Center Elite:** With intelligent routing and resource selection features, Avaya Aura Call Center Elite allows a business to determine if its customers should be served by the least busy agent, the first available agent or the agent with skills that best match the customer's needs. Calls can be routed across a pool of agents regardless of physical location. Avaya Oceana is complementary to this offer, providing a complete voice and omnichannel solution.
- **Avaya Aura Contact Center:** Avaya Aura Contact Center lets customers connect with a company in ways beyond phone calls, including via text, IM, email and chat. The omnichannel call center solution gives agents the context (real-time and historical) to deliver a differentiated customer experience. It is designed to provide a unified, efficient and highly personalized experience that builds brand and customer loyalty.
- **Avaya IP Office Contact Center:** A contact center software solution designed specifically for midmarket business needs. It enables seamless conversations for hundreds of agents across multiple modes of communication, including voice, email, chat, text and fax.
- **Avaya Contact Center Select:** This advanced software provides enterprise-level contact center capabilities to midmarket clients on the Avaya IP Office platform. It provides, among other things, omnichannel support (voice, email, chat, SMS and fax) scalability for 30-250 agents and skills-based routing.

Automated Experience Management

- **Avaya Aura Experience Portal:** The Avaya Aura Experience Portal enables organizations to connect with customers in new ways and take advantage of all the popular mobile channels, including SMS text and mobile phones. The product enables customers to connect with agents using their favorite channels and devices and gives them powerful, unique service experiences with multi-party conferencing, intelligent routing and pre-identified customer preferences.

- **Avaya Proactive Contact:** This enables firms to optimize outbound customer care, like payment reminders, announce product enhancements, explain service changes and deliver surveys, with best-in-class predictive dialing.
- **Avaya Proactive Outreach Manager:** Avaya Proactive Outreach Manager lets customers of a business choose when and where they want to connect and whether it is via mobile, online, in store or over the phone.

Analytics

- **Avaya Oceanalytics:** Avaya Oceanalytics is a modular, flexible and extensible analytics and reporting platform which provides a single, comprehensive view of customer interactions across all sources, including Avaya and non-Avaya systems. It enables additions of other data sources as needed to allow processing and analysis of data across real-time and historical systems for visualization of data and support for feeding data into many existing, modern visualization tools.

Performance Management

- **Avaya Aura Workforce Optimization:** Avaya Aura Workforce Optimization is designed to give firms a deeper, more meaningful look at customer interactions by uniting all workforce optimization requirements under one, integrated platform. Firms can use this to capture, share and act on information from across the enterprise—especially contact centers and back-office systems—and use the data to make informed decisions faster.
- **Avaya Workforce Optimization Select:** Avaya Aura Workforce Optimization Select, or AWFOS, delivers flexible, scalable, midmarket and enterprise workforce optimization capabilities that enable contact centers to improve agent performance at every interaction, improving the overall customer experience contact centers deliver at one of the industry's lowest TCO profiles. AWFOS includes Voice and Non-Voice Recording, Quality Management, Performance Management, Live Call Monitoring, Screen Capture, Coach and Learn, Reporting and Workforce Management (third-party integration with Teleopti).

  AWFOS seamlessly connects to Avaya Oceana, Avaya Aura Call Center Elite, Avaya Aura Contact Center, Avaya Contact Center Select, Avaya IP Office Contact Center, Avaya Proactive Outreach Manager and Avaya Proactive Contact.
- **Avaya Call Management System:** Avaya Call Management System is designed for businesses with complex contact-center operations and high call volume. Call Management System is a database, administration and reporting application to help businesses identify operational issues and take immediate action to solve them.
- **KnoahSoft Harmony:** KnoahSoft Harmony gives contact centers enterprise-level interaction recording, quality, performance and workforce management, and analytics functionality with the lowest TCO. Harmony is a secure web-based platform that is seamlessly integrated with Avaya Aura Call Center and Avaya Contact Center Select from end-to-end to provide the ultimate in flexibility, scalability and ease of use.

Cloud Enablement Products

- **Unified Communications as a Service ("UCaaS"), Contact Center as a Service ("CCaaS"), Video as a Service ("VaaS") and PodFX:** The CCaaS, UCaaS and VaaS products are software reference architectures that use multi-tenant control technology and virtualized communications platforms to extend Avaya's industry leading contact center, unified communications and video products to the cloud, allowing third parties to make them available as a service. PodFx is a hardware delivery mechanism for the solutions, available for partners who want a fully-installed solution.
- **Avaya Aura Control Manager:** Aura Control Manager is a cloud-based product for centralizing administration and management for Avaya contact centers. This product is designed to allow a customer to

easily update call center functions and business processes across the entire organization. Administrators can apply rules and definitions using as little as a single keystroke, allowing quick and error-free changes to agents, skills, call flows, interactive voice response prompts and more.

- **Powered By:** Partner hosted Avaya IP Office, Avaya IP Office Contact Center and Avaya Contact Center Select software are comprised of Avaya's proprietary software hosted by a partner in its datacenter and resold as the partner's service offering to end customers. It leverages Avaya's unique hybrid cloud solutions for seamless integration and migration between a customer's premises-based solution and cloud-delivered services.
- **Avaya Equinox Meetings Online:** Avaya Equinox Meetings Online is a cloud service hosted by Avaya where customers can purchase virtual HD video meeting rooms in the cloud for a monthly fee or through an annual contract. Users can connect with Windows, MacOS, iOS and Android devices along with video conferencing rooms systems.
- **Avaya Collaboratory:** Avaya Collaboratory is an Avaya cloud-based execution and test environment intended for development of non-production, proof-of-concept Collaboration Environment services.

Developer Engagement Products

- **Avaya Breeze:** Avaya Breeze is a software platform that simplifies embedding robust communications and collaboration capabilities into business applications, such as customer relationship management or enterprise resources planning. This platform allows customers, third parties and Avaya to create customized engagement applications and environments to meet unique needs. Customers and third parties can integrate business applications with unified communications technology and contact center capabilities including voice, SMS and email.
- **Avaya Breeze Client SDK:** Avaya Breeze Client SDK provides a common, developer-friendly set of tools that allows customers and developers to build innovative user experiences. Any and all functionality Avaya uses in its own clients and applications is available to developers through the SDK. Developers can now mix and match functionality that has previously been siloed.
- **Zang Cloud:** Zang Cloud is a fully formed CPaaS platform offering voice, text message and call recording services as communications-enabling applications and workflows across the enterprise.
- **Avaya Snapp Store:** Avaya Snapp Store is a focused online e-commerce-enabled marketplace for Avaya Breeze Snap-in applications and services from Avaya and our growing developer ecosystem. The Avaya Snapp Store is an online store where enterprise line of business and IT professionals can browse, register and purchase Snap-ins for Avaya Breeze from Avaya and third-party application developers.

  The store makes it easier for customers to find, design, try and rollout relevant solutions in months, not years. Developers can innovate business applications with Avaya's full stack of communication capabilities. The store is a direct channel for developers to monetize the value they create.

Avaya Global Services

The Company's AGS portfolio consults, enables, supports, manages, optimizes and even outsources enterprise communications products (applications and networks) to help customers achieve better business outcomes both directly and through partners. Avaya's portfolio of services is designed to enable customers to mitigate risk, reduce TCO and optimize communication products. AGS is supported by patented design and management tools, and by network operations and technical support centers around the world.

The Company's AGS portfolio is divided into Avaya Professional Services ("APS") and Avaya Client Services ("ACS").

Avaya Professional Services

APS helps organizations leverage technologies effectively to meet their business objectives. Our strategic and technical consulting, as well as deployment and customization services, help customers accelerate business performance and deliver an improved customer experience. Whether deploying new products or optimizing existing capabilities, APS leverages its specialists globally across three core areas:

1) **Enablement Services** : Provide access to expertise and resources for planning, defining and deploying Avaya products to maximize technology potential, simplify business processes, improve security and minimize risk. Avaya integrates and tests equipment, trains employees and deploys a plan to help ensure success.

2) **Optimization Services** : Help drive increased value and improved business results by leveraging customers' existing technology. Avaya advanced solution architects analyze a communications environment in the context of customer business priorities, recommend enhancements and implement proven best practices.

3) **Innovation Services** : Help identify improved methods for using communications and collaboration to increase business productivity, employee efficiency and customer service levels. Our consultative approach, deep industry experience and custom application services, from business planning through to execution and product integration, are designed to create alignment with customer's specific business objectives.

Avaya Client Services

ACS is a market-leading organization offering support, management and optimization of enterprise communications networks to help customers mitigate risk, reduce TCO and optimize product performance. ACS is supported by patented design and management tools, and by network operations and technical support centers around the world. The contracts for these services range from one to multiple years, with three-year terms being the most common. Custom or complex services contracts are typically five years in length. The portfolio of ACS services includes:

- **Global Support Services** : Provides a comprehensive suite of support options both directly and through partners to proactively resolve issues and improve uptime. Global Support Services offers and capabilities include 24x7 remote support, proactive remote monitoring, sophisticated diagnostic tools, parts replacement and on-site response.

Recent innovations include our Avaya Support Web site that quickly connects customers to advanced Avaya technicians via live chat, voice or video. The web site also provides access to "Ava," an interactive virtual chat agent based on Avaya Automated Chat that quickly searches our knowledge base and a wide range of "how-to" videos to answer customer support questions. Ava learns with each customer interaction and can make the decision to transition the chat to an Avaya technician—often without the customer realizing the change is taking place.

All new support solutions are published to the web by our engineers, generally within 30 minutes of finding a resolution, adding value for customers by providing known solutions for potential issues rapidly. Most of our customers also benefit from Avaya EXPERT Systems, which provides real-time monitoring of diagnostic and system status. This solution proactively identifies potential issues to improve reliability, uptime and faster issue resolution.

- **Avaya Private Cloud Services and Avaya Enterprise Cloud and Managed Services** : Private cloud and managed services can be procured in standard packages or in fully custom arrangements that include on-premises or private cloud options, Service Level Agreements, billing and reporting.

Avaya can also manage existing infrastructure from nearly any communications vendor. Many customers leverage this model as a way to manage existing complex environments. Customers are also provided with the

option of upgrading to the latest technology through a recurring operational expense, rather than a one-time capital expenditure.

Our Technology

Avaya technology enhances the way people communicate and collaborate, enabling Team, Customer, Developer and Analytics Engagement solutions. Instead of having to coordinate multiple, independent media and communications systems, customers can use Avaya technology and open standards to create an environment where multiple media and resources can be brought into a seamless and flexible user experience. This supports more fluid, effective and persistent collaboration across media such as voice, video and text and modes of communications such as calls or conferences, and fixed and mobile infrastructures and devices.

While our products have traditionally been deployed on a customer's premises, many can now also be deployed in public, private and hybrid cloud models. Further, through comprehensive monitoring technologies, these products and services can also be consumed by our customers as managed services.

Multimedia Session Management

At the core of our architecture, SIP-based Avaya Aura Session Manager centralizes communications control and application integration. Applications are decoupled from the network and can be deployed to individual users based on their need, rather than by where they work or the capabilities of the system to which they are connected. This allows for extreme scalability, with the Avaya Aura Session Manager currently capable of handling up to 350,000 devices per system and over 2,000,000 busy hour call completions.

Unique End User Experiences

Avaya Equinox was awarded the Communications Solutions Product of the Year Award by Technology Marketing Corporation in July 2017. It is Avaya's most advanced solution for employee communication and collaboration. Deployable either on-premises or from the cloud, the client integrates multimedia calling with voice/video/web conferencing or enterprise directories and messaging platforms. It can be deployed in Microsoft Windows, Apple MacOS and iOS, and Google Android environments.

The Avaya Breeze platform is software that abstracts the core Avaya Aura system and allows customers and developers with common web and JAVA programming skills to develop innovative applications that embed communications into their existing infrastructure and business applications. For example, a customer escalation registered in an insurance claims application could start an Avaya Engagement Development platform workflow that would automatically find and join the customer, claims adjuster and claims manager via email or SMS and bring them into a video conferencing session. This ability to invoke and combine communications functions allows our customers to generate more business value from their Avaya products as they continue to deploy more integrated workflow functions.

Management and Orchestration

Simple and consistent management and operations are essential to customers. We believe our management products facilitate efficient operations and better overall performance, covering a wide range of functions, from initial provisioning to monitoring and orchestration of components to enable networking of communications services.

Additional Technologies

We also use technologies including:

- **Assured Services SIP** : Assured Services SIP allows for communications sessions to be prioritized by session urgency consistent with industry standards. This capability is often featured in military grade networks, or in secure communication networks often used by security sensitive government agencies.

- **Messaging and Presence via SIP/SIMPLE and XMPP** : The Avaya Aura Presence Services collects, aggregates and disseminates rich presence and enables instant messaging, including using SIP/SIMPLE and XMPP, which provide interoperability with systems from other vendors, such as Microsoft and IBM.
- **Cross Operating System Support** : Our client software applications run on a broad range of operating systems including, but not limited to, Microsoft Windows, Apple MAC OS/iOS and Google Android. We also support virtualization to reduce the physical server footprint using hypervisor technology to run multiple applications concurrently on a single physical platform, as well as to facilitate certain tasks such as system expansion or recovery.
- **High Quality/Low Bandwidth Video** : Avaya's video products and services deliver high quality video while minimizing bandwidth consumption and responding to adverse network conditions such as congestion or packet loss.
- **WebRTC** : This is a new and evolving technology that Avaya is leveraging to develop a new generation of unified communications. WebRTC allows for communication clients to be supported directly from HTML 5 browsers. Voice and video are embedded in web applications, allowing ubiquitous access to these media.

Alliances and Partnerships

Avaya has formed commercial and partnering arrangements through global alliances to expand the availability of our products and services and enhance the value derived by customers. Global alliances are strategically oriented commercial relationships with key partners. We have three primary types of Global alliances: Global Service Provider alliances, Global Systems Integrator alliances and Ecosystem alliances.

1) **Global Service Provider** alliances are partnering arrangements with leading telecommunications service providers, such as AT&T, for enterprise communications and collaboration. We pursue sell-to and sell-through opportunities for Avaya products and services. These alliances are integral in selling and implementing our cloud-based services. We also see them as a principal route to market for our UCaaS and CCaaS solutions.

2) **Global Systems Integrator** alliances are identical in nature to our Global Service Provider alliances, except that these are forged with systems integrator partners, such as IBM.

3) **Ecosystem** alliances are partnering arrangements by Avaya with IT and telecommunications industry leaders, such as ConvergeOne, to bring to our joint customers solutions that leverage our combined range of products and services.

As of September 30, 2017, there were approximately 6,300 channel partners serving our customers worldwide through Avaya Edge, our business partner program. Through the use of certifications, the program positions partners to sell, implement and maintain our communications systems, applications and services. Avaya Edge offers clearly defined partner categories with financial, technical, sales and marketing benefits that grow with levels of certification. We support partners in the program by providing a portfolio of industry-leading products in addition to sales, marketing and technical support. Although the terms of individual channel partner agreements may deviate from our standard program terms, our standard program agreements for resellers generally provide for a term of one year with automatic renewal for successive one-year terms. They may generally be terminated by either party for convenience upon 30 days prior notice, and our standard program agreements for distributors may generally be terminated by either party for convenience upon 90 days prior notice. Certain of our contractual agreements with our largest distributors and resellers, however, permit termination of the relationship by either party for convenience upon prior notice of 180 days. Our partner agreements generally provide for responsibilities, conduct, order and delivery, pricing and payment, and include customary indemnification, warranty and other similar provisions. No single channel partner represented more than 10% of total Company revenue during each of the last three fiscal years.

Development Partnerships

The Avaya DevConnect program is designed to promote the development, compliance-testing and co-marketing of innovative third-party products that are compatible with Avaya's standards-based products. Member organizations have expertise in a broad range of technologies, including IP telephony, contact center and unified communications applications.

As of September 30, 2017, approximately 28,900 companies have registered with the program, including more than 370 companies operating at higher program levels, eligible for technical support and to submit their products or services for compatibility testing by the Avaya Solution Interoperability and Test Lab, or Avaya Test Lab. Approximately 290 of these companies have been specifically designated as Technology Partners. Avaya Test Lab engineers work in concert with each submitting member company to develop comprehensive test plans for each application to validate the product integrations.

Customers, Sales and Distribution

Customers

We have a diverse customer base, ranging in size from small businesses employing a few employees to large government agencies and multinational companies with over 100,000 employees. As of September 30, 2017, we had a presence in more than 100 countries worldwide and during the past three fiscal years we serviced more than 90% of the Fortune 100. Our customers operate in a broad range of industries, including financial services, manufacturing, retail, transportation, energy, media and communications, hospitality, health care, education and government. They represent leading companies from the Forbes Global 2000 from industries such as airlines, auto & truck manufacturers, hotels & motels, major banks and investment services firms. We employ a flexible go-to-market strategy with direct or indirect presence in more than 100 countries. As of September 30, 2017, we had approximately 6,300 channel partners and for 2017 our product revenue from indirect sales through our channel partners represented approximately 73% of our total product revenue.

Sales and Distribution

Our global go-to-market strategy is designed to focus and strengthen our reach and impact on large multinational enterprises, midmarket and regional enterprises and small businesses. Our go-to-market strategy is intended to serve our customers the way they prefer to work with us, either directly with Avaya or through our indirect sales channel, which includes our global network of alliance partners, distributors, dealers, value-added resellers, telecommunications service providers and system integrators. Our sales organizations are equipped with a broad product and software portfolio, complemented with services offerings including product support, integration and professional, private cloud and managed services.

We continue to focus on efficient deployment of Avaya sales resources, both directly and through our channel partners, for maximum market penetration and global growth. Our investment in our sales organization includes sales process, skills and solutions curricula for all roles within our sales organization.

Research and Development

We make substantial investments in R&D to develop new systems, services and software in support of business communications, including, but not limited to, converged communications systems, communications applications, multimedia contact center innovations, collaboration tools, messaging applications, video, speech enabled applications, business infrastructure and architectures, converged mobility systems, cloud offerings, web services, communications-enabled business processes and applications, and services for our customers. Since 2012 we have invested more than $2 billion in R&D, including over $275 million of technology acquisitions.

We invested $229 million, $275 million and $338 million in fiscal 2017, 2016 and 2015, respectively, in R&D. Although investment in R&D has decreased over the past three years, investment in R&D as a percentage of product revenue has been consistent between 15.7% and 16.7%.

Manufacturing and Suppliers

We have outsourced substantially all of our manufacturing operations to several contract manufacturers. Our contract manufacturers produce the vast majority of our products in facilities located in southern China, with other products manufactured in facilities located in Israel, Mexico, Taiwan, Germany, Ireland and the U.S. All manufacturing of our products is performed in accordance with detailed specifications and product designs, furnished or approved by Avaya, and is subject to rigorous quality control standards. We periodically review our product manufacturing operations and consider changes we believe may be necessary or appropriate. We also purchase certain hardware components and license certain software components from third-party original equipment manufacturers, or OEMs, and resell them separately or as part of our products under the Avaya brand. The Restructuring has not materially affected our outsourcing of manufacturing operations and purchasing, licensing and reselling of hardware and software components.

In some cases, certain components are available only from a single source or from a limited number of suppliers. Delays or shortages associated with these components could cause significant disruption to our operations. We have also outsourced substantially all of our warehousing and distribution logistics operations to several providers of such services on a global basis, and any delays or material changes in such services could cause significant disruption to our operations. For more information on risks related to products, components and logistics, see "Item 1.A. Risk Factors—Risks Related to Our Business—We rely on third-party contract manufacturers and component suppliers, some of which are sole source and limited source suppliers, as well as warehousing and distribution logistics providers."

As our business and operations related relationships have expanded globally, certain operational and logistical challenges, changes in economic or political conditions or natural disasters, in a specific country or region, could negatively affect our revenue, costs, expenses or financial condition or those of our channel partners and distributors. We believe we maintained strong relationships during the Bankruptcy Filing and have continued to do so following the Emergence Date.

Competition

As a provider of team and customer engagement solutions—made up of unified communications and real-time collaboration products, call center applications and services—we believe we are differentiated from any single competitor.

For the sale of unified communications products and services, specifically in the enterprise segment, we compete with companies such as Cisco, Microsoft, NEC, Unify, Alcatel-Lucent (now Nokia) and Huawei. In the midmarket we compete with companies such as ShoreTel and Mitel. In cloud products and services we compete with companies such as Cisco, Broadsoft, Microsoft, 8x8, RingCentral, ShoreTel and Mitel. Our video products and services compete with companies such as Cisco, Polycom, Huawei, ZTE, Vidyo, Blue Jeans and LifeSize (now a division of Logitech International S.A.).

Our contact center products and services compete with companies such as Genesys Telecommunications Laboratories (Genesys), Cisco, Huawei, Enghouse Interactive and Mitel in the enterprise segment. In the midmarket, as well as cloud products and services, we compete with companies such as Cisco, Genesys, Five9 and NICE.

We face competition in certain geographies with companies that have a particular strength and focus in these regions, such as Huawei and ZTE in China, Intelbras in Latin America and Matsushita Electric in Asia.

While we believe our global, in-house end-to-end services organization as well as our indirect channel provide us with a competitive advantage, we face competition from companies offering products and services directly or indirectly through their channel partners, as well as resellers, consulting and systems integration firms and network service providers.

Technological developments and consolidation within the industry, as well as changes in the products and services that we offer, result in frequent changes to our group of competitors. The principal competitive factors applicable to our products and services include:

- perceived and real value of the products and services as paths to solving meaningful team and customer engagement challenges;
- perceived and real ability to integrate various products into a customer's existing environment, including the ability of a provider's products to interoperate with other providers' business communications products;
- the ability to offer on-premises or cloud products and services, with all services available via mobile;
- product features, performance and reliability;
- customer service and technical support;
- relationships with distributors, value-added resellers and systems integrators;
- an installed base of similar or related products;
- relationships with buyers and decision makers;
- price;
- the relative financial condition of competitors;
- brand recognition; and
- the ability to be among the first to introduce new products and services.

For more information on risks related to our competition, see "Item 1.A. Risk Factors—Risks Related to Our Business—We face formidable competition from providers of unified communications and contact center products and related services. As these markets evolve, we expect competition to intensify and expand to include companies that do not currently compete directly against us."

Patents, Trademarks and Other Intellectual Property

We own a significant number of patents important to our business and we expect to continue to file new applications to protect our R&D investments in new products and services across all areas of our business. As of September 30, 2017, we had approximately 4,800 patents and pending patent applications, including foreign counterpart patents and foreign applications. Our patents and pending patent applications cover a wide range of products and services involving a variety of technologies, including, but not limited to, unified communications (including video, social media, telephony and messaging), contact centers, wireless communications and networking. The durations of our patents are determined by the laws of the country of issuance. For the U.S., patents may be 17 years from the date of issuance of the patent or 20 years from the date of its filing, depending upon when the patent application was filed. In addition, we hold numerous trademarks, both in the U.S. and in other countries. We also have licenses to intellectual property for the manufacture, use and sale of our products.

We will obtain patents and other intellectual property rights used in connection with our business when practicable and appropriate. Historically, we have done so organically or through commercial relationships as well as in connection with acquisitions.

Our intellectual property policy is to protect our products, technology and processes by asserting our intellectual property rights where appropriate and prudent. From time to time, assertions of infringement of certain patents or other intellectual property rights of others have been made against us. In addition, certain pending claims are in various stages of litigation. Based on industry practice, we believe that any licenses or other rights that might be necessary for us to continue with our current business could be obtained on

commercially reasonable terms. For more information concerning the risks related to patents, trademarks and other intellectual property, see "Item 1.A. Risk Factors—Risks Related to Our Business—We may be subject to litigation and infringement claims, which could cause us to incur significant expenses or prevent us from selling our products or services."

Backlog

Due to our diverse products and services portfolio, including the large volume of products delivered from finished goods or channel partner inventories we believe that backlog information is not material to an understanding of our overall business. As a result of these factors, we do not believe that our product backlog, as of any particular date, is necessarily indicative of actual product revenue for any future period.

Employees

As of September 30, 2017, we had approximately 8,700 employees, of whom 3,000 were located in the U.S. and 5,700 were located outside the U.S. Approximately 8,200 were non-represented employees and 500 were represented employees covered by collective bargaining agreements. Of the approximately 500 full-time employees covered by collective bargaining agreements, approximately 470 were in the U.S. and the rest were located outside the U.S.

Environmental, Health and Safety Matters

We are subject to a wide range of governmental requirements relating to safety, health and environmental protection, including:

- certain provisions of environmental laws governing the cleanup of soil and groundwater contamination;
- various local, federal and international laws and regulations regarding the material content and electrical design of our products that require us to be financially responsible for the collection, treatment, recycling and disposal of those products; and
- various employee safety and health regulations that are imposed in various countries within which we operate.

For example, we are currently involved in several remediations at currently or formerly owned or leased sites, which we do not believe will have a material impact on our business or results of operations. See "Item 1.A. Risk Factors—Risks Related to Our Business—We may be adversely affected by environmental, health and safety, laws, regulations, costs and other liabilities" for a discussion of the potential impact such governmental requirements and climate change risks may have on our business.

Corporate Responsibility at Avaya

Avaya's Corporate Responsibility Program incorporates four key elements: Environment, Community, Marketplace and Workplace. For the Environment element, Avaya looks to implement environmental stewardship practices at our global locations. The element of Community represents Avaya working to positively impact society as a whole and supporting the communities where we are located. The Marketplace element includes engaging in fair and ethical business dealings with our customers, our partners and our supply chain. The Workplace element focuses on developing a desirable place to work for our employees across the globe.

Corporate Information

Our principal executive offices are located at 4655 Great America Parkway, Santa Clara, CA 95054. Our telephone number is (908) 953-6000. Our website address is www.avaya.com. Information contained in, and that can be accessed through, our website is not incorporated into and does not form a part of this registration statement.

Avaya Holdings was formed by affiliates of two private equity firms, Silver Lake Partners ("Silver Lake") and TPG Capital ("TPG," and together with Silver Lake, the "Sponsors") as a Delaware corporation in 2007 under the name Sierra Holdings Corp. The Sponsors, through Avaya Holdings, acquired Avaya Inc. in a transaction that was completed on October 26, 2007. The Sponsors no longer hold a controlling interest in the Company following the Restructuring.

Avaya Holdings is a holding company with no stand-alone operations and has no material assets other than its ownership interest in Avaya Inc. and its subsidiaries. All of the Company's operations are conducted through its various subsidiaries, which are organized and operated according to the laws of their jurisdiction of incorporation, and consolidated by the Company.

The Restructuring

The Plan of Reorganization resulted from, among other things, extensive negotiations among the Debtors, PBGC, certain members of the Ad Hoc Group of First Lien Debt Holders (the "Ad Hoc First Lien Group") and the Unsecured Creditors Committee. In connection with the Plan of Reorganization, the Debtors entered into that certain Plan Support Agreement, dated as of August 6, 2017 (the "First Lien PSA"), among the Debtors and members of the Ad Hoc First Lien Group. The First Lien PSA was subsequently amended on August 23, 2017 and October 23, 2017. Also in connection with the Plan of Reorganization, the Debtors entered into that certain Plan Support Agreement, dated as of October 23, 2017 (the "Crossover PSA" and, together with the First Lien PSA, the "PSAs"), among the Debtors and members of the ad hoc group comprising certain holders of first lien debt and second lien notes as set forth in the *Eighth Amended Verified Statement of the Ad Hoc Crossover Group Pursuant to Bankruptcy Rule 2019* (the "Ad Hoc Crossover Group"). Together, the holders of approximately over two-thirds of the total amount of first lien debt and holders of approximately over two-thirds of the total amount of second lien notes were party to the PSAs.

Additionally, under the Plan of Reorganization, the Debtors terminated the APPSE on substantially the terms set forth in the PSAs. In connection with the termination of the APPSE and the transfer of the APPSE assets to PBGC, PBGC received $340 million in cash and 5.5% of the reorganized Avaya Holdings' common stock (subject to dilution by the Equity Incentive Plan and the Warrants), as well as the Company's agreement to maintain and continue to sponsor the Avaya hourly pension plan (the "PBGC Settlement"). The PBGC Settlement also provides certain protections with respect to the Avaya hourly pension plan in the event of certain "material transactions," each as described in the Plan of Reorganization.

The Bankruptcy Court approved the Debtors' Amended Disclosure Statement and the First Lien PSA at a hearing on August 25, 2017, and the Bankruptcy Court approved the Crossover PSA at a hearing on October 31, 2017. On September 9, 2017, the Bankruptcy Court assigned the Debtors and their major stakeholder constituencies to mediation. The mediation resulted in a resolution between the constituencies, and, as a result, the Debtors filed a further amended Plan of Reorganization and a Disclosure Statement Supplement on October 24, 2017. On October 10, 2017, the Debtors filed a motion for entry of an order approving the PBGC Settlement. On November 27, 2017, the Bankruptcy Court entered an order approving the PBGC Settlement. On November 28, 2017, the Bankruptcy Court entered an order confirming the Debtors' Plan of Reorganization.

In connection with the Company's emergence from bankruptcy on December 15, 2017, Avaya Holdings contributed shares of Avaya Holdings' common stock and warrants with respect to such stock to Avaya Inc. and Avaya Inc. transferred such warrants to holders of second lien notes claims and such shares to holders of first lien debt claims, second lien notes claims and the PBGC in connection with the satisfaction of claims held by such parties.

ITEM 1.A RISK FACTORS

Risks Related to Our Business

We face formidable competition from providers of unified communications and contact center products and related services. As these markets evolve, we expect competition to intensify and expand to include companies that do not currently compete directly against us.

Our unified communications products and services compete with companies such as Cisco, Microsoft, NEC Corporation, Unify GmbH & Co. Kg, Alcatel-Lucent (now Nokia), or Lucent, and Huawei, in the enterprise segment; with companies such as Mitel, in the midmarket; and with companies such as Cisco, Broadsoft, Microsoft, 8x8, RingCentral and Mitel in cloud products and services. Our video products and services compete with companies such as Cisco, Polycom, Huawei, ZTE Corporation, Vidyo, Blue Jeans and LifeSize (now a division of Logitech International S.A.).

Our contact center products and services compete with companies such as Genesys, Cisco, Huawei, Enghouse, Aspect Software and Mitel in the enterprise segment and with companies such as Cisco, Genesys, Enghouse and Aspect Software, in the midmarket and cloud products and services.

We face competition in certain geographies with companies that have a particular strength and focus in these regions, such as Huawei and ZTE in China, Intelbras in Latin America and Panasonic in Asia.

While we believe our global, in-house end-to-end services organization as well as our indirect channel provide us with a competitive advantage, we face competition from companies offering products and services directly or indirectly through their channel partners, as well as resellers, consulting and systems integration firms and network service providers.

In addition, because the business communications market continues to evolve and technology continues to develop rapidly, we may face competition in the future from companies that do not currently compete against us, but whose current business activities may bring them into competition with us in the future. In particular, this may be the case as business, information technology and communications applications deployed on converged networks become more integrated to support business communications. We may face increased competition from current leaders in IT infrastructure, IT, consumer products, personal and business applications and the software that connects the network infrastructure to those applications. With respect to services, we may also face competition from companies that seek to sell remotely hosted services or software as a service directly to the end customer. Competition from these potential market entrants may take many forms, including offering products and applications similar to those we offer as part of another offering. In addition, these technologies continue to move from a proprietary environment to an open standards-based environment.

Several of our existing competitors have, and many of our future competitors may have, greater financial, personnel, technical, R&D and other resources, more well-established brands or reputations and broader customer bases than we do and, as a result, these competitors may be in a stronger position to respond quickly to potential acquisitions and other market opportunities, new or emerging technologies and changes in customer requirements. Some of these competitors may have customer bases that are more geographically balanced than ours and, therefore, may be less affected by an economic downturn in a particular region. Other competitors may have deeper expertise in a particular stand-alone technology that develops more quickly than we anticipate. Competitors with greater resources also may be able to offer lower prices, additional products or services or other incentives that we cannot match or do not offer. Industry consolidations may also create competitors with broader and more geographic coverage and the ability to reach enterprises through communications service providers.

We cannot predict which competitors may enter our markets in the future, what form such competition may take or whether we will be able to respond effectively to the entry of new competitors into competition with us or

the rapid evolution in technology and product development that has characterized our businesses. In addition, in order to effectively compete with any new market entrant, we may need to make additional investments in our business, use more capital resources than our business currently requires or reduce prices, any of which may materially and adversely affect our profitability.

The market opportunity for business communications products and services may not develop in the ways that we anticipate.

The demand for our products and services can change quickly and in ways that we may not anticipate because the market in which we operate is characterized by rapid, and sometimes disruptive, technological developments, evolving industry standards, frequent new product introductions and enhancements, changes in customer requirements and a limited ability to accurately forecast future customer orders. Our operating results may be adversely affected if the market opportunity for our products and services does not develop in the ways that we anticipate or if other technologies become more accepted or standard in our industry or disrupt our technology platforms.

Our strategy depends in part on our ability to rely on our indirect sales channel.

An important element of our go-to-market strategy to expand sales coverage and increase market absorption of new products is our global network of alliance partners, distributors, dealers, value-added resellers, telecommunications service providers and system integrators. Our financial results could be adversely affected if our relationships with channel partners were to deteriorate, if our support pricing or other services strategies conflict with those of our channel partners, if any of our competitors were to enter into strategic relationships with or acquire a significant channel partner, if channel partners do not become enabled to sell new products or if the financial condition of our channel partners were to weaken. In addition, we may expend time, money and other resources on developing and maintaining channel relationships that are ultimately unsuccessful. Furthermore, despite the benefits of a robust indirect channel, our channel partners have direct contact with our customers that may foster independent relationships between them and a loss of certain services agreements for us. There can be no assurance that we will be successful in maintaining, expanding or developing relationships with channel partners. If we are not successful, we may lose sales opportunities, customers or market share. Although the terms of individual channel partner agreements may deviate from our standard program terms, our standard program agreements for resellers generally provide for a term of one year with automatic renewal for successive one-year terms and generally may be terminated by either party for convenience upon 30 days prior written notice. Our standard program agreements for distributors generally may be terminated by either party for convenience upon 90 days prior written notice. Certain of our contractual agreements with our largest distributors and resellers, however, permit termination of the relationship by either party for convenience upon prior notice of 180 days. See “Item 1. Business—Alliances and Partnerships” for more information on our global business partner program and the standard terms of our program agreements.

Our products and services may fail to keep pace with rapidly changing technology and evolving industry standards.

The market in which we operate is characterized by rapid, and sometimes disruptive, technological developments, evolving industry standards, frequent new product introductions and enhancements and changes in customer requirements. In addition, both traditional and new competitors are investing heavily in this market and competing for customers. As next-generation business communications technology continues to evolve, we must keep pace in order to maintain or expand our market leading position. We recently introduced a significant number of new product offerings and are increasingly focused on new, high value software products, as a revenue driver. If we are not able to successfully develop and bring these new products to market in a timely manner, achieve market acceptance of our products and services or identify new market opportunities for our products and services, our business and results of operations may be materially and adversely affected.

We rely on third-party contract manufacturers and component suppliers, some of which are sole source and limited source suppliers, as well as warehousing and distribution logistics providers.

We have outsourced substantially all of our manufacturing operations to several contract manufacturers. Our contract manufacturers produce the vast majority of products in facilities located in southern China, with other products manufactured in facilities located in Israel, Mexico, Taiwan, Germany, Ireland and the U.S. While we continued to pay our manufacturers during the pendency of our bankruptcy, not all vendors received 100% of their pre-petition invoices. As a result, our relationships with such manufacturers and suppliers may be adversely impacted, and we may not be able to maintain critical contracts on existing terms or at all. All manufacturing of our products is performed in accordance with detailed specifications and product designs furnished or approved by us and is subject to rigorous quality control standards. We periodically review our product manufacturing operations and consider changes we believe may be necessary or appropriate. Although we closely manage the transition process when manufacturing changes are required, we could experience disruption to our operations during any such transition. Any such disruption could negatively affect our reputation and our results of operations. We also purchase certain hardware components and license certain software components and resell them separately or as part of our products under the Avaya brand. In some cases, certain components are available only from a single source or from a limited source of suppliers. These sole source and limited source suppliers may stop selling their components at commercially reasonable prices or at all. Interruptions, delays or shortages associated with these components could cause significant disruption to our operations. We may not be able to make scheduled product deliveries to our customers in a timely fashion. We could incur significant costs to redesign our products or to qualify alternative suppliers, which would reduce our realized margins. We have also outsourced substantially all of our warehousing and distribution logistics operations to several providers of such services on a global basis, and any delays or material changes in such services could cause significant disruption to our operations.

Recently completed bankruptcy proceedings may adversely affect our operations in the future.

We emerged from bankruptcy on December 15, 2017. The full extent to which our bankruptcy will impact our business operations, reputation and relationships with our customers, employees, regulators and agents may not be known for some time, and any adverse consequences could have a material adverse effect on our business, financial condition and results of operations.

Our actual financial results may vary significantly from the financial projections filed with the Bankruptcy Court.

In connection with the Plan of Reorganization, we were required to prepare projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan of Reorganization and the ability of the Debtors to continue operations upon emergence from bankruptcy. These projections are neither included nor incorporated by reference in this registration statement and should not be relied upon. At the time they were prepared, the projections reflected numerous assumptions concerning anticipated future performance and market and economic conditions that were and remain beyond our control and that may not materialize. Projections are inherently subject to uncertainties and to a wide variety of significant business, economic and competitive risks. Our actual results will vary from those contemplated by the projections and the variations may be material.

Our historical financial information may not be indicative of our future financial performance.

Our capital structure has been significantly altered by the Restructuring. Under fresh start accounting rules that apply to us beginning on the Emergence Date, our assets and liabilities will be adjusted to fair values and our accumulated deficit will be restated to zero. Accordingly, our financial condition and results of operations following the Restructuring will not be comparable to the financial condition and results of operations reflected in our historical consolidated financial statements. Further, the Restructuring materially changed the amounts and classifications reported in our historical consolidated financial statements.

Our quarterly and annual revenues and operating results have historically fluctuated and the results of one period may not provide a reliable indicator of our future performance.

Our quarterly and annual revenues and operating results have historically fluctuated and are not necessarily indicative of results to be expected in future periods. Fluctuations in our financial results from period to period are caused by many factors, including, but not limited to, the size and timing of individual orders, changes in foreign currency exchange rates, the mix of products sold by us and general economic conditions.

It is also difficult to predict our revenue for a particular quarter, especially in light of the growing demand for IT purchases under a subscription-based operating expense model instead of a capital expense model and the increasing proportion of our revenue coming from software and services. Both of these trends delay the timing of our revenue recognition. In addition, execution of sales opportunities sometimes traverses from the intended fiscal quarter to the next. Moreover, our efforts to address the challenges facing our business could increase the level of variability in our financial results because the rate at which we are able to realize the benefits from those efforts may vary from period to period.

In addition, we experience some seasonal trends in the sale of our products that also may produce variations in quarterly results and financial condition. Typically, our second fiscal quarter is our weakest and our fourth fiscal quarter is our strongest. Many of the factors that create and affect seasonal trends are beyond our control.

As our business and operations relationships have expanded globally, certain operational and logistical challenges as well as changes in economic or political conditions, in a specific country or region, could negatively affect our revenue, costs, expenses and financial condition or those of our channel partners and distributors.

We conduct significant sales and customer support operations and significant amounts of our R&D activities in countries outside of the U.S. and also depend on non-U.S. operations of our contract manufacturers and our channel partners. For fiscal 2017, we derived 45% of our revenue from sales outside of the U.S. The vast majority of our contract manufacturing also takes place outside the U.S., primarily in southern China. The transition of even a portion of our operations or functions to a foreign country involves a number of logistical and technical challenges, including:

- challenges in effectively managing operations in jurisdictions with lower cost structures as a result of several factors, including time zone differences and regulatory, legal, employment, cultural and logistical issues;
- the potential negative impact on our existing employees as a result of the relocation of workforce resources;
- an inability to predict the extent of local government support;
- the availability of qualified workers and the level of competition in offshore markets for qualified employees, including skilled design and technical employees, as companies expand their operations offshore; and
- future political, monetary and economic conditions in any specific offshore location.

If we are unable to effectively manage our offshore operations, we may be unable to produce the expected cost savings from any shifts of operations to offshore jurisdictions and our business and results of operations could be adversely affected.

In addition, our future operating results, including our ability to import our products from, export our products to, or sell our products in, various countries, could be adversely affected by a variety of uncontrollable and changing global issues. Factors that could adversely affect us include:

- political conditions;

- economic conditions, including trade sanctions or changes to significant trading relationships;
- legal and regulatory constraints;
- protectionist and local security legislation;
- difficulty in enforcing intellectual property rights, such as against counterfeiting of our products;
- relationships with employees and works councils;
- unfavorable tax and currency regulations;
- health pandemics or similar issues;
- natural disasters, such as an earthquake, a hurricane or a flood, anywhere we and/or our channel partners and distributors have business operations, including the Silicon Valley area of California, which is a seismically active region and where our corporate headquarters is located; and
- other matters in any of the countries or regions in which we and our contract manufacturers and business partners currently operate or intend to operate, in the future, including in the U.S.

Geopolitical trends toward protectionism and nationalism and the dissolution or weakening of international trade pacts may increase the cost of, or otherwise interfere with, our conduct of business. Uncertainty about current and future economic and political conditions which affect us, our customers and partners makes it difficult for us to forecast operating results and to make decisions about future investments. For instance, in June 2016, voters in the United Kingdom approved an advisory referendum to withdraw from the EU (commonly referred to as "Brexit"). The Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the EU may adversely affect business activity, political stability and economic conditions in the United Kingdom, the EU and elsewhere. It is uncertain at this time how the policies of the current U.S. presidential administration and Congress will affect our business, including potentially through increased import tariffs and other influences on U.S. trade relations with other countries, such as Canada, Mexico and China. The imposition of tariffs or other trade barriers could increase our costs and reduce the competitiveness of our offerings in certain markets. In addition, other countries may change their own policies on business and foreign investment in companies in their respective countries. In addition, as discussed in more detail below, recently enacted U.S. tax reform legislation could have a material and adverse impact on our cash flows and financial condition. There may also be changes to, and introductions of, new tax laws in various foreign countries in which we do business or other future proposals to change U.S. or state or local tax law. Any of these proposals, changes or new tax laws could significantly and adversely impact how we are taxed on both U.S. and foreign earnings.

The various risks inherent in doing business in the U.S. generally also exist when doing business outside of the U.S., and may be exaggerated by the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, laws and regulations. Furthermore, our prospective effective tax rate could be adversely affected by, among others, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of our deferred tax assets and liabilities or changes in tax laws, regulations, accounting principles or interpretations thereof.

Our revenues are dependent on general economic conditions and the willingness of enterprises to invest in technology.

We believe there is a growing market trend around cloud consumption preferences with more customers exploring operating expense models as opposed to capital expense models for procuring technology, which trend delays the timing of our revenue recognition. We believe the market trend toward cloud models will continue as customers seek ways of reducing their overhead and other costs. In addition, the instability in the geopolitical environment in many parts of the world and other disruptions may continue to put pressure on global economic unrest and on political or social conditions. All of the foregoing may result in continued pressure on our ability to

increase our revenue, as well as create competitive pricing pressures and price erosion. If these or other conditions limit our ability to grow revenue or cause our revenue to decline our operating results may be materially and adversely affected. In addition, in the past a portion of our revenues which come from the U.S. federal government sector were impacted because of government shutdowns. In the event of future shutdowns or uncertainties, there can be no assurance that that portion of our revenues will not be impacted.

We are dependent on our intellectual property. If we are not able to protect our proprietary rights or if those rights are invalidated or circumvented, our business may be adversely affected.

Our business is primarily concerned with technology and innovation in business communications, and we generally protect our intellectual property through patents, trademarks, trade secrets, copyrights, confidentiality and nondisclosure agreements and other measures to the extent our budget permits. There can be no assurance that patents will be issued from pending applications that we have filed or that our patents will be sufficient to protect our key technology from misappropriation or falling into the public domain, nor can assurances be made that any of our patents, patent applications, trademarks or our other intellectual property or proprietary rights will not be challenged, invalidated or circumvented. For example, our business is global and the level of protection of our proprietary technology will vary by country and may be particularly uncertain in countries that do not have well developed judicial systems or laws that adequately protect intellectual property rights. Patent litigation and other challenges to our patents and other proprietary rights are costly and unpredictable and may prevent us from marketing and selling a product in a particular geographic area. Financial considerations also preclude us from seeking patent protection in every country where infringement litigation could arise. Our inability to predict our intellectual property requirements in all geographies and affordability constraints also impact our intellectual property protection investment decisions. If we are unable to protect our proprietary rights, we may be at a disadvantage to others who do not incur the substantial time and expense we incur to create our products.

Certain software we use is from open source code sources, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially adversely affect our business, financial condition, operating results and cash flow.

Some of our products contain software from open source code sources. The use of such open source code may subject us to certain conditions, including the obligation to offer our products that use open source code to third parties for no cost. We monitor our use of such open source code to avoid subjecting our products to conditions we do not intend. However, the use of such open source code may ultimately subject some of our products to unintended conditions, which could require us to take remedial action that may divert resources away from our development efforts and, therefore, could materially adversely affect our business, financial condition, operating results and cash flow.

The Company could be subject to changes in its tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities, which could have a material and adverse impact on the Company's operating results, cash flows and financial condition.

The Company is subject to taxes in the U.S. and numerous foreign jurisdictions, where a number of the Company's subsidiaries are organized. Due to economic and political conditions, tax rates in various jurisdictions including the U.S. may be subject to change. The Company's future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or their interpretation, such as interpretations as to the legality of tax advantages granted under the EU state aid rules.

Recently enacted U.S. tax reform legislation known colloquially as the "Tax Cuts and Jobs Act," among other things, makes significant changes to the rules applicable to the taxation of corporations, such as changing the corporate tax rate to a flat 21% rate, modifying the rules regarding limitations on certain deductions for

executive compensation, introducing a capital investment deduction in certain circumstances, placing certain limitations on the interest deduction, modifying the rules regarding the usability of certain net operating losses, implementing a minimum tax on the "global intangible low-taxed income" of a "United States shareholder" of a "controlled foreign corporation," modifying certain rules applicable to United States shareholders of controlled foreign corporations, imposing a deemed repatriation tax on certain earnings and adding certain anti-base erosion rules. The Company is currently in the process of analyzing the effects of this new legislation on the Company and at this time the ultimate outcome of the new legislation on our business and financial condition is uncertain. It is possible that the application of these new rules may have a material and adverse impact on our operating results, cash flows and financial condition.

Cancellation of indebtedness income realized as a result of the Restructuring is expected to result in material reductions in, or elimination of, tax attributes which could have a material and adverse impact on the Company's cash flows and financial condition.

Certain debt obligations of Avaya Inc. and claims against the Company were extinguished in the Restructuring. Absent an exception, a debtor generally recognizes cancellation of debt income, or "CODI," upon discharge of its outstanding indebtedness for total consideration less than its adjusted issue price. The Internal Revenue Code of 1986, as amended (the "Code") generally provides that a debtor in a bankruptcy case may exclude CODI from taxable income but must reduce certain of its tax attributes by the amount of the CODI realized as a result of the consummation of a plan of reorganization. In the context of a consolidated group of corporations, the tax rules provide for a complex ordering mechanism in determining how the tax attributes of one member can be reduced by the CODI of another member. Under the relevant Treasury Regulations, the tax attributes of each member of an affiliated group of corporations that is excluding CODI is first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded CODI exceeds its tax attributes, the excess CODI is applied to reduce certain remaining consolidated tax attributes of the affiliated group. The Company expects that the amount of such CODI realized as a result of the Restructuring is significant and that there will be material reductions in, or elimination of, certain tax attributes (including net operating losses, credits and possibly certain of the Company's tax basis in assets) of the Company. In particular, this attribute reduction is expected to result in a reduction or elimination of our remaining federal net operating losses that would otherwise be available to be utilized in the future subject to the limitations pursuant to Section 382 of the Code. Any required attribute reduction could have a material and adverse impact on the Company's cash flows and financial conditions. Any net operating losses, tax credit carryforwards or capital loss carryforwards that survive attribute reduction would be subject to the applicable limitations of Sections 382 and 383 of the Code, including the limitations that arose from the "ownership change" that occurred in connection with our emergence from bankruptcy (as described in more detail below).

Tax examinations and audits could have a material and adverse impact on the Company's cash flows and financial condition.

The Company is subject to the examination of its tax returns and other tax matters by the U.S. Internal Revenue Service and other tax authorities and governmental bodies. The Company regularly assesses the likelihood of an adverse outcome resulting from such examinations to determine the adequacy of its provision for taxes. There can be no assurance as to the outcome of any such examinations.

If the Company's effective tax rates were to increase, or if the ultimate determination of the Company's taxes owed were for an amount in excess of amounts previously accrued, the Company's operating results, cash flows and financial condition could be materially and adversely affected.

Transfers or issuances of our equity may impair or reduce our ability to utilize our net operating loss carryforwards and certain other tax attributes in the future.

Section 382 of the Code contains rules that limit the ability of a company that undergoes an "ownership change" to utilize its net operating loss and tax credit carry forwards and certain built-in losses recognized in years after the ownership change. An "ownership change" is generally defined as an increase in ownership of a corporation's stock by more than 50 percentage points over a rolling three-year period by stockholders that own (directly or indirectly), or are treated as owning, 5% or more of the stock of a corporation at any time during the relevant rolling three-year period. If an ownership change occurs, Section 382 imposes an annual limitation on the use of pre-ownership change net operating losses, credits and certain other tax attributes to offset taxable income earned after the ownership change. The annual limitation is equal to the product of the applicable long-term tax exempt rate in effect for the month in which the ownership change occurs and the value of the company's stock immediately before the ownership change (with some adjustments). For example, this annual limitation may be adjusted to reflect any unused annual limitation for prior years and certain recognized (or treated as recognized) built-in gains and losses for the year. In addition, Section 383 generally limits the amount of tax liability in any post-ownership change year that can be reduced by pre-ownership change tax credit carryforwards or capital loss carryforwards. In connection with our emergence from bankruptcy, we underwent an ownership change. Any subsequent ownership change can reduce, but not increase, the annual limitation under Section 382 that applies to any remaining net operating losses, credits and certain other tax attributes that are attributable to the period prior to the Emergence Date.

No assurance can be given that subsequent transactions (including an issuance of additional shares of our common stock) will not result in an ownership change. Even if a subsequent transaction does not result in another ownership change, it may materially increase the likelihood that we will undergo an ownership change in the future. Also, sales of stock by stockholders, whose interests may differ from our interests, may increase the likelihood that we undergo, or may cause, an ownership change. If we were to undergo another "ownership change," it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Fluctuations in foreign currency exchange rates could negatively impact our operating results.

We are a global company with significant international operations and transact business in many currencies. As such, we are exposed to adverse movements in foreign currency exchange rates. The majority of our revenues and expenses are denominated in U.S. dollars. However, we are exposed to foreign currency exchange rate fluctuations related to certain revenues and expenses denominated in foreign currencies. Our primary currency exposures relate to net operating expenses denominated in euro, Indian rupee and British pound. These exposures may change over time as business practices evolve and the geographic mix of our business changes. From time to time, we enter into foreign exchange forward contracts to hedge fluctuations associated with certain monetary assets and liabilities, primarily accounts receivable, accounts payable and certain intercompany obligations. However any attempts to hedge against foreign currency exchange rate fluctuation risk may be unsuccessful and result in an adverse impact to our operating results.

Business communications products are complex, and design defects, errors, failures or "bugs" may be difficult to detect and correct.

Business communications products are complex, integrating hardware, software and many elements of a customer's existing network and communications infrastructure. Despite testing conducted prior to the release of products to the market and quality assurance programs, hardware may malfunction and software may contain "bugs" that are difficult to detect and fix. Any such issues could interfere with the expected operation of a product, which might negatively impact customer satisfaction, reduce sales opportunities or affect gross margins.

Depending upon the size and scope of any such issue, remediation may have a material impact on our business. Our inability to cure an application or product defect, should one occur, could result in the failure of an

application or product line, the temporary or permanent withdrawal from an application, product or market, damage to our reputation, inventory costs, an increase in warranty claims, lawsuits by customers or customers' or channel partners' end users, or application or product reengineering expenses. Our insurance may not cover or may be insufficient to cover claims that are successfully asserted against us.

If we are unable to integrate acquired businesses effectively, our operating results may be adversely affected.

From time to time, we seek to expand our business through acquisitions. We may not be able to successfully integrate acquired businesses and, where desired, their product portfolios into ours, and therefore we may not be able to realize the intended benefits. If we fail to successfully integrate acquisitions or product portfolios, or if they fail to perform as we anticipate, our existing businesses and our revenue and operating results could be adversely affected. If the due diligence of the operations of acquired businesses performed by us and by third parties on our behalf is inadequate or flawed, or if we later discover unforeseen financial or business liabilities, acquired businesses and their assets may not perform as expected. Additionally, acquisitions could result in difficulties assimilating acquired operations and, where deemed desirable, transitioning overlapping products into a single product line and the diversion of capital and management's attention away from other business issues and opportunities. We may fail to retain employees acquired through acquisitions, which may negatively impact the integration efforts. The failure to integrate acquired businesses effectively may adversely impact our business, results of operations or financial condition.

We may not realize the benefits we expect from our cost-reduction initiatives.

As discussed in "Item 2. Financial Information—Management's Discussion & Analysis of Financial Condition and Results of Operations—Continued Focus on Cost Structure," we have initiated cost savings programs designed to streamline operations and we continue to evaluate additional similar opportunities. These types of cost-reduction activities are complex. Even if we carry out these strategies in the manner we expect, we may not be able to achieve the efficiencies or savings we anticipate, or on the timetable we anticipate, and any expected efficiencies and benefits might be delayed or not realized, and our operations and business could be disrupted. Our ability to realize the gross margin improvements and other efficiencies expected to result from these initiatives is subject to many risks, including delays in the anticipated timing of activities related to these initiatives, lack of sustainability in cost savings over time and unexpected costs associated with operating our business, our success in reinvesting the savings arising from these initiatives, time required to complete planned actions, absence of material issues associated with workforce reductions and avoidance of unexpected disruptions in service. A failure to implement our initiatives or realize expected benefits could have an adverse effect on our financial condition that could be material.

We may incur liabilities as a result of our obligation to indemnify, and to share certain liabilities with, Lucent in connection with our spin-off from Lucent in September 2000.

Pursuant to the Contribution and Distribution Agreement between Avaya Inc. and Lucent, Lucent contributed to Avaya Inc. substantially all of the assets, liabilities and operations associated with its enterprise networking businesses and distributed all of the outstanding shares of Avaya Inc.'s common stock to its stockholders. The Contribution and Distribution Agreement, among other things, provides that, in general, Avaya Inc. will indemnify Lucent for all liabilities including certain environmental and pre-distribution tax obligations of Lucent relating to our businesses and all contingent liabilities accruing pre-distribution primarily relating to Avaya Inc.'s businesses or otherwise assigned to Avaya Inc. In addition, the Contribution and Distribution Agreement provides that certain contingent liabilities not directly identifiable with one of the parties accruing pre-distribution will be shared in the proportion of 90% by Lucent and 10% by Avaya Inc. The Contribution and Distribution Agreement also provides that contingent liabilities accruing pre-distribution in excess of $50 million that are primarily related to Lucent's businesses shall be borne 90% by Lucent and 10% by Avaya Inc. and contingent liabilities accruing pre-distribution in excess of $50 million that are primarily related to Avaya Inc.'s businesses shall be borne equally by the parties. There can be no assurance that Lucent will not submit a claim

for indemnification or cost sharing to us in connection with any future matter. In addition, our ability to assess the impact of matters for which Avaya Inc. may have to indemnify or share the cost with Lucent is made more difficult by the fact that we do not control the defense of these matters.

In addition, in connection with the distribution, Avaya Inc. and Lucent entered into a Tax Sharing Agreement that governs the parties' respective rights, responsibilities and obligations after the distribution with respect to taxes for the periods ending on or before (or deemed to be ending on or before) the distribution. Generally, pre-distribution taxes that are clearly attributable to the business of one party will be borne solely by that party, and other pre-distribution taxes will be shared by the parties based on a formula set forth in the Tax Sharing Agreement. In addition, pursuant to the Tax Sharing Agreement, Avaya could be responsible for all or a portion of certain other taxes such as taxes arising from the restructuring activities undertaken to implement the distribution. Any taxes or other costs borne by Avaya Inc. under the Tax Sharing Agreement could have an adverse impact on our business, results of operations or financial condition.

Transfers or issuances of our equity may impair or reduce our ability to utilize our net operating loss carryforwards and certain other tax attributes in the future.

Section 382 of the Code contains rules that limit the ability of a company that undergoes an "ownership change" to utilize its net operating loss and tax credit carry forwards and certain built-in losses recognized in years after the ownership change. An "ownership change" is generally defined as an increase in ownership of a corporation's stock by more than 50 percentage points over a rolling three-year period by stockholders that own (directly or indirectly), or are treated as owning, 5% or more of the stock of a corporation at any time during the relevant rolling three-year period. If an ownership change occurs, Section 382 imposes an annual limitation on the use of pre-ownership change net operating losses, credits and certain other tax attributes to offset taxable income earned after the ownership change. The annual limitation is equal to the product of the applicable long-term tax exempt rate in effect for the month in which the ownership change occurs and the value of the company's stock immediately before the ownership change (with some adjustments). For example, this annual limitation may be adjusted to reflect any unused annual limitation for prior years and certain recognized (or treated as recognized) built-in gains and losses for the year. In addition, Section 383 generally limits the amount of tax liability in any post-ownership change year that can be reduced by pre-ownership change tax credit carryforwards or capital loss carryforwards. In connection with our emergence from bankruptcy, we underwent an ownership change. Any subsequent ownership change can reduce, but not increase, the annual limitation under Section 382 that applies to any remaining net operating losses, credits and certain other tax attributes that are attributable to the period prior to the Emergence Date.

No assurance can be given that subsequent transactions (including an issuance of additional shares of our common stock) will not result in an ownership change. Even if a subsequent transaction does not result in another ownership change, it may materially increase the likelihood that we will undergo an ownership change in the future. Also, sales of stock by stockholders, whose interests may differ from our interests, may increase the likelihood that we undergo, or may cause, an ownership change. If we were to undergo another "ownership change," it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The ability to retain and attract key personnel is critical to the success of our business and may be impacted by our Restructuring.

The success of our business depends on the skill, experience and dedication of our employee base. If we are unable to retain and recruit sufficiently experienced and capable employees, our business and financial results may suffer. In connection with the uncertainties relating to our Restructuring, we have experienced significant attrition at both senior levels and throughout the Company. Experienced and capable employees in the technology industry remain in high demand, and there is continual competition for their talents. The uncertainties facing our business related to our Restructuring and changes we may make to the organizational structure to

adjust to our changing circumstances may make it more difficult to compete and to attract and retain key employees. If executives, managers or other key personnel resign, retire or are terminated, or their service is otherwise interrupted, we may not be able to replace them in a timely manner and we could experience significant declines in productivity and/or errors due to insufficient staffing or managerial oversight. Moreover, turnover of senior management and other key personnel can adversely impact, among other things, our results of operations, our customer relationships and lead us to incur significant expenses related to executive transition costs that may impact our operating results. In addition, our ability to adequately staff our R&D efforts in the U.S. may be inhibited by changes to U.S. immigration policies that restrain the flow of professional and technical talent. While we strive to maintain our competitiveness in the marketplace, there can be no assurance that we will be able to successfully retain and attract the employees that we need to achieve our business objectives.

If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that we establish and maintain internal control over financial reporting and disclosure controls and procedures. An effective internal control environment is necessary to enable us to produce reliable financial reports and is an important component of our efforts to prevent and detect financial reporting errors and fraud. Beginning with the second annual report that we will be required to file with the SEC, management will be required to provide an annual assessment on the effectiveness of our internal control over financial reporting and our independent registered public accounting firm will also be required to attest to the effectiveness of our internal control over financial reporting. Our and our auditor's testing may reveal significant deficiencies in our internal control over financial reporting that are deemed to be material weaknesses and render our internal control over financial reporting ineffective. We have incurred and we expect to continue to incur substantial accounting and auditing expense and expend significant management time in complying with the requirements of Section 404.

While an effective internal control environment is necessary to enable us to produce reliable financial reports and is an important component of our efforts to prevent and detect financial reporting errors and fraud, disclosure controls and internal control over financial reporting are generally not capable of preventing or detecting all financial reporting errors and all fraud. A control system, no matter how well-designed and operated, is designed to reduce rather than eliminate financial statement risk. There are inherent limitations on the effectiveness of internal controls, including collusion, management override and failure in human judgment. A control system can provide only reasonable, not absolute, assurance of achieving the desired control objectives and the design of a control system must reflect the fact that resource constraints exist. Accordingly, our and our auditor's testing may reveal significant deficiencies in our internal control over financial reporting that are deemed to be material weaknesses and render our internal control over financial reporting ineffective.

If we are not able to comply with the requirements of Section 404, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses:

- we could fail to meet our financial reporting obligations;
- our reputation may be adversely affected and our business and operating results could be harmed;
- the market price of our stock could decline; and
- we could be subject to litigation and/or investigations or sanctions by the SEC, the New York Stock Exchange or other regulatory authorities.

We have identified material weaknesses in our internal control over financial reporting. If we do not adequately remediate these material weaknesses, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, or comply with the accounting and reporting requirements applicable to public companies, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In connection with the preparation of our consolidated financial statements for the quarter ended June 30, 2017, we identified control deficiencies that constituted material weaknesses in our internal control over financial reporting as of June 30, 2017. Specifically, we did not maintain the appropriate complement of resources in our tax department commensurate with the volume and complexity of accounting for income taxes subsequent to our voluntary filing of chapter 11 bankruptcy protection. This material weakness contributed to the following control deficiencies, which are individually considered to be material weaknesses, relating to the completeness and accuracy of our accounting for income taxes, including the related tax assets and liabilities:

- Control activities over the completeness and accuracy of interim forecasts by tax jurisdiction used in accounting for our interim income tax provision were not performed at the appropriate level of precision. This control deficiency resulted in an adjustment to our income tax provision for the quarter ended June 30, 2017.
- Control activities over the completeness and accuracy of the allocation of the tax provision calculations (the “intraperiod allocation”) were insufficient to ensure that the intraperiod allocation balances were accurately determined. This control deficiency resulted in an adjustment to our income tax provision for the quarter ended June 30, 2017.

Although we are in the process of carrying out remediation activities, we cannot provide any assurance that the measures we have taken to date, together with any measures we may take in the future, will be sufficient to remediate our material weaknesses in our internal control over financial reporting or to avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, this could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis and we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to the listing requirements of the New York Stock Exchange. Consequently, investors may lose confidence in our financial reporting and our stock price, to the extent it is listed, may decline as a result. We could also become subject to investigations by the New York Stock Exchange, the SEC or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation, business and financial condition and divert financial and management resources from our business operations.

We may be subject to litigation in connection with our emergence from bankruptcy.

In connection with our emergence from bankruptcy, additional claims have been, or may be, asserted against us. While the provisions of the Plan of Reorganization constitute a good faith compromise or settlement, or resolution of, substantially all claims that arose against us prior to our emergence from bankruptcy, additional claims may be brought against us. Any litigation now or in the future related to the consummation of the Plan of Reorganization may also require managerial involvement and oversight, which could divert executive attention away from other business matters. The effects of any litigation related to the consummation of the Plan of Reorganization could have a material adverse effect on our business, financial condition and results of operations.

A breach of the security of our information systems, products or services or of the information systems of our third-party providers could adversely affect our operating results.

We rely on the security of our information systems and, in certain circumstances, those of our third-party providers, such as vendors, consultants and contract manufacturers, to protect our proprietary information and information of our customers. In addition, the growth of BYOD programs has heightened the need for enhanced security measures. IT system failures, including a breach of our or our third-party providers' data security, could disrupt our ability to function in the normal course of business by potentially causing, among other things, delays in the fulfillment or cancellation of customer orders, disruptions in the manufacture or shipment of products or, delivery of services or an unintentional disclosure of customer, employee or our information. Additionally, despite our security procedures or those of our third-party providers, information systems and our products and services may be vulnerable to threats such as computer hacking, cyber-terrorism or other unauthorized attempts by third parties to access, modify or delete our or our customers' proprietary information.

We take cybersecurity seriously and devote significant resources and tools to protect our systems, products and data and to prevent unwanted intrusions. However, these security efforts may be costly to implement and may not be successful. We cannot be assured that we will be able to prevent, detect and adequately address or mitigate such cyber-attacks or security breaches. Any such breach could have a material adverse effect on our operating results and our reputation as a provider of business communications products and services and could cause irreparable damage to us or our systems regardless of whether we or our third-party providers are able to adequately recover critical systems following a systems failure. In addition, regulatory or legislative action related to cybersecurity, privacy and data protection worldwide, such as the European Union, or EU, General Data Protection Regulation, which is expected to go into effect in May 2018, may increase the costs to develop, implement or secure our products and services. If we violate or fail to comply with such regulatory or legislative requirements, we could be fined or otherwise sanctioned and such fines or penalties could have a material adverse effect on our business and operations.

Business interruptions, whether due to catastrophic disasters or other events, could adversely affect our operations.

Our operations and those of our contract manufacturers and outsourced service providers are vulnerable to interruption by fire, earthquake, hurricane, flood or other natural disaster, power loss, computer viruses, computer systems failure, telecommunications failure, quarantines, national catastrophe, terrorist activities, war and other events beyond our control. For instance, our corporate headquarters, which are in the Silicon Valley area of California near known earthquake fault zones, are vulnerable to damage from earthquakes. Our disaster recovery plans may not be sufficient to address these interruptions. If any disaster were to occur, our ability and the ability of our contract manufacturers and outsourced service providers to operate could be seriously impaired and we could experience material harm to our business, operating results and financial condition. In addition, the coverage or limits of our business interruption insurance may not be sufficient to compensate for any losses or damages that may occur.

We may be subject to claims that were not discharged in the Plan of Reorganization, which could have a material adverse effect on our results of operations and profitability.

Substantially all of the claims against us that arose prior to our emergence from bankruptcy were resolved in the Plan of Reorganization or are in the process of being resolved in the Bankruptcy Court as part of the claims reconciliation process. Although we anticipate that the remaining claims will be handled in due course with no material adverse effect to our business, financial operations or financial conditions, there can be no assurance that this will be the case or that the resolution of such claims will occur in a timely manner or at all. Subject to certain exceptions under applicable law, including the Bankruptcy Code and/or as set forth in the Plan of Reorganization, all claims against and interests in us and our subsidiaries that filed for Chapter 11 and which arose prior to our emergence from bankruptcy are (1) subject to the compromise and/or treatment provided for in

the Plan of Reorganization and/or (2) discharged in accordance with the Bankruptcy Code, the terms of the Plan of Reorganization and the Bankruptcy Court's order confirming the Plan of Reorganization, or the Confirmation Order. Pursuant to the terms of the Plan of Reorganization, the provisions of the Plan of Reorganization constitute a good faith compromise or settlement, or resolution of, all such claims and the Confirmation Order, as well as other orders resolving objections to claims, constitute the Bankruptcy Court's approval of the compromise, settlement or resolution arrived at with respect to all such claims. Circumstances in which claims and other obligations that arose prior to our emergence from bankruptcy may not have been discharged include instances where the Plan of Reorganization provides for reinstatement of such claims, or where a claimant had inadequate notice of the Bankruptcy Filing. As such, some parties whose claims were expunged during the bankruptcy or discharged by the Plan of Reorganization and Confirmation Order may seek to re-assert their claims in state or federal court. While the terms of the Plan of Reorganization and the Bankruptcy Court's orders generally foreclose that reassertion, there are limited instances, such as where a court finds an insufficient notice of the bankruptcy, in which a plaintiff may be able to proceed despite an expungement or discharge. In that event, the continuation of such a lawsuit could have a material adverse effect on us.

We may be subject to litigation and infringement claims, which could cause us to incur significant expenses or prevent us from selling our products or services.

From time to time, we receive notices and claims from third parties asserting that our proprietary or licensed products, systems and software infringe their intellectual property rights. There can be no assurance that the number of these notices and claims will not increase in the future or that we do not in fact infringe those intellectual property rights. Irrespective of the merits of these claims, any resulting litigation could be costly and time consuming and could divert the attention of management and key personnel from other business issues. The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks. These matters may result in any number of outcomes for us, including entering into licensing agreements, redesigning our products to avoid infringement, being enjoined from selling products that are found to infringe, paying damages if products are found to infringe and indemnifying customers from infringement claims as part of our contractual obligations. Royalty or license agreements may be very costly and we may be unable to obtain royalty or license agreements on terms acceptable to us or at all. Such agreements may cause operating margins to decline.

In addition, some of our employees previously have been employed at other companies that provide similar products and services. We may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. These claims and other claims of patent or other intellectual property infringement against us could materially adversely affect our operating results.

We have made and will likely continue to make investments to license and/or acquire the use of third-party intellectual property rights and technology as part of our strategy to manage this risk, but there can be no assurance that we will be successful or that any costs relating to such activity will not be material. We may also be subject to additional notice, attribution and other compliance requirements to the extent we incorporate open source software into our applications. In addition, third parties have claimed, and may in the future claim, that a customer's use of our products, systems or software infringes the third-party's intellectual property rights. Under certain circumstances, we may be required to indemnify our customers for some of the costs and damages related to such an infringement claim. Any indemnification requirement could have a material adverse effect on our business and our operating results.

Upon our emergence from bankruptcy, the composition of our board of directors and management has changed significantly.

Pursuant to the Plan of Reorganization, the composition of our board of directors changed significantly. As of the Emergence Date, our new board of directors is composed of seven directors, five of whom were selected

by the holders of our first lien debt, one of whom is our CEO, James M. Chirico, Jr., and one of whom was selected by Mr. Chirico. Only one member of the board of directors, Ronald A. Rittenmeyer, served on our board of directors prior to our emergence from bankruptcy. The Company's management team has also changed significantly. The new directors and officers have different backgrounds, experiences and perspectives from those individuals who previously served on the board of directors and management team and they may have different views on the issues that will determine the future of the Company. As a result, the future strategy and plans of the Company may differ materially from those of the past.

Additionally, the ability of our new directors and officers to quickly expand their knowledge of our business plans, operations, strategies and our technologies will be critical to their ability to make informed decisions about our strategy and operations, particularly given the competitive environment in which our business operates. If our board of directors and management is not sufficiently informed to make such decisions, our ability to compete effectively and profitably could be adversely affected.

We have a significant number of foreign subsidiaries with whom we have entered into many related party transactions. Our relationship with these entities could adversely affect us in the event of their bankruptcy or similar insolvency proceeding.

We have historically entered into many transactions with our affiliates. These transactions include financial guarantees and other credit support arrangements, including letters of comfort to such affiliates pursuant to which we undertake to provide financial support to these affiliates and adequate resources as required to ensure that they are able to meet certain liabilities and local solvency requirements. We are currently party to many such affiliate transactions, and it is likely we will enter into new and similar affiliate transactions in the future.

In the event that any of these affiliates become bankrupt or insolvent, there can be no assurance that a court or other foreign tribunal, liquidator, monitor, trustee or similar party would not seek to enforce these intercompany arrangements and guarantees or otherwise seek relief against us and our other affiliates. If any of our material foreign subsidiaries (e.g., subsidiaries that hold a significant number of our customer contracts, or that are the parent company of other material subsidiaries) becomes subject to a bankruptcy, liquidation or similar insolvency proceeding, such proceeding could have a material adverse effect on our business and results of operations.

We may be adversely affected by environmental, health and safety, laws, regulations, costs and other liabilities.

We are subject to a wide range of federal, state, local, and international governmental requirements relating to the discharge of substances into the environment, protection of the environment and worker health and safety. If we violate or fail to comply with these requirements, we could be fined or otherwise sanctioned by regulators, lose customers and damage our reputation, which could have an adverse effect on our business. The Federal Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, and comparable state statutes impose liability, without regard to fault or legality of the original conduct, on classes of persons that are considered to have contributed to the release of a hazardous substance into the environment. Such classes of persons include the current and past owners or operators of sites where a hazardous substance was released, and companies that disposed or arranged for disposal of hazardous substances at off-site locations such as landfills. Under CERCLA, these persons may be subject to strict, joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources, and it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. We currently own or formerly owned several properties or facilities that for many years were used for industrial activities, including the manufacture of electronics equipment. These properties and the substances disposed or released on them may be subject to CERCLA, the Resource Conservation and Recovery Act and analogous state or foreign laws. For example, we are presently involved in remediation efforts at several currently or formerly owned sites related to

historical site use which we do not believe will have a material impact on our business or operations. We are also subject to various local, federal and international laws and regulations regarding the materials content and electrical design of our products that require us to be financially responsible for the collection, treatment, recycling and disposal of those products. For example, the EU has adopted the Restriction on Hazardous Substances and Waste Electrical and Electronic Equipment Directive, with similar laws and regulations being enacted in other regions. Effective in May 2014, the United States requires companies to begin publicly disclosing their use of conflict minerals that originated in the Democratic Republic of the Congo, or an adjoining country. Additionally, requirements such as the EU Energy Labelling Directive, impose requirements relating to the energy efficiency of our products. Our failure or the undetected failure of our supply chain to comply with existing or future environmental, health and safety requirements could subject us to liabilities exceeding our reserves or adversely affect our business, operations or financial condition.

In addition, a number of climate change regulations and initiatives are either in force or pending at the local, federal and international levels. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address greenhouse emissions would impact our business, our operations and our supply chain could face increased climate change-related regulations, modifications to transportation to meet lower emission requirements and changes to types of materials used for products and packaging to reduce emissions, increased utility costs to address cleaner energy technologies, increased costs related to severe weather events and emissions reductions associated with operations, business travel or products. These yet-to-be defined costs and changes to operations could have a financial impact on our business and result in an adverse impact on our operating results.

Risks Related to Our Indebtedness

We may not be able to generate sufficient cash to service all of our indebtedness and our other ongoing liquidity needs, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations and to fund our planned capital expenditures, acquisitions and other ongoing liquidity needs depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. There can be no assurance that we will maintain a level of cash flow from operating activities in an amount sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Avaya Inc.'s credit facilities restrict the ability of Avaya Inc. and its restricted subsidiaries to dispose of assets and use the proceeds from the disposition. Accordingly, we may not be able to consummate those dispositions or to obtain any proceeds on terms acceptable to us or at all, and any such proceeds may not be adequate to meet any debt service obligations when due.

Our degree of leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk on our variable rate debt and prevent us from meeting obligations on our indebtedness.

In connection with the Restructuring, we entered into various exit financing arrangements which impact our degree of leverage.

Our degree of leverage could have consequences, including:

- making it more difficult for us to make payments on our indebtedness;

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates as borrowings under Avaya Inc.'s credit facilities and certain of our foreign subsidiaries' credit facilities to the extent such facilities have variable rates of interest;
- limiting our ability to make strategic acquisitions and investments;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- limiting our ability to refinance our indebtedness as it becomes due; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

Our ability to continue to fund our obligations and to reduce debt may be affected by general economic, financial market, competitive, legislative and regulatory factors, among other things. An inability to fund our debt requirements or reduce debt could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Despite our level of indebtedness, we and our subsidiaries may be able to incur additional indebtedness. This could further exacerbate the risks associated with our degree of leverage.

We and our subsidiaries may be able to incur additional indebtedness in the future. Although the credit facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and any indebtedness incurred in compliance with these restrictions could be substantial. To the extent new debt is added to our and our subsidiaries' currently anticipated debt levels, the related risks that we and our subsidiaries face could intensify.

Our exit financing agreements contain restrictions that limit in certain respects our flexibility in operating our business.

Our exit financing contain various covenants that limit our ability to engage in specific types of transactions. These covenants limit our and our restricted subsidiaries' ability to:

- incur or guarantee additional debt and issue or sell certain preferred stock;
- pay dividends on, redeem or repurchase our capital stock;
- make certain acquisitions or investments;
- incur or assume certain liens;
- enter into transactions with affiliates; and
- sell assets to, or merge or consolidate with, another company.

A breach of any of these covenants could result in a default under our debt instruments.

There is no assurance we will be able to repay or refinance all or any portion of our or our subsidiaries' debt in the future. If we were unable to repay or otherwise refinance these borrowings and loans when due, the applicable secured lenders could proceed against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event our lenders accelerate the repayment of our or our subsidiaries' borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

A ratings downgrade or other negative action by a ratings organization could adversely affect our cost of capital.

Credit rating agencies continually revise their ratings for companies they follow. The condition of the financial and credit markets and prevailing interest rates have been, and will continue to be, subject to fluctuation. In addition, developments in our business and operations could lead to a ratings downgrade for Avaya Inc. Any such fluctuation in our credit rating may impact our ability to access debt markets in the future or increase our cost of future debt which could have a material adverse effect on our operations and financial condition, which in return may adversely affect the trading price of shares of our common stock.

Risks Related to Ownership of Our Common Stock

An active trading market for our common stock may not develop.

Our common stock is currently quoted on the OTCQX marketplace, and there is currently a very limited trading market for our shares. Although we intend to list our common stock on the New York Stock Exchange, an active trading market for our common stock may never develop or be sustained following this registration statement. If the market does not develop or is not sustained, it may be difficult for shareholders to sell shares of common stock at a price that is attractive or at all. In addition, an inactive market may impair our ability to raise capital by selling shares and may impair our ability to acquire other companies by using our shares as consideration, which, in turn, could materially adversely affect our business.

The price of our common stock may be volatile and fluctuate substantially.

We expect to list our common stock on the New York Stock Exchange. If and when listed on the New York Stock Exchange, the market price of our common stock is likely to be highly volatile and may fluctuate substantially due to the following factors (in addition to the other risk factors described in this section):

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of equity research analysts;
- conditions and trends in the markets we serve;
- announcements of significant new services or products by us or our competitors;
- additions of or changes to key employees;
- changes in market valuations or earnings of our competitors;
- the trading volume of our common stock;
- future sales of our equity securities;
- changes in the estimation of the future sizes and growth rates of our markets;
- legislation or regulatory policies, practices or actions; and
- general economic conditions.

In addition, the stock markets in general have experienced extreme price and volume fluctuations that have at times been unrelated or disproportionate to the operating performance of the particular companies affected. These market and industry factors may materially harm the market price of our common stock irrespective of our operating performance.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We have no direct operations and derive all of our cash flow from our subsidiaries. Because we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments or

distributions to meet our obligations. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us.

We currently do not intend to pay dividends on our common stock.

Following the completion of this registration, we do not anticipate that we will pay any cash dividends on shares of our common stock for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors deems relevant.

If securities or industry analysts do not publish research or reports or publish unfavorable research or reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. We may not obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our stock could be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who covers us publishes unfavorable research or reports or downgrades our stock, our stock price would likely decline. If one or more of these analysts ceases to cover us or fails to regularly publish reports on us, interest in our stock could decrease, which could cause our stock price or trading volume to decline.

ITEM 2. FINANCIAL INFORMATION

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The Company is a holding company and has no material assets or stand-alone operations other than its ownership in Avaya Inc. and its subsidiaries. See discussion in Note 1, “Background and Basis of Presentation,” to our audited Consolidated Financial Statements included elsewhere in this registration statement for further details.

The selected historical consolidated financial data set forth below as of September 30, 2017 and 2016 and for the fiscal years ended September 30, 2017, 2016 and 2015 have been derived from our audited Consolidated Financial Statements and related notes included elsewhere in this registration statement. The selected historical consolidated financial data set forth below as of September 30, 2015 and as of and for the fiscal years ended September 30, 2014 and 2013 has been derived from our Consolidated Financial Statements that are not included in this report.

This information does not reflect any adjustments required upon emergence from bankruptcy.

The selected historical consolidated financial data set forth below should be read in conjunction with our audited Consolidated Financial Statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our financial information may not be indicative of future performance.

	Fiscal years ended September 30,				
(In millions, except per share amounts)	**2017**	**2016**	**2015**	**2014**	**2013**
STATEMENT OF OPERATIONS DATA:					
REVENUE					
Products	$1,437	$1,755	$2,029	$2,196	$2,337
Services	1,835	1,947	2,052	2,175	2,241
	3,272	3,702	4,081	4,371	4,578
COSTS					
Products:					
Costs	500	630	744	854	963
Amortization of acquired technology intangible assets	20	30	35	56	63
Services	753	797	872	962	1,022
	1,273	1,457	1,651	1,872	2,048
GROSS PROFIT	1,999	2,245	2,430	2,499	2,530
OPERATING EXPENSES					
Selling, general and administrative	1,282	1,413	1,432	1,531	1,512
Research and development	229	275	338	379	445
Amortization of acquired intangible assets	204	226	226	227	228
Impairment of indefinite-lived intangible assets	65	100	—	—	—
Goodwill impairment	52	442	—	—	—
Restructuring and impairment charges, net	30	105	62	165	200
Acquisition-related costs	—	—	1	—	1
	1,862	2,561	2,059	2,302	2,386
OPERATING INCOME (LOSS)	137	(316)	371	197	144
Interest expense	(246)	(471)	(452)	(459)	(467)
Loss on extinguishment of debt	—	—	(6)	(5)	(6)
Other income (expense), net	9	68	(11)	3	(25)
Reorganization items, net	(98)	—	—	—	—
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(198)	(719)	(98)	(264)	(354)
Benefit from (provision for) income taxes of continuing operations	16	(11)	(70)	(51)	35
LOSS FROM CONTINUING OPERATIONS	(182)	(730)	(168)	(315)	(319)
Income (loss) from discontinued operations, net of income taxes	—	—	—	62	(57)
NET LOSS	(182)	(730)	(168)	(253)	(376)
Less: accretion and accrued dividends on Series A and Series B preferred stock	(31)	(41)	(46)	(45)	(43)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (213)	$ (771)	$ (214)	$ (298)	$ (419)
Basic and diluted earnings per share attributable to common stockholders:					
Loss from continuing operations per common share	$ (0.43)	$ (1.54)	$ (0.43)	$ (0.73)	$ (0.74)
Income (loss) from discontinued operations per common share	—	—	—	0.13	(0.12)
Net loss per common share	$ (0.43)	$ (1.54)	$ (0.43)	$ (0.60)	$ (0.86)
Weighted average common shares	497.1	500.7	499.7	495.4	489.8

(In millions, except per share amounts)	Fiscal years ended September 30, 2017	2016	2015	2014	2013
BALANCE SHEET DATA (at end of period):					
Cash and cash equivalents	$ 876	$ 336	$ 323	$ 322	$ 289
Acquired intangible assets, net	311	617	970	1,224	1,497
Goodwill	3,542	3,629	4,074	4,047	4,048
Total assets	5,898	5,821	6,836	7,179	7,577
Total debt (excluding capital lease obligations) (1)	725	6,018	5,967	5,968	6,014
Liabilities subject to compromise	7,705	—	—	—	—
Equity awards on redeemable shares	7	6	19	21	5
Preferred stock, Series B	393	371	338	300	263
Preferred stock, Series A	184	175	167	159	151
Total stockholders' deficiency	(5,013)	(5,023)	(4,001)	(3,621)	(3,138)
STATEMENT OF CASH FLOWS DATA:					
Net cash provided by (used in) continuing:					
Operating activities	$ 291	$ 113	$ 215	$ 35	$ 131
Investing activities	(70)	(100)	(129)	(33)	(113)
Financing activities	314	9	(53)	(60)	(79)
OTHER FINANCIAL DATA:					
EBITDA	$ 370	$ 125	$ 724	$ 627	$ 566
Adjusted EBITDA (2)	866	940	900	898	922
Capital expenditures	57	94	124	134	110
Capitalized software development costs	2	2	—	1	14

(1) Unamortized debt issuance costs originally presented within other current assets and other assets, were reclassified as a reduction of debt maturing within one year and long-term debt, respectively, upon adoption of ASU 2013-3, Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs", in the second quarter of fiscal 2015.

(2) Adjusted EBITDA is calculated as disclosed herein. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—EBITDA and Adjusted EBITDA" for a definition and explanation of Adjusted EBITDA and reconciliation of loss from continuing operations to Adjusted EBITDA.

The following are the significant items affecting the comparability of the selected historical consolidated financial data for the periods presented:

Reorganization items, net— Reorganization items, net represent amounts incurred subsequent to the Bankruptcy Filing as a direct result of the Bankruptcy Filing and are comprised of professional fees, contract rejection fees and DIP Credit Agreement financing costs.

Goodwill impairment— The Company tests goodwill for impairment at the reporting unit level annually each July 1st and more frequently if events occur or circumstances change that indicate that the fair value of a reporting unit may be below its carrying value. If the fair value of a reporting unit is below its carrying value, the implied fair value of the reporting unit is compared to the carrying value of that goodwill and a loss is recognized to the extent the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill.

(a) As a result of the sale of certain assets and liabilities of the Company's Networking segment in July 2017 to Extreme Networks, Inc. ("Extreme"), it was determined that the fair value of the Networking services component of the Global Support Services reporting unit was $80 million, which was less than its carrying value of $132 million. Accordingly, the Company recorded an impairment to goodwill of $52 million associated with the Networking services component of the Global Support Services reporting unit for fiscal 2017.

(b) Goodwill impairment in fiscal 2016 was $442 million associated with the Unified Communication reporting unit. At July 1, 2016, the Company performed its annual goodwill impairment test and determined that the carrying amount of the reporting unit's goodwill exceeded its implied fair value

resulting in an impairment to goodwill of $442 million. The impairment was primarily the result of the continued customer cutbacks in investments in unified communication products. The reduced valuation of the reporting unit reflects additional market risks and lower sales forecasts for the reporting unit, which is consistent with the lack of customers' willingness to spend on unified communication products such as endpoints, gateways, Nortel and Tenovis Telecom Frankfurt GmbH & Co. KG ("Tenovis") products, servers and SME Telephony products.

Divestitures— In order to remain focused on our business objectives, we have divested ourselves of three businesses, of which two were obtained as part of larger acquisitions and were not considered core to our ongoing operations or the needs of our primary-customer base.

- On July 14, 2017, we consummated the sale of the Company's Networking business to Extreme, and Extreme paid the Company $70 million, deposited $10 million in an indemnity escrow account and assumed certain liabilities of $20 million, primarily lease obligations. The sale enables the Company to focus on its core higher margin Unified Communications and Contact Center solutions. The Networking business is comprised of certain assets of our Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment. Accordingly, the historical results of the Company, which include the results of operations related to the Networking business, may not be reflective of the Company's business going forward.
- On July 31, 2014, we sold the Technology Business Unit ("TBU"), which we acquired as part of our acquisition of RADVISION Ltd. ("Radvision"), and recognized a $14 million gain on the sale, which is included in other (expense) income, net. TBU is a software development business that licenses technologies to developers for their use and integration into their own products and includes protocol stacks, client framework solutions and network testing and monitoring tools.
- On March 31, 2014, we completed the sale of our IT Professional Services ("ITPS"), business for a final sales price of $101 million, inclusive of $3 million of working capital adjustments and net of $2 million in costs to sell. As a result of the divestiture of the ITPS business, the results of operations, cash flows, and assets and liabilities of this business have been classified as discontinued operations in all periods presented. Income from discontinued operations for fiscal 2014 includes the gain on the sale of the ITPS business of $52 million. Loss from discontinued operations for fiscal 2013 includes an $89 million impairment charge to the goodwill of the ITPS business.

Costs in connection with certain legal matters— Costs in connection with certain legal matters include reserves and settlements, as well as associated legal costs. Costs in connection with certain legal matters were $64 million, $106 million, $0 million, $8 million and $10 million for fiscal 2017, 2016, 2015, 2014 and 2013, respectively, and were primarily recorded as selling, general and administrative expense.

Refinancing, Interest Expense, and Loss on Extinguishment of Debt— During fiscal 2015, 2014 and 2013, we completed a series of transactions, which allowed us to refinance certain of our debt arrangements under our senior secured credit facility dated October 27, 2007 ("Senior Secured Credit Agreement") and our senior secured asset-based revolving credit facility ("Domestic ABL"). These transactions included:

- On May 29, 2015, Avaya Inc. completed an amendment to the Senior Secured Credit Agreement pursuant to which Avaya Inc. refinanced a portion of its outstanding term B-3, term B-4 and term B-6 loans in exchange for and with the proceeds from the issuance of $2,125 million in principal amount of senior secured term B-7 loans ("term B-7 loans") maturing May 29, 2020. On June 4, 2015, Avaya Inc. completed an amendment to the Domestic ABL, which, among other things: (i) extended the stated maturity of the facility from October 26, 2016 to June 4, 2020 (subject to certain conditions specified in the Domestic ABL), (ii) increased the sublimit for letter of credit issuances under the Domestic ABL from $150 million to $200 million, and (iii) amended certain covenants and other provisions of the existing agreement. At the same time, certain foreign subsidiaries of the Company (the "Foreign Borrowers"), Citibank and the lenders party thereto entered into a new senior secured foreign

asset-based revolving credit facility (the "Foreign ABL"), which matures June 4, 2020 (subject to certain conditions specified in the Foreign ABL). On June 5, 2015, Avaya Inc. permanently reduced the revolving credit commitments under the Senior Secured Credit Agreement from $200 million to $18 million and all letters of credit outstanding under the Senior Secured Credit Agreement were transferred to the Domestic ABL.

- During fiscal 2014, Avaya Inc. entered into refinancing transactions, which lowered the interest rate of certain debt. On February 5, 2014, Avaya Inc. completed an amendment to the Senior Secured Credit Agreement pursuant to which it refinanced $1,138 million aggregate principal amount of senior secured term B-5 loans ("term B-5 loans") with the cash proceeds from the issuance of senior secured term B-6 loans ("term B-6 loans"). On May 15, 2014, Avaya Inc. redeemed 100% of the remaining aggregate principal amount of its 9.75% senior unsecured cash-pay notes due 2015 and 10.125%/10.875% senior unsecured paid-in-kind ("PIK") toggle notes due 2015 at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, or $92 million and $58 million, respectively. The redemption price was funded through cash on-hand of $10 million and borrowings of $140 million under Avaya Inc.'s revolving credit facilities.
- During fiscal 2013, Avaya Inc. completed a series of transactions, which allowed Avaya Inc. to refinance (1) all of Avaya Inc.'s senior secured term B-1 loans ("term B-1 loans") outstanding under its Senior Secured Credit Agreement originally due October 26, 2014, and (2) $642 million of Avaya Inc's 9.75% senior unsecured cash-pay notes and $742 million of Avaya Inc.'s senior unsecured PIK toggle notes each originally due November 1, 2015. These transactions extended the maturity date of the $2.8 billion of refinanced debt by an additional three to six years and increased the associated interest rate.
- In connection with the refinancing transactions referenced above, we recognized a loss on extinguishment of debt of $6 million, $5 million and $6 million in fiscal 2015, 2014 and 2013, respectively.
- These refinancing transactions impacted the interest we pay on the related debt. As of September 30, 2017, 2016, 2015, 2014 and 2013, the weighted average interest rate of the Company's outstanding debt was 7.7%, 7.3%, 7.3%, 6.9% and 7.4%, respectively.
- Effective January 19, 2017, the Company ceased recording interest expense on outstanding pre-petition debt classified as liabilities subject to compromise. Contractual interest expense represents amounts due under the contractual terms of outstanding debt, including debt subject to compromise. For the period from January 19, 2017 through September 30, 2017, contractual interest expense related to debt subject to compromise of $316 million was not recorded, as it was not expected to be an allowed claim under the Bankruptcy Filing.

Restructuring Charges and Cost Saving Initiatives— We have maintained our focus on profitability levels and investing in our future results. In connection with certain acquisitions and in response to global economic conditions, the Company initiated cost savings programs designed to streamline its operations, generate cost savings, and eliminate overlapping processes and expenses. These cost savings programs have included: (1) reducing headcount, (2) relocating certain job functions to lower cost geographies, including service delivery, customer care, research and development, human resources and finance, (3) eliminating real estate costs associated with unused or under-utilized facilities and (4) implementing gross margin improvement and other cost reduction initiatives. Restructuring charges include employee separation charges such as, but not limited to, severance and employment benefit payments, social pension fund payments, and healthcare and unemployment insurance costs to be paid to or on behalf of the affected employees. The related restructuring costs also include the contractual future lease payments and payments made under lease termination agreements associated with vacated facilities. As of September 30, 2017, the remaining liability associated with these actions is $80 million, including amounts reported within liabilities subject to compromise in the audited Consolidated Financial Statements. The Company continues to evaluate opportunities to streamline its operations and identify cost

savings globally and may take additional restructuring actions in the future, the costs of which could be material. See Note 10, "Business Restructuring Reserves and Programs," to our audited Consolidated Financial Statements included elsewhere in this registration statement for further details.

HP Capital Lease— On August 20, 2014, we signed an agreement with HP Enterprise Services, LLC ("HP"), pursuant to which the Company outsources to HP certain delivery services in order to scale our operational capacity to serve cloud demand of customers. In connection with that agreement, in fiscal 2014, HP acquired specified assets owned by the Company for $40 million, which are being leased-back by Avaya under a capital lease. During fiscal 2016 and 2015, the Company received $14 million and $22 million, respectively in cash proceeds in connection with the sale of equipment used in the performance of services under this agreement, which are being leased-back by Avaya under a capital lease. As of September 30, 2017, our capital lease obligations associated with this agreement were $24 million, of which $10 million was included in liabilities subject to compromise.

Amortization of Acquired Intangible Assets— Amortization of acquired intangible assets represents the amortization of acquired technologies, customer relationships and other intangibles.

Impairment of Indefinite-lived Intangible Assets —The impairment of indefinite-lived intangible assets recorded during fiscal 2017 and 2016 was related to the Company's trademarks and trade names. The impairment charges were primarily the result of the continued customer cutbacks in current and expected future investments in products, specifically relating to unified communications. The reduced valuation reflects additional market risks and lower sales forecasts for the Company, which is consistent with the lack of customers' willingness to spend on products.

Changes in Estimated Lives and Salvage Value of Property— In addition to the restructuring charges associated with vacated facilities under operating leases discussed above, the Company also sold four Company-owned and under-utilized facilities in order to reduce its real estate costs. During fiscal 2014, in anticipation of selling a Company-owned facility, additional depreciation of $6 million, $24 million and $5 million was recognized and included in cost of revenue; selling, general and administrative expense; and research and development, respectively. During fiscal 2013, in anticipation of selling a Company-owned facility, additional depreciation of $21 million was recognized and included in selling, general and administrative expense. The additional depreciation was the result of changes to the estimated salvage value and useful life of the respective facility made to be consistent with the estimated proceeds and timing of the contemplated sale of the facility.

Other Income (Expense), net— Other income (expense), net for fiscal 2017, 2016, 2015, 2014 and 2013 includes the change in fair value of Preferred B embedded derivative of $0 million, $73 million, $(24) million, $(22) million and $(11) million, respectively, and net foreign currency transaction gains of $2 million, $10 million, $14 million, $18 million and $5 million, respectively. Other (expense) income, net for fiscal 2016 included an $11 million loss on an equity investment, for fiscal 2015 included $9 million associated with the release of a reserve related to a tax indemnification liability and for fiscal 2014 a gain on the sale of the TBU business of $14 million. Other (expense) income, net for fiscal 2015, 2014 and 2013 also includes $8 million, $2 million and $18 million, respectively, of third-party fees incurred in connection with the debt modifications referenced above.

Income Taxes— The effective income tax rate differed from the U.S. federal statutory rate for the periods presented due to the following significant items:

- *Changes in Valuation Allowance of Deferred Tax Assets*— The Company, in assessing the requirement for a valuation allowance against its U.S. deferred tax assets determined that it was not more likely than not that our U.S. net deferred tax assets would be realized. Accordingly, we recorded a valuation allowance against our U.S. net deferred tax assets. Each fiscal year, additional valuation allowances were provided against the net increase in the Company's deferred tax asset balance in the U.S. and certain foreign jurisdictions. Net operating losses comprised the most significant increase in net deferred tax assets.

- *Effect of Changes in Other Comprehensive Income*— During fiscal 2017 and 2013, we recognized tax charges to other comprehensive income of $19 million and $126 million, respectively. As a result of the tax charges recognized in other comprehensive income, we recognized a corresponding income tax benefit in the Consolidated Statements of Operations.

Total Debt (excluding Capital Lease)— In connection with the Bankruptcy Filing on January 19, 2017, the Company entered into the DIP Credit Agreement, which provided a $725 million term loan facility due January 2018 and a cash collateralized letter of credit facility in an aggregate amount equal to $150 million. Accordingly, this amount is included in current liabilities as of September 30, 2017.

Liabilities Subject to Compromise— Liabilities subject to compromise are pre-petition obligations that are not fully secured and that have at least a possibility of not being repaid at the full claim amount. See Note 4, “Liabilities Subject to Compromise,” to our audited Consolidated Financial Statements for details regarding our liabilities subject to compromise.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following presents the unaudited pro forma consolidated balance sheet as of September 30, 2017, and the unaudited pro forma consolidated statements of operations for the fiscal years ended September 30, 2017.

The unaudited pro forma consolidated financial statements have been developed by applying pro forma adjustments to the historical Consolidated Balance Sheet and Consolidated Statement of Operations of Avaya Holdings Corp. appearing elsewhere in this registration statement. The unaudited pro forma Consolidated Balance Sheet as of September 30, 2017 gives effect to the Restructuring approved by the Bankruptcy Court on November 28, 2017, the effective emergence from chapter 11 cases on December 15, 2017 and the application of fresh start accounting as if it had occurred on September 30, 2017. The unaudited pro forma Consolidated Statement of Operations for the fiscal year ended September 30, 2017 gives effect to the Restructuring as contemplated by the Plan of Reorganization approved by the Bankruptcy Court on November 28, 2017 and the effective emergence from chapter 11 cases and the application of fresh start accounting as if it had occurred on October 1, 2016. All pro forma adjustments and underlying assumptions are described more fully in the notes to the unaudited pro forma consolidated financial statements.

The pro forma information presented is for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have been realized if the Restructuring had been completed on the dates indicated, nor is it indicative of future operating results. The pro forma adjustments are based upon available information and certain assumptions that management believes to be reasonable. The actual amounts to be recorded as of the effective date of emergence may be materially different from these estimates. In addition, the historical consolidated financial statements will not be comparable to the financial statements following the effective emergence from chapter 11 cases due to the effects of the consummation of the Plan of Reorganization as well as adjustments for fresh start accounting.

The Plan of Reorganization provides for the following treatments for certain creditor and equity classes:

- First lien debt claims: pro rata share of (i) new secured debt (or cash to the extent such debt is partially or fully syndicated) to be issued in connection with the Restructuring and (ii) 90.5% of the reorganized Avaya Holdings' common stock (subject to dilution by the issuance of warrants for second lien notes claims and by the post-Emergence Date Equity Incentive Plan less the General Unsecured Recovery Cash Pool and the General Unsecured Recovery Equity Reserve.
- Second lien notes claims: pro rata share of 4.0% of the reorganized Avaya Holdings' common stock and warrants to purchase additional common stock (the common stock subject to dilution by the issuance of such warrants and by the post-Emergence Date Equity Incentive Plan).
- General unsecured claims: pro rata share of the $58 million general unsecured recovery cash pool, which the general unsecured creditors may irrevocably elect to receive as reorganized Avaya Holdings' common stock (subject to dilution by the issuance of warrants for second lien notes claims and by the post-Emergence Date Equity Incentive Plan) or cash proceeds (pursuant to an election submitted prior to the applicable voting deadline).
- Claims of the PBGC in connection with the termination of the APPSE: (i) $340 million in cash and (ii) 5.5% of the reorganized Avaya Holdings' common stock (subject to dilution by the issuance of warrants for the second lien notes claims and by the post-Emergence Date Equity Incentive Plan).
- Pre-emergence equity interests in Avaya Holdings: cancelled.

Upon emergence from bankruptcy, on December 15, 2017, the Company entered into (i) a term loan credit agreement between Avaya Inc., as borrower, Avaya Holdings, the lending institutions from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent and collateral agent, which provided a $2,925 million term loan facility due December 15, 2024 (the "Term Loan Credit Agreement") and (ii) an ABL credit

agreement among Avaya Holdings, Avaya Inc., as borrower, the several borrowers party thereto, the several lenders from time to time party thereto, and Citibank, N.A., as administrative agent and collateral agent, which provided a revolving credit facility consisting of a U.S. tranche and a foreign tranche in an aggregate principal amount of $300 million, subject to borrowing base availability (the "ABL Credit Agreement", and together with the Term Loan Credit Agreement, the "Credit Agreements"). The Term Loan Credit Agreement, in the case of ABR Loans, bears interest at a rate per annum equal to 3.75% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced in the Wall Street Journal and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor and in the case of LIBOR Loans, bears interest at a rate per annum equal to 4.75% plus the applicable LIBOR Rate, subject to a 1% floor. The ABL Credit Agreement bears interest:

1. In the case of Base Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the prime rate as publicly announced by Citibank, N.A. and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor;

2. In the case of Canadian Prime Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the "Base Rate" as publicly announced by Citibank, N.A., Canadian branch and (ii) the CDOR Rate for an interest period of 30 days, subject to a 1% floor;

3. In the case of LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or stepdown based on availability) plus the applicable LIBOR Rate, subject to a 0% floor;

4. In the case of CDOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable CDOR Rate, subject to a 0% floor; and

5. In the case of Overnight LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable Overnight LIBOR Rate.

The Credit Agreements limit, among other things, Avaya Inc.'s ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of Avaya Inc.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2017
(in millions, except per share amounts)

	Historical Avaya Holdings Corp.	Reorganization Adjustments		Fresh Start Adjustments		Pro Forma Avaya Holdings Corp.
ASSETS						
Current assets:						
Cash and cash equivalents	$ 876	$ (526)	(1c)	$ —		$ 350
Accounts receivable, net	536	—		—		536
Inventory	96	—		34	(2c)	130
Other current assets	269	(73)	(1c)	—		196
TOTAL CURRENT ASSETS	1,777	(599)		34		1,212
Property, plant and equipment, net	200	—		—		200
Intangible assets, net	311	—		3,049	(2a)	3,360
Goodwill	3,542	—		(349)	(2a)	3,193
Other assets	68	5	(1a)	—		73
TOTAL ASSETS	$ 5,898	$ (594)		$ 2,734		$ 8,038
LIABILITIES						
Current liabilities:						
Current portion of long-term debt	$ 725	$ (725)	(1c)	$ —		$ —
Accounts payable	282	(29)	(1c)	—		253
Payroll and benefit obligations	127	14	(1f)	—		141
Deferred revenue	614	55	(1f)	(227)	(2b)	442
Business restructuring reserve, current portion	35	4	(1f)	—		39
Other current liabilities	90	—		—		90
TOTAL CURRENT LIABILITIES	1,873	(681)		(227)		965
Non-current liabilities:						
Long-term debt	—	2,813	(1a)	—		2,813
Pension obligations	513	261	(1f)	—		774
Other postretirement obligations	—	226	(1f)	—		226
Deferred income taxes, net	32	(223)	(3)	884	(3)	693
Business restructuring reserve, non-current portion	34	—		—		34
Other liabilities	170	234	(1f)	(25)	(2b)	379
TOTAL NON-CURRENT LIABILITIES	749	3,311		859		4,919
LIABILITIES SUBJECT TO COMPROMISE	7,705	(7,705)	(1f)	—		—
TOTAL LIABILITIES	10,327	(5,075)		632		5,884
Commitments and contingencies						
Equity awards on redeemable shares	7	(7)	(1e)	—		—
Preferred stock:						
Series B	393	(393)	(1e)	—		—
Series A	184	(184)	(1e)	—		—
STOCKHOLDERS' DEFICIENCY						
Common stock	—	—		—		—
Additional paid-in capital	2,389	(235)	(1b,d,e)	—		2,154
Accumulated deficit	(5,954)	5,300	(1)	654	(2)	—
Accumulated other comprehensive loss	(1,448)	—		1,448	(2)	—
TOTAL STOCKHOLDERS' DEFICIENCY	(5,013)	5,065		2,102		2,154
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	$ 5,898	$ (594)		$ 2,734		$ 8,038

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2017
(in millions, except per share amounts)

	Historical Avaya Holdings Corp.	Reorganization Adjustments		Fresh Start Adjustments		Pro Forma Avaya Holdings Corp.	
REVENUE							
Products	$ 1,437	$ —		$ (32)	(2f)	$ 1,405	
Services	1,835	—		(232)	(2f)	1,603	
	3,272	—		(264)		3,008	
COSTS		—					
Products:							
Costs	500	(1)	(1g)	36	(2e)	535	
Amortization of acquired technology intangible assets	20	—		157	(2d)	177	
Services	753	(10)	(1g)	—		743	
	1,273	(11)		193		1,455	
GROSS PROFIT	1,999	11		(457)		1,553	
OPERATING EXPENSES:							
Selling, general and administrative	1,282	(23)	(1g)	—		1,259	
Research and development	229	(4)	(1g)	—		225	
Amortization of intangible assets	204	—		(44)	(2d)	160	
Impairment of indefinite-lived intangible assets	65	—		—		65	
Goodwill impairment	52	—		—		52	
Restructuring charges, net	30	—		—		30	
	1,862	(27)		(44)		1,791	
OPERATING INCOME	137	38		(413)		(238)	
Interest expense	(246)	50	(1i)	—		(196)	
Other income, net	9	—		—		9	
Reorganization items, net	(98)	98	(1k)	—		—	
LOSS BEFORE INCOME TAXES	(198)	186		(413)		(425)	
Benefit from income taxes	16	(36)	(3)	121	(3)	101	
NET LOSS	(182)	150		(292)		(324)	
Less: Accretion and accrued dividends on Series A and Series B preferred stock	(31)	31	(1h)	—		—	
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (213)	$ 181		$ (292)		$ (324)	
Basic and diluted earnings per share attributable to common stockholders:							
Net loss per share—basic and diluted.	$ (0.43)					$ (2.95)	
Weighted average shares outstanding—basic and diluted	497.1					110.0	(1d)

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

We were required to apply Financial Accounting Standards Board Accounting Standards Codification ("ASC") 852, "Reorganizations," effective on January 19, 2017, which is applicable to companies under bankruptcy protection, and requires amendments to the presentation of certain financial statement line items. It requires that the balance sheet distinguish pre-petition liabilities subject to compromise from both (i) pre-petition liabilities not subject to compromise and (ii) post-petition liabilities. Liabilities that may be affected by a plan of reorganization must be reported at the amounts expected to be allowed by the Bankruptcy Court, even if they may be settled for lesser amounts as a result of the plan of reorganization or negotiations with creditors.

At the effective date of our emergence, we anticipate meeting the requirements under ASC 852 for fresh start accounting. Fresh start accounting requires the debtor to use current fair values in its balance sheet for both assets and liabilities upon emergence and to eliminate all prior earnings or deficits if both of the following conditions are met:

i. The reorganization value of the assets of the emerging entity immediately before the date of confirmation of the plan of reorganization is less than the total of all post-petition liabilities and allowed claims; and

ii. The holders of existing voting shares immediately before confirmation of the plan of reorganization receive less than 50% of the voting shares of the emerging entity.

Note 1—Plan of Reorganization

The following are adjustments to reflect the proposed transactions in the Plan of Reorganization. The difference between the settled amount of a liability and its recorded amount is reflected in accumulated deficit.

a) Exit Financing

The exit financing consists of a senior secured term loan of $2,925 million, maturing 7 years from the date of issuance and a $300 million undrawn senior secured asset-based revolving credit facility ("ABL").

The net cash proceeds from the exit financing are as follows (in millions):

Senior secured term loan	$2,925
Less:	
Discount on senior secured term loan	(34)
Upfront and underwriting fees	(78)
Anticipated net proceeds from issuance of senior secured term loan and second lien note	2,813
Upfront fees associated with ABL	(5)
Pro forma net proceeds from exit financing	$2,808

Deferred financing costs related to the senior secured term loan along with the discount on the senior secured term loan will be presented on the balance sheet as a reduction of the carrying amount of debt. The net borrowings, discount and deferred financing costs of $2,813 million related to the senior secured term loan will be included in long-term debt. The $5 million for upfront fees associated with the ABL are considered deferred financing costs and will be included in other assets. Deferred financing costs and debt discount will be amortized as interest expense using the effective interest rate method over the contractual life of the related credit facility.

b) Avaya Pension Plan for Salaried Employees

As part of the Plan of Reorganization, Avaya will complete a distress termination of the APPSE in accordance with the Stipulation of Settlement with the PBGC. The PBGC received $340 million in cash and

5.5% of the common stock in the successor company (estimated value $117 million) for full and final satisfaction, settlement, release and compromise of each allowed claim. Therefore, we eliminated the $634 million liability included in liabilities subject to compromise as of September 30, 2017 for the APPSE.

c) Sources and Uses of Cash (in millions)

Historical cash at September 30, 2017	$ 876
Net cash received from exit financing	2,808
Repayment of debtor in possession financing	(725)
Cash paid to predecessor debt-holders	(2,176)
Payment to the PBGC	(340)
Payment for professional fees contingent upon emergence	(24)
Release of restricted cash (other current assets)	73
Funding payment for Avaya pension plan for represented employees	(39)
Payment of accrued professional fees (accounts payable)	(29)
Payments to cure contracts (liabilities subject to compromise)	(16)
Payments for general unsecured claims (liabilities subject to compromise)	(58)
Pro forma cash upon emergence	$ 350

Restricted cash of $73 million related to letters of credit and included in other current assets will be released upon repayment of the debtor in possession financing.

d) Settlement of Debt and Issuance of New Common Shares

In settlement of the Company's $5,832 million first and second lien debt, the first lien debt-holders will receive a total of $2,176 million in cash and 90.5% of the common stock of the successor company (estimated value $1,924 million) and the second lien debt-holders will receive 4.0% of the common stock of the successor company and 5.6 million of warrants to purchase additional common shares (combined estimated value $113 million). The common stock is subject to dilution by the issuance of warrants.

Upon emergence, the Company issued 110 million shares of common stock.

e) Cancellation of Predecessor Preferred and Common Stock

Per the terms of the Plan of Reorganization, on the effective date all pre-emergence common stock, preferred stock, and equity awards were cancelled without any distribution.

f) Liabilities Subject to Compromise and Settlement of General Unsecured Claims

As part of the Plan of Reorganization, the Bankruptcy Court approved the settlement of certain claims reported within liabilities subject to compromise in our Consolidated Balance Sheet at allowed claim amounts. The total claims submitted to the Bankruptcy Court amounted to $19.6 billion.

The table below details the disposition of certain proofs of claim through which the Company calculates its liabilities subject to compromise (in millions):

Proofs of claim	$19,624
Less:	
Expunged claims	(7,340)
Duplicate guarantor claims	(1,165)
Duplicate claims	(1,397)
Claims assessed as invalid and not reserved	(1,310)
Union contract claims	(503)
Other	(204)
Liabilities subject to compromise	$ 7,705

The Bankruptcy Court's final determination with respect to these proofs of claim may differ from the estimates presented above, but, as noted above, the Company does not expect that the resolution of these proofs of claim will have a material effect on either the completion of its restructuring or its future results of operations post-emergence.

The table below details the disposition of liabilities subject to compromise (in millions):

Liabilities subject to compromise pre-emergence	$ 7,705
To be reinstated:	
Avaya pension plan for represented employees	(261)
Postretirement benefit obligations	(226)
Deferred taxes	(113)
Deferred revenue	(91)
Payroll and benefit obligations	(14)
Other post employment benefits	(111)
Other	(91)
Settlement of first and second lien debt	(5,832)
Termination of APPSE	(634)
Contribution to Avaya pension plan for represented employees	(39)
Payments to cure contracts	(16)
Settlement of general unsecured claims	(277)
Liabilities subject to compromise post-emergence	$ —

In settlement of allowed general unsecured claims, each claimant will receive a pro-rata distribution of $58 million in cash paid for all general unsecured claims.

g) Pension Adjustments

In connection with the termination of the APPSE and the Avaya Supplemental Pension Plan, the Company reversed associated expenses of $38 million for the fiscal year ended September 30, 2017. This included $27 million within operating expenses and $11 million within cost of sales. These expenses are primarily related to certain components of net periodic benefit cost for these plans, that the Company will no longer incur, including interest cost, amortization of actuarial gains (losses) and amortization of prior service costs.

h) Accretion and Dividends on Preferred Stock

For the fiscal year ended September 30, 2017, accrued dividends on preferred Series A and B stock was $31 million. These amounts included the following (in millions):

	Fiscal Year Ended September 30, 2017
Dividends on preferred Series A stock	$ (9)
Dividends on preferred Series B stock	(22)
	$ (31)

i) Interest Expense

1) For the fiscal year ended September 30, 2017, the Company reversed interest expense of $242 million on its pre-emergence related debt.

2) For the fiscal year ended September 30, 2017, the Company's interest expense related to its post-emergence debt was $192 million.

k) Reorganization Expenses

Reorganization items, net represent amounts incurred subsequent to the Bankruptcy Filing, which were a direct result of the Bankruptcy Filing and were comprised of the following for the fiscal year ended September 30, 2017: professional fees of $66 million, DIP Credit Agreement financing costs of $14 million and contract rejection fees of $18 million.

Note 2—Fresh Start Adjustments

At the Emergence Date, we met the requirements under ASC 852 for fresh start accounting. Fresh start accounting requires the revaluation of our tangible and intangible assets to fair value, resulting in a higher fair value of our existing tangible assets and the recognition of new intangible, amortizable assets namely developed technology, customer relationships and trade names. The effect of these fair value adjustments is primarily to increase the depreciation and amortization charge relating to these intangible assets in reporting periods subsequent to the Emergence Date, which will primarily increase our costs of goods sold and decrease gross profits and operating margins in future periods. Fresh start accounting also requires the debtor to eliminate all predecessor earnings or deficits in accumulated deficit and accumulated other comprehensive loss. These adjustments reflect preliminary estimates and actual amounts recorded as of the Emergence Date may be materially different from these estimates.

a) Goodwill and Acquired Intangibles

We have eliminated historical goodwill and other intangible assets and in accordance with ASC 852 determined the estimated current fair value of identifiable acquired intangible assets using the income approach. These estimates are based on a preliminary valuation and are subject to change.

The following table sets forth the components of these intangible assets (in millions) and their estimated useful lives:

	Preliminary Fair Value	Estimated useful life
Customer relationships	$ 2,000	6-19 years
Developed technology and patents	1,020	6 years
Trademarks and trade names	340	10 years—indefinite lived
Total pro forma intangible assets upon emergence	3,360	
Elimination of historical acquired intangible assets	(311)	
Fresh start adjustment to acquired intangibles assets	$ 3,049	

The Company expects to record material customer-related and developed technology-related intangible assets as part of fresh start accounting and the application of ASC 852. Such assets were not recognized on historical financial statements. We also expect to record marketing-related intangible assets, including the Avaya trade name.

The following table sets forth the estimated adjustments to goodwill (in millions):

Pro forma reorganization value	$ 8,038
Less: Fair value of pro forma assets (excluding goodwill)	(4,845)
Total pro forma goodwill upon emergence	3,193
Elimination of historical goodwill	(3,542)
Fresh start adjustment to goodwill	$ (349)

As set forth in the Plan of Reorganization, which was confirmed by the Bankruptcy Court on November 28, 2017, the agreed upon enterprise value of the Company is $5.721 billion. This value is within the initial range of approximately $5.1 billion to approximately $7.1 billion using the income approach. The $5.721 billion enterprise value was selected as it was the transaction price agreed to in the global settlement agreement with the Company's creditor constituencies, including the PBGC.

The reorganization value was then determined by adding back liabilities other than interest bearing debt.

While the reorganization value approximates the amount a willing buyer would pay for the assets of the Company immediately before the restructuring, it is derived from estimated amounts that may have materially changed as a result of confirmation of the Plan of Reorganization by the Bankruptcy Court.

b) Deferred Revenue

The fair value of a deferred revenue liability typically reflects how much an acquirer would be required to pay a third-party to assume the remaining performance obligations. We have estimated the fair value of deferred revenue to be $490 million, a decrease of $252 million, of which $442 million is a component of total current liabilities and $48 million is included in other liabilities.

c) Inventory

The fair value of inventory is generally measured at estimated selling prices of the inventory, less the sum of (1) costs of disposal and (2) a reasonable profit allowance for the selling effort as this represents an exit price. We have determined the estimated fair value of our inventory to be $130 million, an increase of $34 million.

d) Amortization of Intangible Assets

1) For the fiscal year ended September 30, 2017, the Company reversed historical amortization of acquired intangible assets of $224 million. This included $204 million within operating expenses and $20 million included within cost of sales for the amortization of acquired technology intangible assets.

2) The Company's pro forma other intangible assets include customer relationships, developed technology and trade names. For the fiscal year ended September 30, 2017, the Company recorded amortization of intangible assets of $337 million. This included amortization of $160 million included within operating expenses related to our customer relationship intangible assets and $177 million included within cost of sales related to our technology and trade name intangible assets.

e) Inventory Write-up

For the fiscal year ended September 30, 2017, the Company recorded additional cost of products of $36 million as a result of the write-up of inventory to its estimated fair value upon emergence. This adjustment primarily relates to our Unified Communications reporting unit.

f) Deferred Revenue Write-down

For the fiscal year ended September 30, 2017, the Company recorded a decrease to revenue of $264 million, which included $232 million related to services and $32 million related to products. These adjustments result from the write-down of deferred revenue to its estimated fair value upon emergence.

Note 3—Income Tax

a) Adjustments Related to the Tax Effects of the Pro Forma Adjustments

Upon emergence, the Company's U.S. federal net operating losses (NOL) will be reduced in accordance with IRC Section 108 due to cancellation of debt income, which is not includable in U.S. federal taxable income. The estimated U.S. federal NOL upon emergence is zero.

The opening balance of the valuation allowance on deferred tax assets has been removed as a pro forma adjustment because, based on information currently available, the Company believes it is more likely than not that such deferred assets will be realized. Realization of deferred tax assets is based on income from reversing deferred tax liabilities. These reversing deferred tax liabilities are principally attributable to the amortization of intangible assets. Because the pro forma adjustment for intangible assets has no tax basis, a pro forma adjustment was made to establish a deferred tax liability on the book/tax basis difference for the September 30, 2017 unaudited pro forma Consolidated Balance Sheet. On a pro forma basis, the Company has a net deferred tax liability as of September 30, 2017.

The reduction in the NOL and the removal of the opening balance of the valuation allowance on deferred tax assets is reflected as a pro forma adjustment to the deferred tax balance in the unaudited Consolidated Balance Sheet as of September 30, 2017. The effect on income and loss for the reduction in the NOL and the opening balance of the valuation allowance is not included in the unaudited pro forma Consolidated Statement of Operations for the periods presented because the item is non-recurring in nature.

Pro forma tax adjustments have been made to the Consolidated Statement of Operations to reflect tax benefits on losses generated in the fiscal year ended September 30, 2017. As originally filed, such tax benefits were reversed through a current period increase in the valuation allowance. The amount of this pro forma tax benefit is $14 million.

Pro forma adjustments made to the Consolidated Statement of Operations and the Consolidated Balance Sheet have been tax-effected based upon the statutory tax rate for the applicable jurisdiction. Because the Company conducts operations in several jurisdictions, there is a difference between the federal statutory tax rate of 35% and the net rate at which the pro forma adjustments are tax-effected.

The tax effect of the pro forma adjustments made to the unaudited pro forma Consolidated Statement of Operations is a $85 million benefit for the fiscal year ended September 30, 2017. Of this amount, $71 million of benefit is attributable to the tax effect of the pro forma book adjustments.

The September 30, 2017 deferred tax balance has been adjusted to reflect the reduction in the NOL, the reversal of the valuation allowance and the tax effect of the pro forma adjustments.

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

The following is a discussion and analysis of our financial condition and results of operations for the fiscal years ended September 30, 2017, 2016 and 2015. You should read this discussion and analysis together with our Consolidated Financial Statements and related notes and the other financial information included elsewhere in this registration statement. This discussion contains forward-looking statements that involve significant risks and uncertainties. As a result of many factors, such as those set forth under "Item 1.A. Risk Factors" and elsewhere in this registration statement, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

Avaya is a leading global business communications company, providing an expansive portfolio of software and services for contact center and unified communications, offered on-premises, in the cloud or as a hybrid solution. We provide our solutions to a broad range of companies, from small businesses to large multinational enterprises and government organizations. Our products and services portfolio spans software, hardware, professional and support services and cloud services. These fall under the following reporting segments:

- **GCS** encompasses our contact center and unified communications solutions and our real-time collaboration software and hardware products, all of which target small and medium to very large enterprise businesses and are delivered through a hybrid cloud environment. Our omnichannel contact center applications offer highly reliable, scalable communications-centric solutions including voice, email, chat, social media, video, performance management and ease of third-party integration that can improve customer service and help companies compete more effectively. Our unified communications solutions help companies increase employee productivity, improve customer service and reduce costs by integrating multiple forms of communications, including telephony, e-mail, instant messaging and video. Avaya embeds communications directly into the applications, browsers and devices employees use every day to create a single, powerful gateway for voice, video, messaging, conferencing and collaboration. We free people from their desktop and give them a more natural and efficient way to connect, communicate and share—when, where and how they want. This reporting segment also includes an open, extensible development platform, which allows our customers and third parties to adapt our technology by creating custom applications and automated workflows for their unique needs and allows them to integrate Avaya's capabilities into their existing infrastructure and business applications.
- **Avaya Networking** includes advanced fabric networking technology, which offers a unique end-to-end virtualized architecture network designed to be simple to deploy, agile and resilient. This reporting segment also includes software and hardware products such as Ethernet switches, wireless networking, access control, and unified management and orchestration solutions, which provide network and device management.

  On July 14, 2017, the Company sold the Avaya Networking business to Extreme Networks, Inc. ("Extreme"). The Networking business is comprised of certain assets of the Company's Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment.
- **AGS** includes professional and support services designed to help our customers maximize the benefits of using our products and technology. Our services include support for implementation, deployment, training, monitoring, troubleshooting and optimization, among others. This reporting segment also includes our private cloud and managed services, which enable customers to take advantage of our technology on-premises or in a private, public or hybrid (i.e., mix of on-premises, private and/or public) cloud environment, depending on our solution and customer needs. The majority of our revenue in this reporting segment is recurring in nature and based on multi-year services contracts.

Emergence from Chapter 11

On December 15, 2017, the Debtors, including the Company, completed the Restructuring and emerged from chapter 11 proceedings. This followed the Bankruptcy Court's entry of an order confirming the Debtors' Plan of Reorganization on November 28, 2017.

History

The Company was formed by affiliates of the Sponsors as a Delaware corporation in 2007 under the name Sierra Holdings Corp. The Sponsors, through the Company, acquired Avaya Inc. in a transaction that was completed on October 26, 2007. The Sponsors no longer hold a controlling interest in the Company following our emergence from bankruptcy.

Chapter 11 Filing

On January 19, 2017 (the "Petition Date"), the Debtors filed the Bankruptcy Filing under the Bankruptcy Code in the Bankruptcy Court, case number 17-10089 (SMB). The Debtors continued to operate their business as debtors-in-possession ("DIP") under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. All other subsidiaries of Avaya Inc. that were not part of the Bankruptcy Filing continued to operate in the ordinary course of business.

On the date of the Bankruptcy Filing, the capital structure of the Company, Avaya Inc. and the Debtor Affiliates and non-Debtor Affiliates (collectively, the "Avaya Enterprise") included $6.0 billion in funded debt. The majority of this funded debt was a legacy of the 2007 transaction in which the Avaya Enterprise was taken private. The remainder of the funded debt originated as part of the Avaya Enterprise's 2009 acquisition of Nortel Enterprise Systems. In addition to this indebtedness, the following challenges led the Debtors to commence the chapter 11 cases in January 2017:

- Business model shift : The decline in economic activity between 2008 and 2010, together with the market trends away from hardware-based business communications under the capital expenditure model towards software and services offerings under the operating expense model, had a substantial impact on the Avaya Enterprise's operations. The Avaya Enterprise also faced ongoing competition to its core Unified Communications Product and Service offerings from numerous competitors such as Cisco and Microsoft. In light of these factors, the Avaya Enterprise experienced significant revenue declines over the past several years.
- Substantial annual cash requirements : The Avaya Enterprise's cash flow profile was negatively impacted by the substantial costs associated with its debt load, which increased over the last decade. Annual cash interest payments averaged approximately $440 million since fiscal 2014, with a corresponding impact on cash flow available to fund the research, development and other investments required to remain competitive in the market. From fiscal 2014 to fiscal 2016, annual cash requirements averaged approximately $900 million, including: (a) approximately $440 million in cash interest payments and (b) annual pension and other post-retirement employment benefits funding of approximately $180 million, as well as ongoing cash needs related to restructuring costs, capital expenditures and cash taxes.
- October 2017 debt maturities : Debtors' indebtedness of $617 million was scheduled to mature in October 2017.

The Bankruptcy Filing permitted the Company to reorganize, thereby increasing liquidity in the U.S. and abroad. Implementation of the Plan of Reorganization will materially alter the classifications and amounts reported in the Consolidated Financial Statements. The Consolidated Financial Statements as of and for the fiscal year ended September 30, 2017 do not give effect to any adjustments to certain carrying values of assets and/or amounts of liabilities that are necessary as a consequence of our emergence from bankruptcy, or the effect of any operational changes that may be implemented.

The Bankruptcy Filing constituted an event of default that accelerated the Company's payment obligations under (i) its senior secured credit facility dated October 27, 2007 (as amended and restated and further amended to date, the "Senior Secured Credit Agreement"), (ii) the Domestic ABL, (iii) the Foreign ABL and, together with the Senior Secured Credit Agreement and Domestic ABL, the "Credit Facilities"), (iv) 10.5% Senior Secured notes due 2021 (the "10.5% Senior Secured Notes"), (v) 9% Senior Secured notes due 2019 (the "9% Senior Secured Notes"), and (vi) 7% Senior Secured Notes due 2019 (the "7% Senior Secured Notes" and, together with the 10.5% Senior Secured Notes and 9% Senior Secured Notes, the "Senior Secured Notes"). As a result of the Bankruptcy Filing, the principal and interest due under our debt agreements became due and payable, except as agreed in the Forbearance Agreement described below.

Contemporaneously with the Bankruptcy Filing, certain affiliates of the Company, namely Avaya Canada Corp., Avaya UK, Avaya International Sales Limited, Avaya Deutschland GmbH, Avaya GmbH & Co. KG, Avaya UK Holdings Limited, Avaya Holdings Limited, Avaya Germany GmbH, Tenovis and Avaya Verwaltungs GmbH (collectively, the "Foreign ABL Borrowers") entered into a Forbearance Agreement (the "Forbearance Agreement") pursuant to which, among other things, the Foreign ABL lenders agreed to forbear from exercising certain rights as a result of the Debtors filing voluntary petitions for relief under the Bankruptcy Code, which constituted events of default under the Foreign ABL. The Forbearance Agreement also provided for, among other things, entry into a payoff letter, which contemplated that all loans and other obligations that were accrued and payable under the Foreign ABL and the corresponding loan documents were required to be paid in full within eight business days after January 19, 2017. The Foreign ABL and Domestic ABL were repaid in full on January 24, 2017 in the amount of $50 million and $55 million, respectively, inclusive of accrued interest.

The Senior Secured Credit Agreement, the Domestic ABL, the Foreign ABL and the indentures governing the Senior Secured Notes provide that as a result of the Bankruptcy Filing, the principal and interest due thereunder became due and payable, except as described in the Forbearance Agreement above. However, any efforts to enforce such payment obligations under the credit agreements and indentures governing the Senior Secured Notes were automatically stayed as a result of the Bankruptcy Filing, and the creditors' rights of enforcement in respect of the credit agreements and indentures governing the Senior Secured Notes were subject to the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Subsequent to the Petition Date, the Company received approval from the Bankruptcy Court to pay or otherwise honor certain pre-petition obligations to stabilize the Company's operations. These obligations related to certain employee wages, salaries and benefits, taxes, insurance, customer programs and the payment of critical vendors in the ordinary course for goods and services, and legal and financial professionals to advise the Company in connection with the Bankruptcy Filing and other professionals to provide services and advice in the ordinary course of business.

The Debtors filed a proposed plan of reorganization and related disclosure statement with the Bankruptcy Court on April 13, 2017. The Debtors subsequently filed the First Amended Plan of Reorganization and disclosure statement on August 7, 2017. In addition, on August 6, 2017, the Debtors entered into the First Lien PSA with holders of more than 50% of first lien debt of the Company, pursuant to which such holders, when solicited, voted in favor of and in support of the Plan of Reorganization. The First Lien PSA was subsequently amended on August 23, 2017 and October 23, 2017. Also in connection with the Plan of Reorganization, the Debtors entered into the Crossover PSA, dated as of October 23, 2017, among the Debtors and the Ad Hoc Crossover Group. The Bankruptcy Court approved the amended disclosure statement on August 25, 2017, and allowed the Debtors to commence solicitation on their First Amended Plan of Reorganization, which solicitation began on September 8, 2017. Additionally, on August 25, 2017, the Bankruptcy Court approved the First Lien PSA, which became effective and binding upon court approval. Together, the holders of approximately over two-thirds of the total amount of first lien debt and holders of approximately over two-thirds of the total amount of second lien notes were party to the PSAs. On September 8, 2017, the Debtors filed the solicitation versions of the First Amended Plan of Reorganization and Amended Disclosure Statement. On September 9, 2017, the Bankruptcy Court assigned the Debtors and their major stakeholder constituencies to mediation. The mediation

resulted in a resolution between these constituencies, and, as a result, the Debtors filed a further amended Plan of Reorganization and a Disclosure Statement Supplement on October 24, 2017.

The Company was required to apply Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 852, *Reorganizations* , on the Petition Date, which is applicable to companies under bankruptcy protection, and requires amendments to the presentation of key financial statement line items. It requires that the financial statements for periods subsequent to the Bankruptcy Filing distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Revenues, expenses, realized gains and losses, and provisions for losses that can be directly associated with the reorganization and restructuring of the business must be reported separately as Reorganization items, net in the Consolidated Statements of Operations. The balance sheet must distinguish pre-petition liabilities subject to compromise from both those pre-petition liabilities that are not subject to compromise and from post-petition liabilities. Based upon the uncertainty surrounding the ultimate treatment of the Senior Secured Credit Agreement and the Senior Secured Notes, the instruments are classified as liabilities subject to compromise on the Company's Consolidated Balance Sheet. The Company evaluated creditors' claims relative to priority over other unsecured creditors. Liabilities that are affected by a plan of reorganization are reported at the amounts expected to be approved by the Bankruptcy Court, even if they may be settled for lesser amounts as a result of the Plan of Reorganization or negotiations with creditors. In addition, cash used by reorganization items are disclosed separately in the Consolidated Statements of Cash Flow.

Business Trends

There are a number of trends and uncertainties affecting our business. For example, we are dependent on general economic conditions and the willingness of our customers to invest in technology. In addition, instability in the geopolitical environment of our customers, instability in the global credit markets, current economic challenges in Europe, including uncertainties associated with Brexit and other disruptions put pressure on the global economy causing uncertainties. We are also affected by the impact of foreign currency exchange rates on our business. We believe these uncertainties have impacted our customers' willingness to spend on IT and the manner in which they procure such technologies and services. This includes delays or rejection of capital projects, including the implementation of our products and services. In addition, we believe there is a growing market trend around cloud consumption preferences with more customers exploring operating expense models as opposed to capital expenditure ("CapEx") models for procuring technology. We believe the market trend toward cloud models will continue as customers seek ways of reducing their fixed overhead and other costs.

In fiscal 2017, we continued to drive Avaya's transformation to a software and service-led organization and focused our go-to-market efforts by introducing 70 new products and related services, including new innovations focused particularly on workflow automation, multichannel customer engagement and cloud-enabled communications applications such as Avaya Oceana, Avaya Oceanalytics, Avaya Equinox, Avaya Enterprise Private Cloud and Zang Cloud. We also launched a next-generation desktop device, Avaya Vantage.

Sales decreased in fiscal 2017 primarily as the result of lower demand for products and services due to extended procurement cycles resulting from the chapter 11 filing and the sale of the Networking business in July 2017. The lower demand for our unified communications, contact center and networking products has contributed, in part, to lower maintenance services revenue and private cloud and managed services.

As a result of a growing market trend preferring cloud consumption, more customers are exploring subscription and pay-per-use based models, rather than CapEx models, for procuring technology. The shift to subscription and pay-per-use models enables customers to manage costs and efficiencies by paying a subscription or per minute or per message fee for business communications services rather than purchasing the underlying products and services, infrastructure and personnel, which are owned and managed by the equipment vendor or a private cloud and managed services provider. We believe the market trend toward these flexible consumption models will continue as we see an increasing number of opportunities and requests for proposal based on

subscription and pay-per-use models. This trend has driven an increase in the proportion of total Company revenues attributable to software and services. As of September 30, 2017, we anticipated the total future revenues for these contracts to be in excess of $650 million. The values for these contracts are usually larger than contracts under a CapEx model, but the associated revenues are recognized over a period of time, typically three to seven years.

During fiscal 2015, we acquired Knoahsoft, Inc., a provider of work force optimization technology, and Esna Technologies Inc., a provider of browser integrated, unified communications capabilities. We believe the investments in Knoahsoft, Inc., Esna Technologies Inc. and other acquisitions, as well as our ongoing investments in research and development, are helping us to capitalize on the increasing focus of enterprises on deploying collaboration products to increase productivity, reduce costs and complexity and gain competitive advantages, which is being further accelerated by a trend toward a more mobile workforce and the associated proliferation of devices.

We are continuing to expand our indirect channel to meet the growing demand of our customers, as well as adding new partners in underserved geographies to support our go-to-market strategy within our enterprise and midmarket customer bases. We believe this expansion of our indirect channel favorably impacts our financial results by reducing selling expenses and allowing us to reach more end users and grow our business, although sales through the indirect channel generally generate lower profits than direct sales due to higher discounts. In furtherance of our effort to maintain an effective business partner program, we continue to refine and expand our global coverage while better aligning our go-to-market strategy for our products and services with our enterprise and midmarket customer bases. We have been deploying new customer segmentation and enhanced geographic emphasis. For the midmarket, which we view as companies with 100 to 2,000 employees, we have engaged a set of partners with threshold commitments specific to the midmarket. The program provides these partners with tightly integrated, bundled product offerings, which include third-party hosted cloud instances, as well as premises-based appliances, with the same software used in all deployments. We also implemented new sales compensation structures to better align compensation with a software and services model and to reflect our increasing orientation to the cloud. In addition, we have aligned our partner support structure to drive future growth.

In addition, customers are moving away from owned and operated infrastructure, preferring cloud offerings and virtualized server defined networks, which provide us with reduced associated maintenance support opportunities. Despite the benefits of a robust indirect channel, which include expanding our sales reach, our channel partners have direct contact with our customers that may foster independent relationships between them and a loss of certain services agreements for us. We have been able to offset these impacts by focusing on utilizing partners in a sales agent relationship, whereby partners perform selling activities but the contract remains with Avaya, and offering higher value services in support of our software offerings, which are not traditionally provided by our channel partners, such as professional services and cloud and managed services.

For fiscal 2017, 2016 and 2015, revenue outside of the U.S. represented 45%, 44% and 46% of total revenue, respectively. Further, foreign currency exchange rate fluctuations have had an impact on our revenue, costs and cash flows from our international operations. Our primary currency exposures are to the euro, Indian rupee and British pound. These exposures may change over time as business practices evolve and as the geographic mix of our business changes and we are not able to predict the impact that foreign currency fluctuations will have on future periods.

Debt Financing

On December 15, 2017, the Company entered into (i) a term loan credit agreement between Avaya Inc., as borrower, Avaya Holdings, the lending institutions from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent and collateral agent, which provided a $2,925 million term loan facility due December 15, 2024 (the “Term Loan Credit Agreement”) and (ii) an ABL credit agreement among Avaya

Holdings, Avaya Inc., as borrower, the several borrowers party thereto, the several lenders from time to time party thereto, and Citibank, N.A., as administrative agent and collateral agent, which provided a revolving credit facility consisting of a U.S. tranche and a foreign tranche in an aggregate principal amount of $300 million, subject to borrowing base availability (the "ABL Credit Agreement", and together with the Term Loan Credit Agreement, the "Credit Agreements"). The Term Loan Credit Agreement, in the case of ABR Loans, bears interest at a rate per annum equal to 3.75% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced in the Wall Street Journal and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor and in the case of LIBOR Loans, bears interest at a rate per annum equal to 4.75% plus the applicable LIBOR Rate, subject to a 1% floor. The ABL Credit Agreement bears interest:

1. In the case of Base Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the prime rate as publicly announced by Citibank, N.A. and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor;
2. In the case of Canadian Prime Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the "Base Rate" as publicly announced by Citibank, N.A., Canadian branch and (ii) the CDOR Rate for an interest period of 30 days, subject to a 1% floor;
3. In the case of LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable LIBOR Rate, subject to a 0% floor;
4. In the case of CDOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable CDOR Rate, subject to a 0% floor; and
5. In the case of Overnight LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable Overnight LIBOR Rate.

The Credit Agreements limit, among other things, Avaya Inc.'s ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of Avaya Inc.

The Debtor-in-Possession Credit Agreement was repaid in full on December 15, 2017.

Continued Focus on Cost Structure

The Company has maintained its focus on profitability levels and investing in future results. As the Company continues its transformation to a software and service-led organization, it has implemented programs designed to streamline its operations, generate cost savings and eliminate overlapping processes and resources. These cost savings programs include: (1) reducing headcount, (2) relocating certain job functions to lower cost geographies, including service delivery, customer care, research and development, human resources and finance, (3) eliminating real estate costs associated with unused or under-utilized facilities and (4) implementing gross margin improvement and other cost reduction initiatives. The Company continues to evaluate opportunities to streamline its operations and identify cost savings globally and may take additional restructuring actions in the future. The costs of those actions could be material.

We have executed on several gross margin improvements and other cost reduction initiatives and have extended the multi-year positive trend in gross margin. These initiatives included obtaining better pricing from our contract manufacturers and transportation vendors, which has improved our product gross margins. In addition, we have streamlined our operations by redesigning the Avaya support website and continue to transition our customers from an agent-based support model to a self-service/web-based support model. These improvements have allowed us to reduce the workforce and relocate positions to lower-cost geographies and improve our services gross margins.

We expect our gross margin to continue to improve in the foreseeable future as we continue to implement additional initiatives such as increasing our focus on sales of higher margin software, working with our contract manufacturers and transportation vendors to secure more favorable pricing, optimizing the design of products and services delivery to drive efficiencies and achieving greater economies of scale.

In addition to the improvements in gross margin, we have successfully reduced our operating expenses through these cost savings programs, primarily through reducing our labor and real estate costs.

Reductions in labor costs have been achieved through the elimination of redundancies by redefining and consolidating job functions, reductions in management and in back-office headcount of our sales organization, reduced headcount in our services business, the use of remote monitoring of customer systems as discussed above and a shift in the mix of the Company's distribution channels toward the indirect channel, which reduced our personnel needs. We were also able to attain additional savings as the Company placed greater emphasis on shifting job functions to its shared service centers in India and Argentina, as well as the automation of customer service.

During fiscal 2017, 2016 and 2015, the Company initiated cost savings programs to reduce headcount that included reaching agreements with the works council representing employees of certain of the Company's German and French subsidiaries for the elimination of positions, offering enhanced separation plans to certain management employees in the U.S., and other actions primarily focused in the U.S. and in Europe, Middle East and Africa ("EMEA"). As a result of these programs and the divestiture of two non-core businesses discussed below, the Company's workforce at September 30, 2017, 2016 and 2015 was approximately 8,700, 10,100 and 11,700, respectively.

The Company's restructuring charges include employee separation charges such as, but not limited to, severance and employment benefit payments, social pension fund payments, and healthcare and unemployment insurance costs to be paid to or on behalf of the affected employees. The aggregate restructuring charges also include the future lease payments and payments made under lease termination agreements associated with vacated facilities. As of September 30, 2017, the remaining liability associated with these actions was $80 million. This liability includes $55 million related to employee separations, of which $26 million are scheduled to be paid in fiscal 2018 and the balance through fiscal 2023, and $25 million related to lease obligations of vacated facilities, of which $13 million are scheduled to be paid in fiscal 2018 and the balance through fiscal 2022.

The Company continues to evaluate opportunities to streamline its operations and identify additional cost savings globally. Although a specific plan does not exist at this time, the Company may take additional restructuring actions in the future, the costs of which could be material.

Divestitures

In July 2017, we consummated the sale of the Company's Networking business to Extreme and Extreme paid the Company $70 million and deposited $10 million in an indemnity escrow account. The sale enables the company to focus on its core higher margin Unified Communications and Contact Center solutions. The Networking business was comprised of certain assets of our Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment. Accordingly, the historical results of the Company, which include the results of operations related to the Networking business, may not be reflective of the Company's business going forward.

Financial Operations Overview

The audited Consolidated Financial Statements have been prepared on a basis that assumes that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

The following describes certain components of our statement of operations and considerations impacting those results.

Revenue. We derive our revenue primarily from the sale and service of business communications systems and applications. Our product revenue includes the sales of unified communications, contact center, midmarket enterprise communications and video. Product revenue accounted for 44%, 47% and 50% of our total revenue for fiscal 2017, 2016 and 2015, respectively. Our services revenue includes product maintenance and support, professional services, including design and integration, and private cloud and managed services.

We employ a flexible go-to-market strategy with direct and indirect presence worldwide and as of September 30, 2017, we had approximately 6,300 channel partners. For fiscal 2017, 2016 and 2015, our product revenue from indirect sales represented 73%, 74% and 75% of our total product revenue, respectively.

Because we sell our products to end-users in a wide range of industries and geographies, demand for our products is generally driven more by the level of general economic activity than by conditions in one particular industry or geographic region.

Cost of Revenue. Cost of product revenue consists primarily of hardware costs, royalties and license fees for third-party software included in our systems, personnel and related overhead costs of operation including but not limited to current engineering, freight, warranty costs, amortization of acquired technology intangible assets and provisions for excess inventory. We outsource substantially all of our manufacturing operations to several contract manufacturers. Our contract manufacturers produce the vast majority of our products in facilities located in southern China, with other products produced in facilities located in Israel, Mexico, Taiwan, Germany, Ireland and the U.S. The majority of these costs vary with the unit volumes of product sold. We expect over time to increase the software content of our products, decrease our product costs and improve product gross margins. Cost of services revenue consists of salaries and related overhead costs of personnel engaged in support and services. As we continue to realize the benefit of cost saving initiatives, which include productivity improvements from automation of customer service, reducing the workforce and relocating positions to lower cost geographies, we expect our cost of services revenue will decrease as a percentage of services revenue.

Selling, General and Administrative Expenses. Sales and marketing expenses primarily include personnel costs, sales commissions, travel, marketing promotional and lead generation programs, trade shows, professional services fees and related overhead expenses. We plan to continue to invest in development of our distribution channels by increasing the size of our field sales force and continue to develop the capabilities of our channel partners to enable us to expand into new geographies and further increase our sales to the midmarket across the world.

General and administrative expenses consist primarily of salary and benefit costs for executive and administrative staff, the use and maintenance of administrative offices, including depreciation expense, logistics, information systems and legal, financial, human resources and other corporate functions. Administrative expenses generally do not increase or decrease directly with changes in sales volume.

Research and Development Expenses. Research and development expenses primarily include personnel costs, outside engineering costs, professional services, prototype costs, test equipment, software usage fees and related overhead expenses. Research and development expenses are recognized when incurred. The level of research and development expense is related to the number of products in development, the stage of development, the complexity of the underlying technology, the potential scale of the product upon successful commercialization and the level of our exploratory research. We conduct such activities in areas we believe will accelerate our longer term net revenue growth.

We are devoting substantial resources to the development of additional functionality for existing products and the development of new products and related software applications. We intend to continue to invest in our

research and development efforts because we believe they are essential to maintaining and improving our competitive position.

Amortization of Acquired Intangible Assets. Acquired intangible assets include acquired technology and patents, customer relationships, and trademarks and tradenames. The fair value of these intangible assets was estimated at the time of the business acquisitions and is amortized into our costs and expenses over their estimated useful lives.

Goodwill and Indefinite-Lived Asset Impairment. The Company tests goodwill for impairment at the reporting unit level annually each July 1st and more frequently if events occur or circumstances change that indicate that the fair value of a reporting unit may be below its carrying value. If the fair value of a reporting unit is below its carrying value, the implied fair value of the reporting unit is compared to the carrying value of that goodwill and a loss is recognized to the extent the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill. Indefinite-lived intangibles are not amortized but reviewed for impairment annually, each July 1st and more frequently if events occur or circumstances change that indicate that the fair value of the intangible asset may be below its carrying value. In situations where the carrying value exceeds the fair value of the intangible asset, an impairment loss equal to the difference is recognized.

Restructuring Charges, net. In response to the global economic climate and the Company's commitment to control costs, the Company implemented initiatives designed to streamline the operations of the Company and generate cost savings. The Company exited and consolidated facilities and terminated or relocated certain job functions. The expenses associated with these actions are reflected in our operating results. As the Company continues to evaluate and identify additional operational synergies, additional cost saving opportunities may be identified and future restructuring charges may be incurred.

Interest Expense. Interest expense consists primarily of interest on indebtedness under our credit facilities and our notes. Interest expense also includes the amortization of deferred financing costs, the amortization of debt discount and the expense associated with interest rate derivative instruments that we may use, from time to time, to minimize our exposure to variable rate interest payments associated with our debt. We regularly evaluate market conditions, our liquidity profile and various financing alternatives for opportunities to enhance our capital structure. If market conditions are favorable, we may refinance existing debt or issue additional debt securities.

Loss on Extinguishment of Debt. The Company completed a series of transactions, which allowed us to refinance certain of our debt arrangements. The Company was required to account for certain of these transactions as an extinguishment of debt. A loss representing the difference between the reacquisition price of the original debt (including consent fees paid by Avaya to the holders of the original debt that consented to the transaction) and the carrying value of the old debt (including unamortized debt discount and debt issue costs) was recognized.

Other Income (Expense), net. Other income (expense), net consists primarily of gains and losses on change in the fair value of the Preferred B embedded derivative, foreign currency transactions and foreign currency forward contracts, third-party fees incurred in connection with certain debt modifications, changes to the reserves of certain tax indemnifications, interest income and other gains and losses that are not considered part of the Company's ongoing major or central operations.

Income Taxes. Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

Our audited Consolidated Financial Statements and related notes and other financial information included elsewhere in this registration statement were prepared in accordance with applicable tax law in effect for fiscal years ended September 30, 2017, 2016 and 2015. As discussed above under "Item 1.A. Risk Factors," the Tax Cuts and Jobs Act could have a material and adverse impact on our operating results, cash flows and financial condition.

Selected Segment Information

Avaya conducted its business operations in three segments. Two of those segments, GCS and Networking, make up the Company's Enterprise Collaboration Services ("ECS") product portfolio. The third segment contains the Company's services portfolio and is called AGS. On July 14, 2017, the Company sold its Networking business to Extreme.

In GCS, we deliver business communications products primarily for IT infrastructure, unified communications and contact centers. Our infrastructure and unified communications application products are designed to promote collaboration, innovation, productivity and real-time decision-making by providing business users a highly intuitive and personalized user experience that enables them to collaborate seamlessly across various modes of communication, including voice, video, email, instant messaging, text messaging, web conferencing, voicemail and social networking. Our contact center applications are highly reliable, scalable communications-centric applications suites designed to optimize customer service.

Our Networking segment provided a broad range of internet protocol networking infrastructure products including ethernet switches, routers and Virtual Private Network, or VPN, appliances, wireless networking routers, access control products, unified management products and end-to-end virtualization strategies and architectures.

Through our AGS segment we help our customers evaluate, plan, design, implement, support, manage and optimize their enterprise communications networks to help them achieve enhanced business results. Our award-winning service portfolio includes product support, integration and professional services and private cloud and managed services that enable customers to optimize and manage their converged communications networks worldwide.

On March 7, 2017, the Company entered into an agreement with Extreme and the sale closed on July 14, 2017. The Company's Networking business was comprised of certain assets of the Company's Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment.

	Fiscal Year Ended September 30, 2017				Fiscal Year Ended September 30, 2016			
	Revenues		Gross Profit		Revenues		Gross Profit	
(In millions)	Dollar Amount	Percent of Total Revenue	Dollar Amount	Percent of Revenue	Dollar Amount	Percent of Total Revenue	Dollar Amount	Percent of Revenue
Global Communications Solutions	$ 1,297	40%	$ 889	68.5%	$ 1,536	41%	$ 1,046	68.1%
Networking (2)	140	4%	48	34.3%	219	6%	80	36.5%
Enterprise Collaboration Systems	1,437	44%	937	65.2%	1,755	47%	1,126	64.2%
Avaya Global Services	1,835	56%	1,083	59.0%	1,947	53%	1,148	59.0%
Unallocated Amounts	—	— %	(21)	(1)	—	— %	(29)	(1)
	$ 3,272	100%	$ 1,999	61.1%	$ 3,702	100%	$ 2,245	60.6%

(1) Not meaningful

(2) Networking business was sold on July 14, 2017, therefore, the Company recognized no revenue after the date of sale.

Financial Results Summary

The following table sets forth for fiscal 2017, 2016 and 2015, our results of operations as reported in our audited Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP").

(In millions, except per share amounts)	Fiscal years ended September 30, 2017	2016	2015
STATEMENTS OF OPERATIONS DATA:			
REVENUE			
Products	$1,437	$1,755	$2,029
Services	1,835	1,947	2,052
	3,272	3,702	4,081
COSTS			
Products:			
Costs	500	630	744
Amortization of acquired technology intangible assets	20	30	35
Services	753	797	872
	1,273	1,457	1,651
GROSS PROFIT	1,999	2,245	2,430
OPERATING EXPENSES			
Selling, general and administrative	1,282	1,413	1,432
Research and development	229	275	338
Amortization of acquired intangible assets	204	226	226
Impairment of indefinite-lived intangible assets	65	100	—
Goodwill impairment	52	442	—
Restructuring charges, net	30	105	62
Acquisition-related costs	—	—	1
	1,862	2,561	2,059
OPERATING INCOME (LOSS)	137	(316)	371
Interest expense	(246)	(471)	(452)
Loss on extinguishment of debt	—	—	(6)
Other income (expense), net	9	68	(11)
Reorganization items, net	(98)	—	—
LOSS BEFORE INCOME TAXES	(198)	(719)	(98)
Benefit from (provision for) income taxes	16	(11)	(70)
NET LOSS	(182)	(730)	(168)
Less: Accretion and accrued dividends on Series A and Series B preferred stock	(31)	(41)	(46)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (213)	$ (771)	$ (214)
Basic and diluted earnings per share attributable to common stockholders:			
Net loss per share—basic and diluted	$ (0.43)	$ (1.54)	$ (0.43)
Weighted average shares outstanding—basic and diluted	497.1	500.7	499.7

Results of Operations

Fiscal Year Ended September 30, 2017 Compared with Fiscal Year Ended September 30, 2016

Revenue

Our revenue for fiscal 2017 and 2016 was $3,272 million and $3,702 million, respectively, a decrease of $430 million or 12%. The following table sets forth a comparison of revenue by portfolio:

	Fiscal years ended September 30,					
			Percentage of Total Revenue			
(In millions)	2017	2016	2017	2016	Yr. to Yr. Percent Change	Yr. to Yr. Percent Change, net of Foreign Currency Impact
GCS	$1,297	$1,536	40%	41%	(16)%	(15)%
Networking (1)	140	219	4%	6%	(36)%	(36)%
Total product revenue	1,437	1,755	44%	47%	(18)%	(18)%
AGS	1,835	1,947	56%	53%	(6)%	(6)%
Total revenue	$3,272	$3,702	100%	100%	(12)%	(11)%

(1) Networking business was sold on July 14, 2017, therefore, the Company recognized no revenue after the date of sale.

GCS revenue for fiscal 2017 and 2016 was $1,297 million and $1,536 million, respectively, a decrease of $239 million or 16%. The decrease in GCS revenue was primarily attributable to uncertainties that had an impact and will continue to impact our customers' buying decisions in the foreseeable future as we saw ongoing procurement slowdowns and extended procurement cycles resulting from the Bankruptcy Filing. As a result, there was a lower demand for endpoints, gateways, Nortel and Tenovis products, SME Telephony products and servers.

Networking revenue for fiscal 2017 and 2016 was $140 million and $219 million, respectively, a decrease of $79 million or 36%. The decrease in Networking revenue is primarily attributable to the sale of certain assets and liabilities of the Company's Networking segment in July 2017 to Extreme. Prior to the sale, there was a lower demand for our products in the U.S., partially offset by greater demand for our products in EMEA.

AGS revenue for fiscal 2017 and 2016 was $1,835 million and $1,947 million, respectively, a decrease of $112 million or 6%. The decrease in AGS revenue was primarily due to lower maintenance services revenues as a result of the lower product sales discussed above and lower professional services revenue.

The following table sets forth a comparison of revenue by location:

	Fiscal years ended September 30,					
			Percentage of Total Revenue			
(In millions)	2017	2016	2017	2016	Yr. to Yr. Percentage Change	Yr. to Yr. Percentage Change, net of Foreign Currency Impact
U.S.	$1,798	$2,072	55%	56%	(13)%	(13)%
International:						
EMEA	834	880	26%	24%	(5)%	(4)%
APAC—Asia Pacific	334	416	10%	11%	(20)%	(20)%
Americas International—Canada and Latin America	306	334	9%	9%	(8)%	(9)%
Total international	1,474	1,630	45%	44%	(10)%	(9)%
Total revenue	$3,272	$3,702	100%	100%	(12)%	(11)%

Revenue in the U.S. for fiscal 2017 and 2016 was $1,798 million and $2,072 million, respectively, a decrease of $274 million or 13%. This decrease was primarily attributable to lower sales of unified communications products—endpoints, SME Telephony, and gateways; networking products; and contact center products; in addition to decreased global shared services revenues. Revenue in EMEA for fiscal 2017 and 2016 was $834 million and $880 million, respectively, a decrease of $46 million or 5%. The decrease in EMEA revenue was primarily attributable to lower sales of unified communication and networking products, and an unfavorable impact of foreign currency. Revenue in APAC for fiscal 2017 and 2016 was $334 million and $416 million, respectively, a decrease of $82 million or 20%. The decrease in APAC revenue was primarily attributable to lower sales of unified communications, principally endpoints, gateways, Aura CM, video and SME Telephony, and contact center products. Revenue in Americas International for fiscal 2017 and 2016 was $306 million and $334 million, respectively, a decrease of $28 million or 8%. The decrease in Americas International revenue was primarily attributable to lower sales of endpoints and gateways, and contact center and networking products, partially offset by increased demand for APCS and the favorable impact of foreign currency.

We sell our products both directly and through an indirect sales channel. The following table sets forth a comparison of revenue from sales of products by channel:

	Fiscal years ended September 30,					
			Percentage of ECS Product Revenue			
(In millions)	2017	2016	2017	2016	Yr. to Yr. Percentage Change	Yr. to Yr. Percentage Change, net of Foreign Currency Impact
Direct	$ 382	$ 453	27%	26%	(16)%	(15)%
Indirect	1,055	1,302	73%	74%	(19)%	(19)%
Total ECS product revenue	$1,437	$1,755	100%	100%	(18)%	(18)%

Gross Profit

The following table sets forth a comparison of gross profit by segment:

	Fiscal years ended September 30,					
	Gross Profit		Gross Margin		Change	
(In millions)	2017	2016	2017	2016	Amount	Percentage
GCS	$ 889	$1,046	68.5%	68.1%	$ (157)	(15)%
Networking (2)	48	80	34.3%	36.5%	(32)	(40)%
ECS	937	1,126	65.2%	64.2%	(189)	(17)%
AGS	1,083	1,148	59.0%	59.0%	(65)	(6)%
Unallocated amounts	(21)	(29)	(1)	(1)	8	(1)
Total	$1,999	$2,245	61.1%	60.6%	$ (246)	(11)%

(1) Not meaningful

(2) Networking business was sold on July 14, 2017, therefore, the Company recognized no revenue after the date of sale.

Gross profit for fiscal 2017 and 2016 was $1,999 million and $2,245 million, respectively, a decrease of $246 million or 11%. The decrease was attributable to the decrease in sales volume. The decrease in gross profit was partially offset by the success of our gross margin improvement initiatives and favorable pricing. Our gross margin improvement initiatives included exiting facilities, reducing the workforce, productivity improvements and obtaining better pricing from our contract manufacturers and transportation vendors. Gross margin increased to 61.1% for fiscal 2017 from 60.6% for fiscal 2016 primarily as a result of our gross margin improvement initiatives, favorable pricing and higher software sales as a percentage of revenues, which have higher margins.

GCS gross profit for fiscal 2017 and 2016 was $889 million and $1,046 million, respectively, a decrease of $157 million or 15%. The decrease in GCS gross profit was primarily attributable to lower sales volume. The decrease was partially offset by the success of our gross margin improvement initiatives and favorable pricing. GCS gross margin increased to 68.5% for fiscal 2017 compared to 68.1% for fiscal 2016 primarily as a result of favorable pricing.

Networking gross profit for fiscal 2017 and 2016 was $48 million and $80 million, respectively, a decrease of $32 million or 40%. Networking gross margin decreased to 34.3% for fiscal 2017 from 36.5% for fiscal 2016. The decrease in Networking gross profit is primarily attributable to lower sales volume as a result of the sale of the Company's Networking business to Extreme.

AGS gross profit for fiscal 2017 and 2016 was $1,083 million and $1,148 million, respectively, a decrease of $65 million or 6%. The decrease in AGS gross profit was due to lower revenue. AGS gross margin was 59.0% for fiscal 2017 and 2016.

Unallocated amounts for fiscal 2017 and 2016 included the effect of the amortization of acquired technology intangibles and costs that are not core to the measurement of segment performance, but rather are controlled at the corporate level.

Operating Expenses

The following table sets forth a comparison of operating expenses:

	Fiscal years ended September 30,					
			Percentage of Revenue		Change	
(In millions)	2017	2016	2017	2016	Amount	Percentage
Selling, general and administrative	$1,282	$1,413	39.2%	38.2%	$ (131)	(9)%
Research and development	229	275	7.0%	7.4%	(46)	(17)%
Amortization of acquired intangible assets	204	226	6.2%	6.1%	(22)	(10)%
Impairment of indefinite-lived intangible assets	65	100	2.0%	2.7%	(35)	(35)%
Goodwill impairment	52	442	1.6%	12.0%	(390)	(88)%
Restructuring charges, net	30	105	0.9%	2.8%	(75)	(71)%
Total operating expenses	$1,862	$2,561	56.9%	69.2%	$ (699)	(27)%

Selling, general and administrative expenses for fiscal 2017 and 2016 were $1,282 million and $1,413 million, respectively, a decrease of $131 million. The decrease was primarily attributable to lower costs incurred in connection with certain legal matters period over period, lower payroll and payroll related expenses realized from the success of cost savings initiatives executed in prior periods, lower selling expenses and the favorable impact of foreign currency, partially offset by advisory fees incurred to assist in the assessment of strategic and financial alternatives to improve the Company's capital structure. Our cost savings initiatives included reductions to the workforce, exiting and consolidating facilities and relocating positions to lower-cost geographies.

Research and development expenses for fiscal 2017 and 2016 were $229 million and $275 million, respectively, a decrease of $46 million. The decrease was primarily due to lower payroll and payroll related expenses realized as a result of cost savings initiatives executed in prior periods.

Impairment of indefinite-lived intangible assets in fiscal 2017 was $65 million. The Company filed for bankruptcy and also experienced a decline in revenues, which led to a revision of its five year forecast in the quarter ended June 30, 2017. Due to the decline in revenue in the five year forecast, the Company tested its intangible assets with indefinite lives and other long-lived assets. The Company estimated the fair values of its indefinite-lived intangible assets using the royalty savings method, which values an asset by estimating the royalties saved through ownership of the asset. As a result of the impairment test, the Company estimated the fair value of its trademarks and trade names to be $190 million as compared to a carrying amount of $255 million and recorded an impairment charge of $65 million. Impairment of indefinite-lived intangible assets in fiscal 2016 was $100 million. The impairment recorded in fiscal 2016 related to the Company's trademarks and trade names and was primarily the result of continued customer cutbacks in current and expected future investments in products, specifically relating to unified communications. The reduced valuation reflects additional market risks and lower sales forecasts for the Company, which is consistent with the lack of customers' willingness to spend on products, specifically relating to unified communications, such as endpoints, gateways, Nortel and Tenovis products, servers and SME Telephony products.

Goodwill impairment in fiscal 2017 was $52 million associated with the Unified Communication reporting unit. As a result of the sale of certain assets and liabilities of the Company's Networking segment in July 2017 to Extreme, it was determined that the fair value of the Networking services component of the Global Support Services reporting unit was less than its carrying value. As a result, the Company recorded a goodwill impairment charge of $52 million associated with the Networking services component of the Global Support Services reporting unit. If market conditions deteriorate, it may be necessary to record impairment charges in the future. Goodwill impairment in fiscal 2016 was $442 million associated with the Unified Communication reporting unit. At July 1, 2016, the Company performed step one of the goodwill impairment test for all of its reporting units, which indicated the estimated fair value of the Unified Communication reporting unit was less

than the carrying amount of its net assets (including goodwill). Therefore, the Company performed step two of its annual goodwill impairment test and determined that the carrying amount of the reporting unit's goodwill exceeded its implied fair value resulting in an impairment to goodwill of $442 million. The impairment was primarily the result of the continued customer cutbacks in investments in unified communication products. The reduced valuation of the reporting unit reflects additional market risks and lower sales forecasts for the reporting unit, which is consistent with the lack of customers' willingness to spend on unified communication products such as endpoints, gateways, Nortel and Tenovis products, servers and SME Telephony products. At July 1, 2016, the Company determined that the respective carrying amounts of the Company's other reporting units did not exceed their estimated fair values and therefore no impairment of the goodwill for these reporting units existed.

Restructuring charges, net, for fiscal 2017 and 2016 were $30 million and $105 million, respectively, a decrease of $75 million. As Avaya continued its transformation to a software and service-led organization, it has implemented programs designed to streamline its operations, generate cost savings and eliminate overlapping processes and resources. Restructuring charges recorded during fiscal 2017 include employee separation costs of $21 million primarily associated with employee severance actions in the U.S. and EMEA and lease obligations of $9 million primarily in EMEA. Restructuring charges recorded during fiscal 2016 include employee separation costs of $101 million primarily associated with employee severance actions in EMEA and Canada, and a voluntary plan initiated in the U.S. as the Company continues its transformation to a software and service-led organization, as well as lease obligations of $4 million.

Operating Income (Loss)

Fiscal 2017 had operating income of $137 million compared to an operating loss of $316 million for fiscal 2016.

Operating (loss) income for fiscal 2017 and 2016 includes impairments of goodwill and indefinite-lived intangible assets of $117 million and $542 million, depreciation and amortization of $326 million and $374 million and share-based compensation of $11 million and $16 million, respectively.

Interest Expense

Interest expense for fiscal 2017 and 2016 was $246 million and $471 million, respectively, and includes non-cash interest expense of $61 million and $20 million, respectively. Non-cash interest expense is amortization of debt issuance costs and accretion of debt discount. The increase in non-cash interest is a result of accelerated amortization of debt issuance costs and accretion of debt discounts due to our Bankruptcy filing. The Bankruptcy Filing constituted an event of default under our Credit Facilities and Senior Secured Notes that accelerated the Company's payment obligations. Consequently, all debt outstanding under the Credit Facilities and Senior Secured Notes have been classified as liabilities subject to compromise and related unamortized deferred financing costs and debt discounts in the amount of $61 million were expensed during fiscal 2017. Effective January 19, 2017, the Company ceased recording interest expense on outstanding pre-petition debt classified as liabilities subject to compromise. Contractual interest expense represents amounts due under the contractual terms of outstanding debt, including debt subject to compromise. For the period from January 19, 2017 through September 30, 2017, contractual interest expense related to debt subject to compromise of $316 million has not been recorded, as it is not expected to be an allowed claim under the Bankruptcy Filing. Cash interest expense for fiscal 2017 and 2016 was $185 million and $451 million, respectively, a decrease of $266 million.

Other Income, Net

Other income, net for fiscal 2017 was $9 million compared with $68 million in fiscal 2016. Other income, net for fiscal 2017 includes interest income of $4 million, income from Transition Services Agreement, net of $3 million, a gain on the sale of certain assets and liabilities of the Networking business of $2 million and net

foreign currency transaction gains of $2 million. Other income, net for fiscal 2016 includes $73 million from changes in the fair value of the Series B preferred stock embedded derivative, net foreign currency transaction gains of $10 million and loss on an equity investment of $11 million.

Benefit from (Provision for) Income Taxes

The benefit from income taxes was $16 million for fiscal 2017 compared with a provision for income taxes of $11 million for fiscal 2016.

The Company's effective income tax rate for fiscal 2017 differs from the U.S. federal tax rate primarily due to (1) the effect of tax rate differentials on foreign income/loss, (2) changes in the valuation allowance established against the Company's deferred tax assets, (3) tax positions taken during the current period offset by reductions for unrecognized tax benefits resulting from the lapse of statute of limitations and the completion of income tax examinations, (4) the non-deductible portion of goodwill impairment, (5) the non-deductible portion of the loss on the sale of Networking business assets, (6) the non-deductible portion of reorganization items, (7) the effect of enacted changes in tax laws, and (8) the recognition of income tax benefits as a result of net gains in other comprehensive income.

The Company's effective income tax rate for fiscal 2016 differs from the U.S. federal tax rate primarily due to (1) the effect of tax rate differentials on foreign income/loss, (2) changes in the valuation allowance established against the Company's deferred tax assets, (3) tax positions taken during the current period offset by reductions for unrecognized tax benefits resulting from the lapse of statute of limitations, (4) the non-deductible portion of goodwill impairment, (5) the effect of enacted changes in tax laws, and (6) a $5 million income tax provision related to the change in the indefinite reinvestment assertion.

At September 30, 2017, the Company's book basis exceeded the tax basis it had in certain foreign subsidiaries, creating an outside basis difference for which the Company provided a deferred tax liability. During fiscal 2016, the Company could no longer assert that it had the intent to indefinitely reinvest the portion of the outside basis difference related to items other than the earnings and profits of the foreign subsidiaries. Accordingly, the Company was required to adjust its deferred tax liability for the effects of this change in assertion, which increased the fiscal 2016 provision for income taxes of continuing operations by $5 million.

Fiscal Year Ended September 30, 2016 Compared with Fiscal Year Ended September 30, 2015

Revenue

Our revenue for fiscal 2016 and 2015 was $3,702 million and $4,081 million, respectively, a decrease of $379 million or 9%. The following table sets forth a comparison of revenue by portfolio:

	Fiscal years ended September 30,					
			Percentage of Total Revenue			
(In millions)	2016	2015	2016	2015	Yr. to Yr. Percent Change	Yr. to Yr. Percent Change, net of Foreign Currency Impact
GCS	$1,536	$1,796	41%	44%	(14)%	(13)%
Networking	219	233	6%	6%	(6)%	(5)%
Total product revenue	1,755	2,029	47%	50%	(14)%	(12)%
AGS	1,947	2,052	53%	50%	(5)%	(3)%
Total revenue	$3,702	$4,081	100%	100%	(9)%	(8)%

GCS revenue for fiscal 2016 and 2015 was $1,536 million and $1,796 million, respectively, a decrease of $260 million or 14%. The decrease in GCS revenue was primarily attributable to lower demand for endpoints,

gateways, Nortel and Tenovis products, servers and SME Telephony products, and the unfavorable impact of foreign currency. These decreases in GCS revenue were partially offset by higher revenues associated with our contact center products.

Networking revenue for fiscal 2016 and 2015 was $219 million and $233 million, respectively, a decrease of $14 million or 6%. The decrease in Networking revenue is primarily attributable to lower sales of ethernet switches, higher revenues in fiscal 2015 associated with new product releases and the unfavorable impact of foreign currency.

AGS revenue for fiscal 2016 and 2015 was $1,947 million and $2,052 million, respectively, a decrease of $105 million or 5%. The decrease in AGS revenue was primarily due to lower maintenance services revenues as a result of the lower product sales discussed above, lower professional services revenue and the unfavorable impact of foreign currency. These decreases in AGS revenue were partially offset by higher revenue from APCS. As previously discussed, revenues associated with APCS contracts are recognized over a longer period of time, typically three to seven years.

The following table sets forth a comparison of revenue by location:

	Fiscal years ended September 30,					
			Percentage of Total Revenue			
(In millions)	2016	2015	2016	2015	Yr. to Yr. Percentage Change	Yr. to Yr. Percentage Change, net of Foreign Currency Impact
U.S.	$2,072	$2,203	56%	54%	(6)%	(6)%
International:						
EMEA	880	1,073	24%	26%	(18)%	(16)%
APAC—Asia Pacific	416	425	11%	11%	(2)%	(1)%
Americas International—Canada and Latin America	334	380	9%	9%	(12)%	(5)%
Total international	1,630	1,878	44%	46%	(13)%	(10)%
Total revenue	$3,702	$4,081	100%	100%	(9)%	(8)%

Revenue in the U.S. for fiscal 2016 and 2015 was $2,072 million and $2,203 million, respectively, a decrease of $131 million or 6%. The decrease in U.S. revenue was primarily attributable to lower maintenance services revenue, lower sales of endpoints, gateways, Nortel and Tenovis products and lower professional services revenue. These decreases in U.S. revenues were partially offset by higher sales of our contact center and networking products and higher revenue attributable to APCS. Revenue in EMEA for fiscal 2016 and 2015 was $880 million and $1,073 million, respectively, a decrease of $193 million or 18%. The decrease in EMEA revenue was primarily attributable to lower demand and unfavorable pricing for our products and associated maintenance services, lower professional services revenue and the unfavorable impact of foreign currency. Revenue in APAC for fiscal 2016 and 2015 was $416 million and $425 million, respectively, a decrease of $9 million or 2%. The decrease in APAC revenue was primarily attributable to unfavorable impact of foreign currency and lower sales of unified communications and networking products. These decreases in APAC revenue were partially offset by higher APCS revenue and higher sales of contact center products. Revenue in Americas International for fiscal 2016 and 2015 was $334 million and $380 million, respectively, a decrease of $46 million or 12%. The decrease in Americas International revenue was primarily attributable to the unfavorable impact of foreign currency and lower sales of endpoints partially offset by higher sales of networking products and professional services.

We sell our products both directly and through an indirect sales channel. The following table sets forth a comparison of revenue from sales of products by channel:

	Fiscal years ended September 30,					
			Percentage of ECS Product Revenue			
(In millions)	2016	2015	2016	2015	Yr. to Yr. Percentage Change	Yr. to Yr. Percentage Change, net of Foreign Currency Impact
Direct	$ 453	$ 501	26%	25%	(10)%	(8)%
Indirect	1,302	1,528	74%	75%	(15)%	(14)%
Total ECS product revenue	$1,755	$2,029	100%	100%	(14)%	(12)%

Gross Profit

The following table sets forth a comparison of gross profit by segment:

	Fiscal years ended September 30,					
	Gross Profit		Gross Margin		Change	
(In millions)	2016	2015	2016	2015	Amount	Percentage
GCS	$1,046	$1,189	68.1%	66.2%	$ (143)	(12)%
Networking	80	97	36.5%	41.6%	(17)	(18)%
ECS	1,126	1,286	64.2%	63.4%	(160)	(12)%
AGS	1,148	1,180	59.0%	57.5%	(32)	(3)%
Unallocated amounts	(29)	(36)	(1)	(1)	7	(1)
Total	$2,245	$2,430	60.6%	59.5%	$ (185)	(8)%

(1) Not meaningful

Gross profit for fiscal 2016 and 2015 was $2,245 million and $2,430 million, respectively, a decrease of $185 million or 8%. The decrease is primarily attributable to the decrease in sales volume, unfavorable pricing, particularly in Europe, and the unfavorable impact of foreign currency. The decrease in gross profit was partially offset by the success of our gross margin improvement initiatives and lower pension and postretirement expenses. Our gross margin improvement initiatives included exiting facilities, reducing the workforce, relocating positions to lower-cost geographies, productivity improvements and obtaining better pricing from our contract manufacturers and transportation vendors. Effective October 1, 2015 the Company changed its estimates of the service and interest components of net periodic benefit costs associated with our U.S. pension and postretirement plans, which lowered pension and postretirement expenses recognized. Gross margin increased to 60.6% for fiscal 2016 from 59.5% for fiscal 2015 primarily as a result of higher software sales as a percentage of revenues, which have higher margins, our gross margin improvement initiatives and lower pension and postretirement expenses.

GCS gross profit for fiscal 2016 and 2015 was $1,046 million and $1,189 million, respectively, a decrease of $143 million or 12%. The decrease in GCS gross profit is primarily attributable to lower sales volume, the unfavorable impact of foreign currency and unfavorable pricing, particularly in Europe. These decreases were partially offset by higher software sales as a percentage of revenues, which have higher margins, the success of our gross margin improvement initiatives and lower pension and postretirement expenses discussed above. As a result of our gross margin improvement initiatives and lower pension and postretirement expenses, GCS gross margin increased to 68.1% for fiscal 2016 compared to 66.2% for fiscal 2015.

Networking gross profit for fiscal 2016 and 2015 was $80 million and $97 million, respectively, a decrease of $17 million or 18%. Networking gross margin decreased to 36.5% for fiscal 2016 from 41.6% for fiscal 2015. The decrease in Networking gross profit and gross margin is primarily attributable to lower sales volume.

AGS gross profit for fiscal 2016 and 2015 was $1,148 million and $1,180 million, respectively, a decrease of $32 million or 3%. The decrease in AGS gross profit is primarily due to lower services revenue and the unfavorable impact of foreign currency. These decreases in AGS gross profit were partially offset by the continued benefit from our gross margin improvement initiatives and lower pension and postretirement expenses. Our gross margin improvement initiatives have enabled us to reduce the workforce and relocate positions to lower-cost geographies. As a result of our gross margin improvement initiatives, AGS gross margin increased to 59.0% for fiscal 2016 compared to 57.5% for fiscal 2015.

Unallocated amounts for fiscal 2016 and 2015 include the effect of the amortization of acquired technology intangibles and costs that are not core to the measurement of segment management's performance, but rather are controlled at the corporate level. The decrease in unallocated amounts was primarily attributable to lower amortization associated with technology intangible assets acquired in prior periods.

Operating Expenses

The following table sets forth a comparison of operating expenses:

	Fiscal years ended September 30,					
			Percentage of Revenue		Change	
(In millions)	2016	2015	2016	2015	Amount	Percentage
Selling, general and administrative	$1,413	$1,432	38.2%	35.1%	$ (19)	(1)%
Research and development	275	338	7.4%	8.3%	(63)	(19)%
Amortization of acquired intangible assets	226	226	6.1%	5.5%	—	— %
Impairment of indefinite-lived intangible assets	100	—	2.7%	— %	100	(1)
Goodwill impairment	442	—	12.0%	— %	442	(1)
Restructuring charges, net	105	62	2.8%	1.5%	43	69%
Acquisition-related costs	—	1	— %	— %	(1)	(1)
Total operating expenses	$2,561	$2,059	69.2%	50.4%	$ 502	24%

(1) Not meaningful

Selling general and administrative expenses for fiscal 2016 and 2015 were $1,413 million and $1,432 million, respectively, a decrease of $19 million. The decrease was primarily attributable to the favorable impact of foreign currency, lower selling expenses, lower payroll and payroll related expenses realized from the success of our cost savings initiatives executed in the prior periods, and lower pension and postretirement expenses as discussed above. Our cost savings initiatives include reductions to the workforce, exiting and consolidating facilities, and relocating positions to lower-cost geographies. These decreases were partially offset by the resolution of certain legal matters, advisory fees incurred to assist in the assessment of strategic and financial alternatives to improve the Company's capital structure, and third-party sales transformation costs.

Research and development expenses for fiscal 2016 and 2015 were $275 million and $338 million, respectively, a decrease of $63 million. The decrease was primarily due to lower payroll and payroll related expenses realized from the success of cost savings initiatives executed in prior periods and the favorable impact of foreign currency.

Amortization of acquired intangible assets was $226 million for each of fiscal 2016 and 2015.

Impairment of indefinite-lived intangible assets in fiscal 2016 was $100 million. The impairment related to the Company's trademarks and trade names and was primarily the result of continued customer cutbacks in

current and expected future investments in products, specifically relating to unified communications. The reduced valuation reflects additional market risks and lower sales forecasts for the Company, which is consistent with the lack of customers' willingness to spend on products, specifically relating to unified communications, such as endpoints, gateways, Nortel and Tenovis products, servers and SME Telephony products.

Goodwill impairment in fiscal 2016 was $442 million associated with the Unified Communication reporting unit. At July 1, 2016, the Company performed step one of the goodwill impairment test for all of its reporting units, which indicated the estimated fair value of the Unified Communication reporting unit was less than the carrying amount of its net assets (including goodwill). Therefore, the Company performed step two of its annual goodwill impairment test and determined that the carrying amount of the reporting unit's goodwill exceeded its implied fair value resulting in an impairment to goodwill of $442 million. The impairment was primarily the result of the continued customer cutbacks in investments in unified communication products. The reduced valuation of the reporting unit reflects additional market risks and lower sales forecasts for the reporting unit, which is consistent with the lack of customers' willingness to spend on unified communication products such as endpoints, gateways, Nortel and Tenovis products, servers and SME Telephony products. At July 1, 2016, the Company determined that the respective carrying amounts of the Company's other reporting units did not exceed their estimated fair values and therefore no impairment of the goodwill for these reporting units existed. The Company determined that no other events occurred or circumstances changed during the three months ended September 30, 2016 that would more likely than not reduce the fair value of its other reporting units below their respective carrying amounts. However, if market conditions deteriorate, it may be necessary to record impairment charges in the future.

Restructuring charges, net, for fiscal 2016 and 2015 were $105 million and $62 million, respectively, an increase of $43 million. As the Company continued its transformation to a software and service-led organization, it implemented programs designed to streamline its operations, generate cost savings and eliminate overlapping processes and resources. Restructuring charges recorded during fiscal 2016 include employee separation costs of $101 million primarily associated with employee severance actions in EMEA and Canada, and a voluntary plan initiated in the U.S. as the Company continues its transformation to a software and service-led organization, as well as lease obligations of $4 million. Restructuring charges recorded during fiscal 2015 include employee separation costs of $52 million primarily associated with employee severance actions in EMEA and the U.S. and lease obligations of $10 million primarily related to facilities in the U.S. The separation charges include, but are not limited to, social pension fund payments and health care and unemployment insurance costs to be paid to or on behalf of the affected employees.

Acquisition-related costs for fiscal 2015 were $1 million and include third-party legal and other costs related to business acquisitions in fiscal 2015.

Operating (Loss) Income

Fiscal 2016 had an operating loss of $316 million compared to operating income of $371 million for fiscal 2015.

Operating (loss) income for fiscal 2016 and 2015 includes impairments of goodwill and indefinite-lived intangible assets of $542 million and $0 million, non-cash depreciation and amortization of $374 million and $371 million, and share-based compensation of $16 million and $19 million, respectively.

Interest Expense

Interest expense for fiscal 2016 and 2015 was $471 million and $452 million, respectively, and includes non-cash interest expense of $20 million and $20 million, respectively. Non-cash interest expense for fiscal 2016 and 2015 includes amortization of debt issuance costs and accretion of debt discounts. Cash interest expense for fiscal 2016 and 2015 was $451 million and $432 million, respectively, an increase of $19 million. The increase in cash interest expense is the result of certain debt refinancing transactions that occurred during fiscal 2015.

Loss on Extinguishment of Debt

During fiscal 2015, we recognized a $6 million loss on extinguishment of debt associated with an amendment to our Senior Secured Credit Agreement completed on May 29, 2015, pursuant to which the Company refinanced a portion of its outstanding term B-3, term B-4 and term B-6 loans with the proceeds of the issuance of term B-7 loans maturing May 29, 2020. The loss represents the difference between the reacquisition price and the carrying value (including unamortized discount and debt issuance costs) for the portion of the refinanced debt accounted for as a debt extinguishment.

Other Income (Expense), Net

Other income (expense), net for fiscal 2016 was $68 million compared with $(11) million in fiscal 2015.

Other income, net for fiscal 2016 includes $73 million from changes in the fair value of the Preferred Series B embedded derivative, net foreign currency transaction gains of $10 million and a $11 million loss on an equity investment in fiscal 2016. Other (expense), net for fiscal 2015 includes $24 million from changes in the fair value of the Preferred Series B embedded derivative and $8 million of third-party fees incurred in connection with debt modification, partially offset by $14 million of net foreign currency transaction gains and $9 million of net charges associated with certain tax indemnifications.

Provision for Income Taxes of Continuing Operations

The provision for income taxes of continuing operations was $11 million and $70 million for fiscal 2016 and 2015, respectively. The Company's effective income tax rates for fiscal 2016 and 2015 differ from the U.S. federal tax rate primarily due to (1) the effect of tax rate differentials on foreign income/loss, (2) changes in the valuation allowance established against the Company's deferred tax assets, (3) tax positions taken during the current period offset by reductions for unrecognized tax benefits resulting from the lapse of statute of limitations, (4) the non-deductible portion of the goodwill impairment and (5) the effect of enacted changes in tax laws.

At September 30, 2016, the Company's book basis exceeded the tax basis it had in its foreign subsidiaries, creating an outside basis difference. Included in this outside basis difference were amounts attributable to earnings and profits for which the Company provided a deferred tax liability. Deferred taxes were not provided on the remaining portion of the outside basis difference as these amounts related to items other than the earnings and profits of the foreign subsidiaries and were essentially permanent in duration. During fiscal 2016, the Company could no longer assert that it had the intent to indefinitely reinvest these amounts and the Company was required to adjust its deferred tax liability for the effects of this change in assertion and additional current year activity, which increased the provision for income taxes of continuing operations by $5 million.

During fiscal 2015, the Company recorded a correction to the prior period valuation allowance on deferred tax assets, which decreased the provision for income taxes by $6 million. The Company evaluated the correction in relation to the period of adjustment, as well as the period in which the adjustment originated, and concluded that the adjustment was not material to fiscal 2015.

Liquidity and Capital Resources

On the Petition Date, the Company and certain of its affiliates filed the Bankruptcy Filing. Until emergence from bankruptcy on December 15, 2017, the Debtors continued to operate their business as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Bankruptcy Filing constituted an event of default that accelerated the Company's payment obligations under the Credit Facilities and Senior Secured Notes. As a result of the Bankruptcy Filing, the principal and interest due under our debt agreements became due and payable, except as described in the Forbearance Agreement below. However, any efforts to enforce such payment

obligations were automatically stayed as a result of the Bankruptcy Filing, and the creditors' rights of enforcement were subject to the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Consequently, all debt outstanding under the Credit Facilities and Senior Secured Notes was classified as debt subject to compromise and all unamortized debt issuance costs and unaccreted debt discounts were expensed.

Contemporaneously with the Bankruptcy Filing, the Foreign ABL Borrowers entered into the Forbearance Agreement pursuant to which, among other things, the Foreign ABL lenders agreed to forbear from exercising certain rights as a result of the Debtors filing voluntary petitions for relief under the Bankruptcy Code, which constituted events of default under the Foreign ABL. The Forbearance Agreement also provided for, among other things, entry into a payoff letter, which contemplated that all loans and other obligations that were accrued and payable under the Foreign ABL and the corresponding loan documents were required to be paid in full within eight business days after the Petition Date. The Foreign ABL and Domestic ABL were repaid in full on January 24, 2017 in the amount of $50 million and $55 million, respectively.

In connection with the Bankruptcy Filing, on January 19, 2017, the Company entered into the DIP Credit Agreement, which provided a $725 million term loan facility due January 2018, and also included a cash collateralized letter of credit facility in an aggregate amount equal to $150 million. All letters of credit were cash collateralized in an amount equal to 101.5% of the face amount of such letters of credit denominated in U.S. dollars and 103% of the face amount of letters of credit denominated in alternative currencies. The DIP Credit Agreement, in the case of the Base Rate Loans, bore interest at a rate per annum equal to 6.5% plus the highest of (i) Citibank, N.A.'s prime rate, (ii) the Federal Funds Rate plus 0.5% and (iii) the Eurocurrency Rate for an interest period of one month, subject to a 2% floor and in the case of the Eurocurrency Loans, bore interest at a rate per annum equal to 7.5% plus the applicable Eurocurrency Rate, subject to a 1% floor. As of September 30, 2017, the weighted average interest rate for the $725 million term loan facility was 8.7%.

The DIP Credit Agreement limited, among other things, the Company's ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of the Company. In addition to standard obligations, the DIP order provided for specific milestones that the Company had to achieve by specific target dates. In addition, the Company and its subsidiaries were required to maintain minimum cumulative consolidated EBITDA (as defined in the DIP Credit Agreement) of not less than specified levels ranging from $133 million to $386 million, depending on the applicable period referenced in the DIP Credit Agreement. The Debtors were also required to maintain minimum Consolidated Liquidity (as defined in the DIP Credit Agreement) ranging from $20 million to $100 million depending on the applicable period referenced in the DIP Credit Agreement.

The Company drew $425 million in term loans under the DIP Credit Agreement on January 24, 2017 upon the Bankruptcy Court's issuance of the interim order. The proceeds were used to repay the outstanding balance of $55 million under the Domestic ABL, to repay the outstanding balance of $50 million under the Foreign ABL, to cash collateralize $69 million of existing letters of credit and for general working capital needs.

On March 10, 2017, the Bankruptcy Court approved the final order authorizing the Debtors to access the full amount under the DIP Credit Agreement. The Company drew the remaining $300 million upon approval of the final order. The proceeds were used for general working capital needs.

The Debtors filed a Plan of Reorganization with the Bankruptcy Court on October 24, 2017. On November 28, 2017, the Bankruptcy Court entered an order confirming the Debtors' Plan of Reorganization. On December 15, 2017, the Debtors, including the Company, completed the Restructuring and emerged from chapter 11 proceedings. The DIP Credit Agreement was repaid in full on December 15, 2017.

Sources and Uses of Cash

The following table provides the condensed statements of cash flows for the periods indicated:

(In millions)	Fiscal years ended September 30, 2017	2016	2015
Net cash (used for) provided by:			
Net loss	$(182)	$(730)	$(168)
Adjustments to net loss for non-cash items	518	829	468
Changes in operating assets and liabilities	(45)	14	(85)
Operating activities	291	113	215
Investing activities	(70)	(100)	(129)
Financing activities	314	9	(53)
Effect of exchange rate changes on cash and cash equivalents	5	(9)	(32)
Net increase in cash and cash equivalents	540	13	1
Cash and cash equivalents at beginning of year	336	323	322
Cash and cash equivalents at end of year	$ 876	$ 336	$ 323

Operating Activities

Cash provided by operating activities was $291 million, $113 million and $215 million for fiscal 2017, 2016 and 2015, respectively.

Adjustments to reconcile net loss to net cash provided by operations primarily consisted of depreciation and amortization of $326 million, $374 million and $371 million; non-cash interest expense of $61 million, $20 million and $20 million; deferred income taxes of $(39) million, $(53) million and $29 million; share-based compensation of $11 million, $16 million and $19 million; and unrealized gain on foreign currency exchange of $4 million, $12 million and $4 million, during fiscal 2017, 2016 and 2015, respectively. Additionally, fiscal 2017 and 2016 included adjustments for the impairment of indefinite-lived intangible assets of $65 million and $100 million, and impairment of goodwill of $52 million and $442 million, respectively. Also included in the adjustments were $(73) million and $24 million of change in fair value of the Preferred Series B derivative during fiscal 2016 and 2015, respectively. Fiscal 2017 included $52 million for non-cash operating reorganization expenses.

Cash (used for) provided by changes in operating assets and liabilities for fiscal 2017, 2016 and 2015 were $(45) million, $14 million and $(85) million, respectively.

During fiscal 2017, changes in our operating assets and liabilities resulted in a net decrease in cash from operations, which was driven by decreases in payments of business restructuring reserves established in previous periods, deferred revenues, payments associated with our employee incentive programs and the timing of payments to our vendors. These decreases were partially offset by increases in collections of accounts receivable and inventory.

During fiscal 2016, changes in our operating assets and liabilities resulted in a net increase in cash from operations, which was driven by collections of accounts receivable, increases in accrued interest and lower inventory. These increases were partially offset by payments associated with our employee incentive programs, the timing of payments to our vendors and payments associated with our business restructuring reserves.

During fiscal 2015, changes in our operating assets and liabilities resulted in a net decrease in cash from operations, which was driven by payments associated with our employee incentive programs, the timing of business restructuring reserves established in previous periods, and payments to our vendors. These decreases were partially offset by increases in collections of accounts receivable and deferred revenues.

Investing Activities

Net cash (used for) provided by investing activities included cash used for capital expenditures of $57 million, $94 million and $124 million and the acquisition of businesses of $4 million, $20 million and $24 million during fiscal 2017, 2016 and 2015, respectively. Also included were payments to develop capitalized software of $2 million and $2 million, during fiscal 2017 and 2016, respectively. During fiscal 2016 and 2015, we received proceeds of $14 million and $22 million, respectively, for the sale of equipment used in the performance of services under our agreement with HP. In addition, in 2017, we received $70 million for proceeds from the sale of our Networking business and increased our restricted cash by $80 million, primarily related to the cash collateralized letters of credit issued under the DIP Credit Agreement.

Financing Activities

Net cash provided by (used for) financing activities primarily included proceeds from our financing agreements, offset by repayments and payments for debt issuance and modification costs.

Cash provided by financing activities for fiscal 2017 includes $712 million of net DIP borrowings, which was partially offset by $223 million of long-term debt payments, including $217 million of adequate protection payments, $150 million under our revolving credit facilities and $19 million in connection with financing the use of equipment for the performance of services under an agreement with HP Enterprise Services, LLC ("HP").

Cash provided by financing activities for fiscal 2016 includes $57 million of borrowings in excess of repayments under our revolving credit facilities, partially offset by $25 million of long-term debt payments. We also made $19 million of payments in connection with financing the use of equipment for the performance of services under our agreement with HP.

Cash used for financing activities for fiscal 2015 includes cash proceeds of $2,100 million from the issuance of term B-7 loans maturing May 29, 2020. The proceeds from the issuance of the term B-7 loans were used to: (a) repay $2,054 million aggregate principal amounts of term B-3 loans, term B-4 loans, and term B-6 loans, (b) repay $32 million of revolving loans outstanding under our Senior Secured Credit Agreement, (c) pay $8 million of third-party fees and expenses for debt modification costs incurred in the refinancing transaction, and (d) pay $1 million for interest accrued on the refinanced term and revolving credit loans through the date of the refinancing transaction. The redemption price of the term B-3 loans and term B-6 loans includes $1 million of paid-in-kind interest expense recognized in prior periods and $3 million of unamortized discount, which is included in the loss on extinguishment of debt. In addition to the $32 million repaid with the proceeds of the term B-7 loans, we repaid another $90 million and borrowed $50 million of revolving loans under our Senior Secured Credit Agreement during fiscal 2015. We also made $12 million of payments in connection with financing the use of equipment for the performance of services under our agreement with HP.

Credit Facilities

On December 15, 2017, the Company entered into (i) the Term Loan Credit Agreement between Avaya Inc., as borrower, Avaya Holdings, the lending institutions from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent and collateral agent, which provided a $2,925 million term loan facility due December 15, 2024 and (ii) the ABL Credit Agreement among Avaya Holdings, Avaya Inc., as borrower, the several borrowers party thereto, the several lenders from time to time party thereto, and Citibank, N.A., as administrative agent and collateral agent, which provided a revolving credit facility consisting of a U.S. tranche and a foreign tranche in an aggregate principal amount of $300 million, subject to borrowing base availability. The Term Loan Credit Agreement, in the case of ABR Loans, bears interest at a rate per annum equal to 3.75% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced in the Wall Street Journal and (iii) the LIBOR Rate for an interest period of one month, subject to a

1% floor and in the case of LIBOR Loans, bears interest at a rate per annum equal to 4.75% plus the applicable LIBOR Rate, subject to a 1% floor. The ABL Credit Agreement bears interest:

1. In the case of Base Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced by Citibank, N.A. and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor;
2. In the case of Canadian Prime Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the "Base Rate" as publicly announced by Citibank, N.A., Canadian branch and (ii) the CDOR Rate for an interest period of 30 days, subject to a 1% floor;
3. In the case of LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable LIBOR Rate, subject to a 0% floor;
4. In the case of CDOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable CDOR Rate, subject to a 0% floor; and
5. In the case of Overnight LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable Overnight LIBOR Rate.

The Credit Agreements limit, among other things, Avaya Inc.'s ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of Avaya Inc.

Contractual Obligations

The following table summarizes our contractual obligations and stated due dates as of September 30, 2017 as adjusted for Restructuring transactions on December 15, 2017:

		Payments due by period			
(In millions)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Capital lease obligations (1)	$ 25	$ 14	$ 11	$—	$ —
Operating lease obligations (2)	264	71	97	51	45
Purchase obligations with contract manufacturers and suppliers (3)	68	68	—	—	—
Other purchase obligations (4)	549	391	139	14	5
Term Loan Credit Agreement due December 15, 2024 (5)	2,925	22	59	59	2,785
ABL Credit Agreement (6)	—	—	—	—	—
Interest payments due on debt (7)	1,251	146	364	357	384
Benefit obligations (8)	89	89	—	—	—
Total	$5,171	801	$670	$481	$ 3,219

(1) The payments due for capital lease obligations do not include $1 million in future payments for interest.

(2) Contractual obligations for operating leases include $42 million of future minimum lease payments pertaining to restructuring and exit activities.

(3) We purchase components from a variety of suppliers and use several contract manufacturers to provide manufacturing services for our products. During the normal course of business, in order to manage manufacturing lead times and to help assure adequate component supply, we enter into agreements with contract manufacturers and suppliers that allow them to produce and procure inventory based upon forecasted requirements provided by us. If we do not meet these specified purchase commitments, we could be required to purchase the inventory.

(4) Other purchase obligations represent an estimate of contractual obligations in the ordinary course of business, other than commitments with contract manufacturers and suppliers, for which we have not received the goods or services as of September 30, 2017. Although contractual obligations are considered enforceable and legally binding, the terms generally allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to the delivery of goods or performance of services. Other purchase obligations also includes estimated payments under the multi-year contract entered into with HP pursuant to which Avaya will outsource to HP certain delivery services associated with the APCS business including current specified customer contracts.

(5) The contractual obligations for our Term Loan Credit Agreement represents principal payment only.

(6) The ABL Credit Agreement is a $300 million revolving credit facility with a U.S. and foreign tranche. Upon emergence of bankruptcy, there was no draw down on this credit facility.

(7) The interest payments for the Term Loan Credit Agreement were calculated by applying an applicable margin to a projected LIBOR rate. An estimated unused facility fee was calculated for the ABL Credit Agreement using the contract rate.

(8) The Company sponsors non-contributory defined pension and postretirement plans covering certain employees and retirees. The Company's general funding policy with respect to qualified pension plans is to contribute amounts at least sufficient to satisfy the minimum amount required by applicable law and regulations, or to directly pay benefits where appropriate. Most postretirement medical benefits are not pre-funded. Consequently, the Company makes payments as these retiree medical benefits are disbursed. Upon emergence, APPSE was transferred to the PBGC and the Avaya Supplemental Pension Plan was terminated.

As of September 30, 2017, the Company's unrecognized tax benefits associated with uncertain tax positions were $268 million and interest and penalties related to these amounts were an additional $19 million.

Future Cash Requirements

A substantial portion of our future cash requirements are for the payment of principal and interest on our debt, which historically has been in excess of 70% of our operating cash flows as adjusted to add back interest payments on our debt. Our other future cash requirements relate to working capital, capital expenditures, restructuring payments and benefit obligations. In addition, we may use cash in the future to make strategic acquisitions.

In addition to our working capital requirements, we expect our primary cash requirements for fiscal 2018 to be as follows:

- *Restructuring payments* —We expect to make payments of approximately $55 million to $60 million during fiscal 2018 for employee separation costs and lease termination obligations associated with restructuring actions we have taken through September 30, 2017.
- *Capital expenditures* —We expect to spend approximately $65 million to $70 million for capital expenditures during fiscal 2018.
- *Benefit obligations*— We expect to make payments under our post-emergence pension and postretirement obligations of $89 million during fiscal 2018. These payments include $46 million to satisfy the minimum statutory funding requirements of our U.S. qualified pension plan, $1 million of payments under our U.S. benefit plans that are not pre-funded, $27 million under our non-U.S. benefit plans that are predominately not pre-funded and $15 million under our U.S. retiree medical benefit plan that is not pre-funded.

In addition to the matters identified above, in the ordinary course of business, the Company is involved in litigation, claims, government inquiries, investigations and proceedings, including, but not limited to, those identified below, relating to intellectual property, commercial, employment, environmental and regulatory matters.

On October 23, 2014, in connection with an action in the U.S. District Court, District of New Jersey, against defendants Telecom Labs, Inc., TeamTLI.com Corp. and Continuant Technologies, Inc. (the "TLI/Continuant matter"), the Company filed a supersedeas bond with the Court in the amount of $63 million to stay execution of a judgment against it while the matter is on appeal. On February 22, 2016, the Company posted a bond in the amount of $8 million in connection with the TLI/Continuant's attorneys' fees, expenses and costs. The Company secured posting of the bonds through the issuance of a letter of credit under its Credit Facilities and Senior Secured Notes.

On September 30, 2016, the Third Circuit issued a favorable ruling for the Company which included: (1) reversing the mid-trial decision to dismiss four of the Company's affirmative claims and reinstated them; (2) vacating the jury verdict on the two claims decided in TLI/Continuant's favor; (3) entering judgment in the Company's favor on a portion of TLI/Continuant's claim relating to attempted monopolization; (4) dismissing TLI/Continuant's PDS patches claim as a matter of law; (5) vacating the damages award to TLI/Continuant; (6) vacating the award of prejudgment interest to TLI/Continuant; and (7) vacating the injunction.

As a result of the Third Circuit's opinion, on November 23, 2016, the Company filed a Notice of Motion to Release the Supersedeas Bonds, which the court granted on December 23, 2016. On January 13, 2017, the Court entered an Order staying the matter pending mediation. On January 20, 2017, the Company filed a Notice of Suggestion on Pendency of Bankruptcy for Avaya Inc., et. al. and Automatic Stay of Proceedings. On November 30, 2017, the Company filed a motion in the Bankruptcy Court seeking to estimate TLI/Continuant's claim.

In July 2016, BlackBerry Limited ("BlackBerry") filed a complaint for patent infringement against the Company in the Northern District of Texas, alleging infringement of multiple patents with respect to a variety of technologies including user interface design, encoding/decoding and call routing. In September 2016, the Company filed a motion to dismiss these claims and in October 2016, the Company also filed a motion to transfer this matter to the Northern District of California. In January 2017, the Company filed a notice of Suggestion of Pendency of Bankruptcy, which initially stayed the proceedings. The stay was partially lifted to allow the court in Texas to rule on the two pending motions. The Company's motion to transfer the case from Texas to California has been denied. The Company's motion to dismiss BlackBerry's indirect infringement and willfulness claims was granted, although BlackBerry was provided an opportunity to file an Amended Complaint to cure the deficiencies, which it did on October 19, 2017.

In September 2011, Network-1 Security Solutions, Inc. ("Network-1") filed a complaint for patent infringement against the Company and other corporations in the Eastern District of Texas (Tyler Division), alleging infringement of its patent with respect to power over Ethernet technology. Network-1 seeks to recover for alleged reasonable royalties, enhanced damages and attorneys' fees. In January 2017, the Company filed a Notice of Suggestion of Pendency of Bankruptcy, which informed the Court of the Company's voluntary bankruptcy petition filing and stay of proceedings. On October 16, 2017, the Bankruptcy Court entered an order approving a settlement agreement with Network-1.

In January 2010, SAE Power Incorporated and SAE Power Company ("SAE") filed a complaint in the New Jersey Superior Court asserting various claims including breach of contract, unjust enrichment, promissory estoppel, and breach of the covenant of good faith and fair dealing arising out of Avaya's relationship with SAE as a supplier of various power supply products. SAE has since asserted additional claims against Avaya for fraud, negligent misrepresentation, misappropriation of trade secrets, and civil conspiracy. SAE seeks to recover for alleged losses stemming from Avaya's termination of its power supply purchases from SAE, including for Avaya's alleged disclosure of SAE's alleged trade secret and/or confidential information to another power supply vendor. On July 19, 2016, the Court entered an order granting Avaya's motion for partial summary judgment, dismissing certain of SAE's claims regarding the alleged disclosure of trade secrets. In January 2017, the Company filed a Notice of Suggestion of Pendency of Bankruptcy, which stayed the proceedings. On September 28, 2017, the Company filed a motion in the Bankruptcy Court seeking to estimate SAE's claim.

These and other legal matters could have a material adverse effect on the manner in which the Company does business and the Company's financial position, results of operations, cash flows and liquidity.

During fiscal 2017 and 2016, the Company recognized $64 million and $106 million, respectively, of costs incurred in connection with the resolution of certain legal matters.

Future Sources of Liquidity

Upon emergence, we had more than $300 million in cash. We expect our cash balances, cash generated by operations and borrowings available under our ABL Credit Agreement to be our primary sources of short-term liquidity.

On December 15, 2017, the Company entered into (i) the Term Loan Credit Agreement between Avaya Inc., as borrower, Avaya Holdings, the lending institutions from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent and collateral agent, which provided a $2,925 million term loan facility due December 15, 2024 and (ii) the ABL Credit Agreement among Avaya Holdings, Avaya Inc., as borrower, the several borrowers party thereto, the several lenders from time to time party thereto, and Citibank, N.A., as administrative agent and collateral agent, which provided a revolving credit facility consisting of a U.S. tranche and a foreign tranche in an aggregate principal amount of $300 million, subject to borrowing base availability. The Term Loan Credit Agreement, in the case of ABR Loans, bears interest at a rate per annum equal to 3.75% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced in the Wall Street Journal and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor and in the case of LIBOR Loans, bears interest at a rate per annum equal to 4.75% plus the applicable LIBOR Rate, subject to a 1% floor. The ABL Credit Agreement bears interest:

1. In the case of Base Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the prime rate as publicly announced by Citibank, N.A. and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor;
2. In the case of Canadian Prime Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the "Base Rate" as publicly announced by Citibank, N.A., Canadian branch and (ii) the CDOR Rate for an interest period of 30 days, subject to a 1% floor;
3. In the case of LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable LIBOR Rate, subject to a 0% floor;
4. In the case of CDOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable CDOR Rate, subject to a 0% floor; and
5. In the case of Overnight LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable Overnight LIBOR Rate.

The Credit Agreements limit, among other things, Avaya Inc.'s ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of Avaya Inc.

As of September 30, 2017 and 2016, our cash and cash equivalent balances held outside the U.S. were $246 million and $97 million, respectively. As of September 30, 2017, balances of cash and cash equivalents held outside the U.S. in excess of in-country needs and, which could not be distributed to the U.S. without restriction were not material.

Debt Ratings

On December 15, 2017, the Company obtained ratings from Moody's Investors Service ("Moody's") and Fitch Ratings Inc. ("Fitch"). Moody's issued a corporate family rating of "B2" with a stable outlook and a rating of the 7-year $2.925 billion Term Loan Credit Agreement of "B2". Fitch issued a Long-Term Issuer Default Rating of "B" with a stable outlook and a rating of the Term Loan Credit Agreement of "B+". Standard and Poor's issued a definitive corporate credit rating of "B" with a stable outlook and a rating of the Term Loan Credit Agreement of "B."

Our ability to obtain additional external financing and the related cost of borrowing may be affected by our ratings, which are periodically reviewed by the major credit rating agencies. The ratings are subject to change or withdrawal at any time by the respective credit rating agencies.

Commitments and Contingencies

We are party to several types of agreements, including surety bonds, purchase commitments, product financing arrangements, performance guarantees and subject to certain legal proceedings. See Note 22, "Commitments and Contingencies," to our audited Consolidated Financial Statements for a detailed discussion.

EBITDA and Adjusted EBITDA

EBITDA is defined as net income (loss) before income taxes, interest expense, interest income and depreciation and amortization and excludes the results of discontinued operations. EBITDA provides us with a measure of operating performance that excludes items that are outside the control of management, which can differ significantly from company to company depending on capital structure, the tax jurisdictions in which companies operate and capital investments. Under the Company's debt agreements, the ability to draw down on the revolving credit facilities or engage in activities such as incurring additional indebtedness, making investments and paying dividends is tied in part to ratios based on a measure of adjusted EBITDA. As defined in our debt agreements, adjusted EBITDA is a non-GAAP measure of EBITDA further adjusted to exclude certain charges and other adjustments, including one-time charges, permitted in calculating covenant compliance under our debt agreements. Further, our debt agreements require that adjusted EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Moreover, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

We also calculate Adjusted EBITDA for purposes other than debt covenant compliance using a different formulation than that allowed in our debt documents. Certain employee and management benefit plans are determined using financial targets based on Adjusted EBITDA. We also believe Adjusted EBITDA is more useful to equity investors than the calculation of debt adjusted EBITDA because the former does not include adjustments for certain items that we believe are more indicative of the performance of our core business operations. In addition, we believe Adjusted EBITDA provides more comparability between our historical results and results that reflect purchase accounting and our current capital structure. Accordingly, Adjusted EBITDA measures our financial performance based on operational factors that management can impact in the short-term, such as our pricing strategies, volume, costs and expenses of the organization, and it presents our financial performance in a way that can be more easily compared to prior quarters or fiscal years.

EBITDA and Adjusted EBITDA have limitations as analytical tools. EBITDA measures do not represent net income (loss) or cash flow from operations as those terms are defined by GAAP and do not necessarily indicate whether cash flows will be sufficient to fund cash needs. While EBITDA measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Generally, Adjusted EBITDA excludes the impact of earnings or charges resulting from

matters that we consider not to be indicative of our ongoing operations. In particular, our formulation of Adjusted EBITDA allows adjustment for certain amounts that are included in calculating net income (loss) as set forth in the following table including, but not limited to, restructuring charges, certain fees payable to our private equity sponsors and other advisors, resolution of certain legal matters and a portion of our pension costs and post-employment benefits costs, which represents the amortization of pension service costs and actuarial gain (loss) associated with these benefits. However, these are expenses that may recur, may vary and are difficult to predict.

The unaudited reconciliation of net loss, which is a GAAP measure, to EBITDA and Adjusted EBITDA is presented below:

	Fiscal years ended September 30,		
(In millions)	**2017**	**2016**	**2015**
Net loss	$(182)	$(730)	$(168)
Interest expense (a)	246	471	452
Interest income	(4)	(1)	(1)
(Benefit from) provision for income taxes	(16)	11	70
Depreciation and amortization	326	374	371
EBITDA	370	125	724
Restructuring charges, net	30	105	62
Sponsors' and other advisory fees (b)	85	43	7
Acquisition and integration-related costs (c)	1	2	4
Third-party sales transformation costs (d)	—	5	—
Reorganization items, net (e)	98	—	—
Loss on extinguishment of debt (f)	—	—	6
Third-party fees expensed in connection with the debt modification (g)	—	—	8
Non-cash share-based and other compensation	11	19	19
Loss (gain) on sale of long-lived assets, net	—	1	(1)
Gain on sale of Networking business	(2)	—	—
Change in certain tax indemnifications	—	—	(9)
Impairment of indefinite-lived intangible assets	65	100	—
Goodwill impairment	52	442	—
Impairment of long-lived asset	3	—	—
Loss on equity investment	—	11	—
Change in fair value of Preferred Series B embedded derivative (h)	—	(73)	24
Securities registration fees (i)	—	1	—
Costs in connection with certain legal matters (j)	64	106	—
Gain on foreign currency transactions	(2)	(10)	(14)
Pension/OPEB/nonretirement postemployment benefits and long-term disability costs (k)	90	63	69
Other	1	—	1
Adjusted EBITDA	$ 866	$ 940	$ 900

(a) Effective January 19, 2017, the Company ceased recording interest expense on outstanding pre-petition debt classified as liabilities subject to compromise. Contractual interest expense represents amounts due under the contractual terms of outstanding debt, including debt subject to compromise. For the period from January 19, 2017 through September 30, 2017, contractual interest expense related to debt subject to compromise of $316 million has not been recorded, as it is not expected to be an allowed claim under the Bankruptcy Filing.

(b) Sponsors' fees represent monitoring fees payable to affiliates of the Sponsors and their designees pursuant to a management services agreement. Other advisory fees represent costs incurred to assist in the assessment of strategic and financial alternatives to improve the Company's capital structure.

(c) Acquisition and integration-related costs primarily represent third-party consulting fees related to developing compatible IT systems and internal processes with those of acquired entities.
(d) Third-party sales transformation costs are consulting fees incurred in support of the Company's sales initiatives and the realignment of its sales organization.
(e) Reorganization items, net represent amounts incurred subsequent to the Bankruptcy Filing as a direct result of the Bankruptcy Filing and are comprised of professional fees and DIP Credit Agreement financing costs.
(f) Loss on extinguishment of debt represents losses recognized in connection with certain debt refinancing transactions entered into during fiscal 2015. The loss is based on the difference between the reacquisition price and the carrying value (including unamortized debt issue costs) of the debt.
(g) The third-party fees expensed in connection with debt modification represent fees paid to third parties in connection with certain debt refinancing transactions entered into during fiscal 2015.
(h) Represents the (gain) loss on changes in the fair value of certain embedded derivative features of the Company's Series B preferred stock. Under GAAP, these embedded features must be recognized at fair value at each balance sheet date with the changes in the fair value recognized in operations.
(i) Represents third-party fees incurred in connection with the Company's registration statement.
(j) Costs in connection with certain legal matters include reserves and settlements, as well as associated legal costs.
(k) Represents that portion of pension and post-employment benefit costs, which represents the amortization of prior service costs and net actuarial gain (loss) associated with these benefits.

Use of Estimates and Critical Accounting Policies

Our Consolidated Financial Statements are based on the selection and application of GAAP, which require us to make estimates and assumptions about future events that affect the amounts reported in our financial statements and the accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and any such differences may be material to the financial statements. We believe that the following policies may involve a higher degree of judgment and complexity in their application and represent the critical accounting policies used in the preparation of our financial statements. If different assumptions or conditions were to prevail, the results could be materially different from our reported results.

Basis of Presentation

The audited Consolidated Financial Statements included herein have been prepared on a basis that assumes that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

On December 15, 2017, the Debtors, including the Company, completed the Restructuring and emerged from chapter 11 proceedings. This followed the Bankruptcy Court's entry of an order confirming the Debtors' Plan of Reorganization on November 28, 2017.

Acquisition Accounting

The Company accounts for business combinations using the acquisition method, which requires an allocation of the purchase price of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. Goodwill represents the excess of the purchase price over the net tangible and intangible assets acquired.

Revenue Recognition

The Company derives revenue primarily from the sale of software products and services for communications systems and applications. The Company's products are sold directly through its worldwide sales

force and indirectly through its global network of channel partners, including distributors, service providers, dealers, value-added resellers, systems integrators and business partners that provide sales and services support. Services include (i) supplemental maintenance service, including services provided under contracts to monitor and optimize customers' communications network performance; (ii) professional services for implementation and integration of converged voice and data networks, network security and unified communications; and (iii) private cloud and managed services. Maintenance contracts have terms that range from one to five years. Contracts for professional services typically have terms that range from four to six weeks for simple engagements and from six months to one year for strategic engagements. Contracts for private cloud and managed services have terms that range from one to five years.

In accordance with GAAP, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. For arrangements that require acceptance of the product, system, or solution as specified by the customer, revenue is deferred until the acceptance criteria have been met.

The Company's indirect sales to channel partners are generally recognized at the time of shipment if all contractual obligations have been satisfied. The Company accrues a provision for estimated sales returns and other allowances, including promotional marketing programs and other incentives as a reduction of revenue at time of sale. When estimating returns, the Company considers customary inventory levels held by third-party distributors.

The Company enters into multiple deliverable arrangements, which may include various combinations of products, software and services. Most product and service deliverables qualify as separate units of accounting and can be sold on a standalone basis. A deliverable constitutes a separate unit of accounting when it has standalone value and, where return rights exist, delivery or performance of the undelivered items is considered probable and substantially within the Company's control. When the Company sells products with implementation services, they are generally combined as one or more units of accounting, depending on the nature of the services and the customer's acceptance requirements.

The Company's products may have both software and non-software components that function together to deliver the products' essential functionality. For these multiple deliverable arrangements, the Company allocates revenue to the deliverables based on their relative selling prices. To the extent that a deliverable is subject to specific guidance on whether and/or how to allocate the consideration in a multiple element arrangement, that deliverable is accounted for in accordance with such specific guidance. The Company limits the amount of revenue recognition for delivered items to the amount that is not contingent on the future delivery of products or services or meeting other future performance obligations.

The Company allocates revenue based on a selling price hierarchy of vendor-specific objective evidence, third-party evidence, and then estimated selling price. Vendor-specific objective evidence is based on the price charged when the deliverable is sold separately. Third-party evidence is based on largely interchangeable competitor products or services in standalone sales to similarly situated customers. As the Company is unable to reliably determine what competitors products' selling prices are on a standalone basis, the Company is not typically able to determine third-party evidence. Estimated selling price is based on the Company's best estimates of what the selling prices of deliverables would be if they were sold regularly on a standalone basis. Estimated selling price is established considering multiple factors including, but not limited to, pricing practices in different geographies and through different sales channels, major product and services groups, and customer classifications.

Once the Company allocates revenue to each deliverable, the Company recognizes revenue in accordance with its policies when all revenue recognition criteria are met. Product revenue is generally recognized upon delivery and maintenance services revenue is generally recognized ratably over the period during which the services are performed, whereas revenue from private cloud and managed services is generally recognized based

on usage, subject to contractual minimums. Revenue for professional services arrangements is generally recognized upon completion of performance and revenue for arrangements that require acceptance of the product, system or solution, is recognized when the acceptance criteria have been met.

Standalone or subsequent sales of software or software-related items are recognized in accordance with the software revenue recognition guidance. For multiple deliverable arrangements that only include software items, the Company generally uses the residual method to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered items equals the total arrangement consideration, less the fair value of the undelivered items. Where vendor-specific objective evidence of fair value for the undelivered items cannot be determined, the Company generally defers revenue until all items are delivered and services have been performed, or until such evidence of fair value can be determined for the undelivered items.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Consolidated Statements of Operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

Additionally, the accounting for income taxes requires the Company to evaluate and make an assertion as to whether undistributed foreign earnings will be indefinitely reinvested or repatriated.

FASB ASC subtopic 740-10, “Income Taxes-Overall” (“ASC 740-10”) prescribes a comprehensive model for the financial statement recognition, measurement, classification, and disclosure of uncertain tax positions. ASC 740-10 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, based on the technical merits of the position. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement.

Significant judgment is required in evaluating uncertain tax positions and determining the provision for income taxes. Although the Company believes its reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in the historical income tax provision and accruals. The Company adjusts its estimated liability for uncertain tax positions periodically due to new information discovered from ongoing examinations by, and settlements with various taxing authorities, as well as changes in tax laws, regulations and interpretations. The Company’s policy is to recognize, when applicable, interest and penalties on uncertain tax positions as part of income tax expense.

As part of the Company’s accounting for business combinations, some of the purchase price is allocated to goodwill and intangible assets. Impairment expenses associated with goodwill are generally not tax deductible and will result in an increased effective income tax rate in the fiscal period any impairment is recorded. The income tax benefit from future releases of the acquisition date valuation allowances or income tax contingencies, if any, are reflected in the income tax provision in the consolidated statements of operations, rather than as an adjustment to the purchase price allocation.

Intangible and Long-lived Assets

Intangible assets include acquired technology, customer relationships, trademarks and trade names and other intangibles. Intangible assets with finite lives are amortized using the straight-line method over the estimated

economic lives of the assets, which range from two to fifteen years. Long-lived assets, including intangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable in accordance with FASB ASC Topic 360, "Property, Plant, and Equipment." Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the estimated fair value of the asset. Intangible assets determined to have indefinite useful lives are not amortized but are tested for impairment annually each July 1 st , and more frequently if events occur or circumstances change that indicate an asset may be impaired. Long-lived assets to be disposed of are reported at the lower of carrying amount or estimated fair value less costs to sell. The estimated useful lives of intangible and long-lived assets are based on many factors including assumptions regarding the effects of obsolescence, demand, competition and other economic factors, expectations regarding the future use of the asset, and our historical experience with similar assets. The assumptions used to determine the estimated useful lives could change due to numerous factors including product demand, market conditions, technological developments, economic conditions and competition.

The Company performed an impairment test of indefinite-lived intangible assets and other long lived assets during the third quarter of 2017, due to the decline in revenue in the five year forecast. The Company estimated the fair values of its indefinite-lived intangible assets using the royalty savings method, which values an asset by estimating the royalties saved through ownership of the asset. As a result of the impairment test, the Company estimated the fair value of its trademarks and trade names to be $190 million as compared to a carrying amount of $255 million and recorded an impairment charge of $65 million.

Goodwill

Goodwill is not amortized but is subject to periodic testing for impairment in accordance with FASB ASC Topic 350, "Intangibles-Goodwill and Other" ("ASC 350") at the reporting unit level, which is one level below the Company's operating segments. The assessment of goodwill impairment is conducted by estimating and comparing the fair value of the Company's reporting units, as defined in ASC 350, to their carrying amounts as of that date. The fair value is estimated using an income approach whereby the fair value of the reporting unit is based on the future cash flows that each reporting unit's assets can be expected to generate. Future cash flows are based on forward-looking information regarding market share and costs for each reporting unit and are discounted using an appropriate discount rate. Future discounted cash flows can be affected by macroeconomic factors such as changes in economies, product evolutions, industry consolidations, and other changes beyond Avaya's control including the rate or extent to which anticipated synergies or cost savings are realized with newly acquired entities.

The test for impairment is conducted annually each July 1 st , and more frequently if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

As a result of the sale of certain assets and liabilities of the Company's Networking segment in July 2017 to Extreme, the Company recorded a goodwill impairment charge of $52 million associated with the Networking services component of the Global Support Services reporting unit during fiscal 2017. In addition, during the quarter ended June 30, 2017, the Company updated its five-year forecast as a result of the bankruptcy filing. As a result of the decline in revenue and the updated forecast, the Company determined that an interim impairment test of its goodwill should be performed in the third quarter of 2017. The results of the goodwill impairment test indicated that the respective book values of each reporting unit did not exceed their respective fair values and, therefore, no impairment existed. See Note 7, "Goodwill," to our audited Consolidated Financial Statements for a discussion of the Company's annual goodwill impairment test.

In order to evaluate the sensitivity of the fair value calculations in the goodwill impairment test the Company applied a hypothetical 10% decrease to the fair value of each reporting unit. This hypothetical 10%

decrease in the fair value of all other reporting units at June 30, 2017, would not result in an impairment of goodwill for any other reporting unit.

Restructuring Programs

The Company accounts for exit or disposal of activities in accordance with FASB ASC Topic 420, "Exit or Disposal Cost Obligations" ("ASC 420"). In accordance with ASC 420, a business restructuring is defined as an exit or disposal activity that includes but is not limited to a program that is planned and controlled by management and materially changes either the scope of a business or the manner in which that business is conducted. Business restructuring charges include (i) one-time termination benefits related to employee separations, (ii) contract termination costs and (iii) other costs associated with exit or disposal activities including, but not limited to, costs for consolidating or closing facilities and relocating employees.

A liability is recognized and measured at its fair value for one-time termination benefits once the plan of termination is communicated to affected employees and it meets all of the following criteria: (i) management commits to a plan of termination, (ii) the plan identifies the number of employees to be terminated and their job classifications or functions, locations and the expected completion date, (iii) the plan establishes the terms of the benefit arrangement and (iv) it is unlikely that significant changes to the plan will be made or the plan will be withdrawn. Contract termination costs include costs to terminate a contract or costs that will continue to be incurred under the contract without benefit to the Company. A liability is recognized and measured at its fair value when the Company either terminates the contract or ceases using the rights conveyed by the contract. A liability is recognized and measured at its fair value for other associated costs in the period in which the liability is incurred.

Pension and Postretirement Benefit Obligations

The Company sponsors non-contributory defined benefit pension plans covering a portion of its U.S. employees and retirees, and postretirement benefit plans covering a portion of its U.S. retirees that include healthcare benefits and life insurance coverage. Certain non-U.S. operations have various retirement benefit programs covering substantially all of their employees. Some of these programs are considered to be defined benefit pension plans for accounting purposes.

The Company's pension and postretirement benefit costs are developed from actuarial valuations. Inherent in these valuations are key assumptions, including the discount rate and expected long-term rate of return on plan assets. Material changes in pension and postretirement benefit costs may occur in the future due to changes in these assumptions, changes in the number of plan participants, changes in the level of benefits provided, changes in asset levels and changes in legislation.

The discount rate is subject to change each year, consistent with changes in rates of return on high-quality fixed-income investments currently available and expected to be available during the expected benefit payment period. The Company selects the assumed discount rate for its U.S. pension and postretirement plans by applying the rates from the Aon Hewitt AA Only and Aon Hewitt AA Above Median yield curves to the expected benefit payment streams and develops a rate at which it is believed the benefit obligations could be effectively settled. The Company follows a similar process for its non-U.S. pension plans by applying the Aon Hewitt Euro AA corporate bond yield curve. Based on the published rates as of September 30, 2017, the Company used a weighted average discount rate of 3.73% for the U.S. pension plans, 1.92% for the non-U.S. pension plans, and 3.83% for the postretirement plans. For the post-emergence U.S. pension plans, non-U.S. pension plans, and the postretirement plans, every one-percentage-point increase or decrease in the discount rate reduces or increases our benefit obligation by approximately $124 million, $78 million and $51 million, respectively.

The market-related value of the Company's plan assets as of the measurement date is developed using a five-year smoothing technique. First, a preliminary market-related value is calculated by adjusting the market-

related value at the beginning of the year for payments to and from plan assets and the expected return on assets during the year. The expected return on assets represents the expected long-term rate of return on plan assets adjusted up to plus or minus 2% based on the actual ten-year average rate of return on plan assets. A final market-related value is determined as the preliminary market-related value, plus 20% of the difference between the actual return and expected return for each of the past five years.

These pension and other postretirement benefits are accounted for in accordance with FASB ASC Topic 715, "Compensation—Retirement Benefits" ("ASC 715"). ASC 715 requires that plan assets and obligations be measured as of the reporting date and the over-funded, under-funded or unfunded status of plans be recognized as of the reporting date as an asset or liability in the Consolidated Balance Sheets. In addition, ASC 715 requires costs and related obligations and assets arising from pensions and other postretirement benefit plans to be accounted for based on actuarially-determined estimates.

The plans use different factors, including years of service, eligible compensation and age, to determine the benefit amount for eligible participants. The Company funds its U.S. pension plans in compliance with applicable laws. See Note 15, "Benefit Obligations," to our audited Consolidated Financial Statements for a discussion of the Company's pension and postretirement plans.

Effective October 1, 2015, the Company changed its estimate of the service and interest cost components of net periodic benefit cost for its U.S. pension and other postretirement benefit plans. Previously, the Company estimated the service and interest cost components utilizing a single weighted average discount rate derived from the yield curve used to measure the benefit obligation. The new estimate utilizes a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their underlying projected cash flows. The new estimate provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates. The change did not affect the measurement of the Company's U.S. pension and postretirement benefit obligations and it was accounted for as a change in accounting estimate, which is applied prospectively.

Commitments and Contingencies

In the ordinary course of business we are subject to legal proceedings related to environmental, product, employment, intellectual property, licensing and other matters. In addition, we are subject to indemnification and liability sharing claims by Lucent Technologies Inc. (now Nokia) under the terms of the Contribution and Distribution Agreement. In order to determine the amount of reserves required, we assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of reserves required for these contingencies is made after analysis of each individual issue. The estimates of required reserves may change due to new developments in each matter or changes in approach such as a change in settlement strategy. Assessing the adequacy of any reserve for matters for which we may have to indemnify Nokia is especially difficult, as we do not control the defense of those matters and have limited information.

Share-based Compensation

The Company accounts for share-based compensation in accordance with FASB Topic ASC 718, "Compensation—Stock Compensation," which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including stock options, restricted stock units and stock purchases based on estimated fair values. The determination of the fair value of share-based payment awards on the date of grant using an option pricing model is affected by the fair market value of our stock (as defined in Avaya Holdings Corp's Amended and Restated 2007 Equity Incentive Plan) as well as a number of highly complex and subjective assumptions.

New Accounting Guidance Recently Adopted

In August 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-15 "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The standard requires management to evaluate, at each annual and interim reporting period, a company's ability to continue as a going concern within one year of the date the financial statements are issued and provide related disclosures. This guidance became effective for the Company on a prospective basis beginning with the fiscal 2017 annual financial statements. See discussion in Note 1, "Background and Basis of Presentation—Going Concern," for the Company's assessment of its ability to continue as a going concern. The adoption of the new standard did not have a material impact to the Company's Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-04, "Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). This standard removes Step 2 of the goodwill impairment test, which requires the assessment of fair value of individual assets and liabilities of a reporting unit to measure goodwill impairments. Goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value. The Company early adopted this standard beginning in fiscal 2017. See discussion in Note 7, "Goodwill," for a description of how this accounting standard impacted the Company's Consolidated Financial Statements.

In April 2015, the FASB issued ASU No. 2015-05, "Intangibles-Goodwill and Other-Internal-Use Software". The standard amends the existing accounting standards for intangible assets and provides explicit guidance to customers in determining the accounting for fees paid in a cloud computing arrangement, wherein the arrangements that do not convey a software license to the customer are accounted for as service contracts. The Company adopted this standard in the first quarter of fiscal 2017 on a prospective basis, and it did not have a material impact to its Consolidated Financial Statements.

In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations Simplifying the Accounting for Measurement-Period Adjustments." This standard simplifies the accounting for adjustments made to provisional amounts recognized in a business combination and eliminates the requirement to retrospectively account for those adjustments. The Company adopted this standard in the first quarter of fiscal 2017 and it did not have a material impact to its Consolidated Financial Statements.

Recent Accounting Guidance Not Yet Effective

In August 2017, the FASB issued ASU No. 2017-12 "Derivatives and Hedging (Topic 815)." This new standard sets forth targeted improvements to accounting for hedging activities and will make more financial and non-financial hedging strategies eligible for hedge accounting. It also modifies the presentation and disclosure requirements and changes how companies assess effectiveness. This standard is effective for the Company beginning in the first quarter of fiscal 2020. The Company is currently evaluating the impact that the adoption of this new standard may have on its Consolidated Financial Statements.

In March 2017, the FASB issued ASU No. 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." This standard improves the presentation of net periodic pension cost and net periodic postretirement benefit cost. This standard will change how employers that sponsor defined benefit pension and other postretirement benefit plans present net periodic benefit cost in the income statement. This standard is effective for the Company beginning in the first quarter of fiscal 2019. The Company is currently evaluating the impact that the adoption of this new standard may have on its Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations Clarifying the Definition of a Business." This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This standard is effective for the Company beginning in the first quarter of fiscal 2019. The Company is currently evaluating the impact that the adoption of this standard may have on its Consolidated Financial Statements.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows: Restricted Cash." This standard requires the statement of cash flows to explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This standard is effective for the Company beginning in the first quarter of fiscal 2019, early adoption is permitted. This standard is to be applied through a retrospective transition method to each period presented. This is not expected to impact the Company as it is for cash flow presentation only.

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments." This standard addressed the appropriate classification of certain cash flows as operating, investing, or financing. This standard is effective for the Company in the first quarter of fiscal 2019 and must be applied retrospectively to each accounting period presented and is not expected to have a material effect on its Consolidated Financial Statements.

In June 2016, the FASB issued ASU No. 2016-13, "Measurement of Credit Losses on Financial Instruments." This standard, which requires entities to estimate all expected credit losses for certain types of financial instruments, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models and methods for estimating expected credit losses. This standard is effective for the Company in the first quarter of fiscal 2021 on a prospective basis. The Company is currently evaluating the impact that the adoption of this standard may have on its Consolidated Financial Statements.

In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting." This standard simplifies the accounting for share-based payments and their presentation in the statement of cash flows. This standard is effective for the Company in the first quarter of fiscal 2018 and must be applied retrospectively to each accounting period presented. The guidance pertaining to the statement of cash flows may be applied retrospectively or prospectively in the year of adoption. The Company is currently evaluating the method of adoption and the effect that the adoption of this standard may have on its Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases." The standard requires the recognition of assets and liabilities for all leases with lease terms of more than 12 months. This standard is effective for the Company in the first quarter of fiscal 2020 by means of a modified retrospective approach with early adoption permitted. The Company is currently evaluating the method of adoption and the effect that the adoption of this standard may have on its Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." The standard supersedes most of the current revenue recognition guidance under GAAP and is intended to improve and converge with international standards the financial reporting requirements for revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. New disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers are also required. Subsequently, the FASB issued several standards that clarified certain aspects of the standard but did not change the original standard. This new guidance is effective for the Company beginning in the first quarter of fiscal 2019. Early adoption is permitted in the first quarter of fiscal 2018. The ASU may be applied retrospectively (a) to each reporting period presented or (b) with the cumulative effect in retained earnings at the beginning of the adoption period.

We currently anticipate adoption of the new standard effective October 1, 2018 using the modified retrospective method where the cumulative effect is recorded to retained earnings at the beginning of the

adoption period. Adoption of the standard is dependent on completion of a detailed accounting assessment, the success of the design and implementation phase for changes to the Company's processes, internal controls, system functionality and the completion of our analysis of information necessary to assess the overall impact of adoption of this guidance on our Consolidated Financial Statements.

We continue to make progress on detailed contract reviews within the accounting assessment phase to identify the required changes to accounting policy, disclosures and the impact of the ASU, including any recently issued amendments, on our consolidated financial statements. We have reached preliminary conclusions on certain accounting assessments and we will continue to monitor and assess the impact of changes to the standard and interpretations as they become available. We expect revenue recognition related to our stand-alone product shipments and maintenance services to remain substantially unchanged. However, we continue to evaluate our preliminary conclusion and we are currently assessing the impact on our other sources of revenue recognition.

Identification of Material Weaknesses in Internal Control over Financial Reporting

In connection with the preparation of our consolidated financial statements for the quarter ended June 30, 2017, we identified control deficiencies that constituted material weaknesses in our internal control over financial reporting as of June 30, 2017. Specifically, we did not maintain the appropriate complement of resources in our tax department commensurate with the volume and complexity of accounting for income taxes subsequent to our voluntary filing of chapter 11 bankruptcy protection. This material weakness contributed to the following control deficiencies, which are individually considered to be material weaknesses, relating to the completeness and accuracy of our accounting for income taxes, including the related tax assets and liabilities:

- Control activities over the completeness and accuracy of interim forecasts by tax jurisdiction used in accounting for our interim income tax provision were not performed at the appropriate level of precision. This control deficiency resulted in an adjustment to our income tax provision for the quarter ended June 30, 2017.
- Control activities over the completeness and accuracy of the allocation of the tax provision calculations (the "intraperiod allocation") were insufficient to ensure that the intraperiod allocation balances were accurately determined. This control deficiency resulted in an adjustment to our income tax provision for the quarter ended June 30, 2017.

These control deficiencies resulted in material adjustments to our income tax provision for the quarter ended June 30, 2017. See "Risk Factors—Risks Related to Our Business—We have identified material weaknesses in our internal control over financial reporting."

Management has begun implementing a remediation plan to address the control deficiencies that led to the material weaknesses. The remediation plan includes the following:

- Implementing specific additional review procedures over the income tax provision calculations for interim quarters to ensure that the results of such calculations are not inconsistent with the actual results and trends being observed in the business. The deficiency, and the related remediation, applies only to interim quarters in which the income tax provision is based on forecast results for the year. The controls and processes related to the income tax provision for our fiscal year-end are not affected as they are based on actual results for the year.
- Hire additional personnel, including a Vice President of Tax, or consultants with the appropriate experience and technical expertise in income taxes.

Our goal is to remediate these material weaknesses during fiscal 2018, subject to there being sufficient opportunities to conclude, through testing, that the enhanced controls are operating effectively.

If we do not adequately remediate these material weaknesses, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, or comply with the accounting and reporting requirements applicable to public companies, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

ITEM 3. PROPERTIES

As of September 30, 2017, we had 131 leased facilities located in 57 countries and one parcel consisting of four acres of undeveloped land. These included 11 primary R&D facilities located in Canada, China, Germany, India, Ireland, Israel, Italy and the U.S. Our real property portfolio consists of aggregate floor space of 3.2 million square feet, substantially all of which is leased. Of the 3.2 million square feet of leased space, 597,000 square feet is related to property for which the future minimum lease payments have been accrued for in accordance with GAAP pertaining to restructuring and exit activities. Our lease terms range from monthly leases to 10 years. The remaining owned undeveloped land is located in Shreveport, LA, which remains idle. The Company continues to aggressively market this property. We believe that all of our facilities are in good condition and are well maintained. Our facilities are used for current operations of all operating segments. For additional information regarding obligations under operating leases, see Note 22, “Commitments and Contingencies,” to our audited Consolidated Financial Statements included elsewhere in this registration statement.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the Emergence Date, we had 110,000,000 shares of our common stock issued and outstanding. The following table sets forth information regarding the beneficial ownership of our common stock immediately following the Restructuring. The table below sets forth such beneficial ownership for:

- each stockholder that is a beneficial owner of more than 5% of the common stock (based on information that was publicly available or made available to the Company as of the Emergence Date, including information regarding the holders of first lien debt and second lien notes which were exchanged for shares of common stock on the Emergence Date pursuant to the Plan of Reorganization);
- each named director and nominee for director;
- each executive officer; and
- all directors, nominees for director and executive officers as a group.

The percentage of common stock beneficially owned by each person is based on 110,000,000 shares of common stock outstanding as of the Emergence Date. Shares of common stock that may be acquired within 60 days following the Emergence Date pursuant to the exercise of options or warrants are deemed to be outstanding for the purpose of computing the percentage ownership of such holder but are not deemed to be outstanding for computing the percentage ownership of any person shown in the table. Beneficial ownership representing less than one percent is denoted with an "*." Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Unless otherwise noted below, the address of the persons and entities listed in the table is c/o Avaya Holdings Corp., 4655 Great America Parkway, Santa Clara, California 95054.

Name	Common Stock of Avaya Holdings Corp. Beneficially Owned	Percentage of Outstanding Shares Beneficially Owned
Franklin Mutual Advisers, LLC (1)	12,465,973	11.2%
Pension Benefit Guaranty Corporation (2)	6,050,000	5.5%
Oppenheimer Senior Floating Rate Fund (3)	5,506,017	5.0%
James M. Chirico, Jr.	—	—%
Ronald A. Rittenmeyer	—	—%
Stephan Scholl	—	—%
Susan L. Spradley	—	—%
Stanley J. Sutula, III	—	—%
Scott D. Vogel	—	—%
William D. Watkins	—	—%
Jaroslaw S. Glembocki	—	—%
Nicholas Nikolopoulos	—	—%
Patrick J. O'Malley, III	—	—%
Laurent Philonenko	—	—%
William Mercer Rowe	—	—%
Shefali Shah	—	—%
Gary E. Barnett	—	—%
Kevin J. Kennedy	—	—%
Morag Lucey	—	—%
Michael M. Runda	—	—%
David Vellequette	—	—%
Directors and executive officers as a group (13 Persons)	—	—%

(1) Includes 11,227,858 shares of common stock and 1,238,115 warrants which are currently exercisable. The securities reported herein are beneficially owned by one or more open-end investment companies or other managed accounts that are investment management clients of Franklin Mutual Advisers, LLC ("FMA"), an indirect wholly owned subsidiary of Franklin Resources, Inc. ("FRI"). When an investment management contract (including a sub-advisory agreement) delegates to FMA investment discretion or voting power over the securities held in the investment advisory accounts that are subject to that agreement, FRI treats FMA as having sole investment discretion or voting authority, as the case may be, unless the agreement specifies otherwise. Accordingly, FMA reports that it has sole investment discretion and voting authority over the securities covered by any such investment management agreement, unless otherwise noted in this Item 4. As a result, for purposes of Rule 13d -3 under the Securities Act, FMA may be deemed to be the beneficial owner of the securities reported in this registration statement.

Beneficial ownership by investment management subsidiaries and other affiliates of FRI is being reported in conformity with the guidelines articulated by the SEC staff in Release No. 34-39538 (January 12, 1998) relating to organizations, such as FRI, where related entities exercise voting and investment powers over the securities being reported independently from each other. The voting and investment powers held by FMA are exercised independently from FRI (FMA's parent holding company) and from all other investment management subsidiaries of FRI (FRI, its affiliates and investment management subsidiaries other than FMA are, collectively, "FRI affiliates"). Furthermore, internal policies and procedures of FMA and FRI establish informational barriers that prevent the flow between FMA and the FRI affiliates of information that relates to the voting and investment powers over the securities owned by their respective investment management clients. Consequently, FMA and the FRI affiliates report the securities over which they hold investment and voting power separately from each other for purposes of Section 13 of the Securities Act.

Charles B. Johnson and Rupert H. Johnson, Jr. (the "Principal Shareholders") each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI. However, because FMA exercises voting and investment powers on behalf of its investment management clients independently of FRI, beneficial ownership of the securities reported by FMA is not attributed to the Principal Shareholders. FMA disclaims any pecuniary interest in any of the securities reported in this registration statement. In addition, the filing of this registration statement on behalf of FMA should not be construed as an admission that it is, and it disclaims that it is, the beneficial owner, as defined in Rule 13d-3 under the Securities Act, of any of such securities.

Furthermore, FMA believes that it is not a "group" with FRI, the Principal Shareholders, or their respective affiliates within the meaning of Rule 13d-5 under the Securities Act and that none of them is otherwise required to attribute to any other the beneficial ownership of the securities held by such person or by any persons or entities for whom or for which FRI subsidiaries provide investment management services.

The address for Franklin Mutual Advisers, LLC is 101 John F. Kennedy Parkway, Short Hills, NJ 07078-2789.

(2) The address for Pension Benefit Guaranty Corporation is 1200 K Street, NW, Washington, DC 20005.

(3) The address for Oppenheimer Senior Floating Rate Fund is 6803 S. Tuscon Way, Centennial, CO 80112.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Executive Officers and Directors

Our board of directors currently consists of seven members. Pursuant to our charter and bylaws, each of our directors will be elected by our stockholders to serve until such director's successor is duly elected and qualified except as in the case of such director's earlier death, resignation, retirement, disqualification, removal or incapacity. Subject to any employment agreements, officers serve at the pleasure of our board of directors.

Below is a list of names, ages and a brief account of the business experience as of the Emergence Date of the individuals who currently serve as our executive officers and directors:

Name	Age	Position
Executive Officers		
James M. Chirico, Jr.	59	Director, President and Chief Executive Officer
Jaroslaw S. Glembocki	61	Senior Vice President, Operations
Nicholas Nikolopoulos	50	Senior Vice President, Corporate Strategy, Corporate Development and Marketing
Patrick J. O'Malley, III	55	Senior Vice President and Chief Financial Officer
Laurent Philonenko	59	Senior Vice President, Solutions & Technology
William Mercer Rowe	40	Senior Vice President and General Manager, Cloud
Shefali Shah	46	Senior Vice President, Chief Administrative Officer and General Counsel
Directors		
William D. Watkins	65	Chairman of the Board of Directors
Ronald A. Rittenmeyer	70	Director
Stephan Scholl	47	Director
Susan L. Spradley	56	Director
Stanley J. Sutula, III	52	Director
Scott D. Vogel	42	Director

James M. Chirico, Jr., Director, President and Chief Executive Officer

Mr. Chirico has been our President and Chief Executive Officer since October 1, 2017 and a Director since the Emergence Date. Prior to that, from September 1, 2016 through September 30, 2017, he served as our Executive Vice President and Chief Operating Officer and was also named Head of Global Sales in November 2016. Previously he served as our Executive Vice President, Business Operations and Chief Restructuring Officer from June 14, 2010 through August 31, 2016. He served as President, Operations from January 2008 until June 14, 2010 and was appointed Chief Restructuring Officer on February 3, 2009. Prior to joining Avaya, from February 1998 to November 2007, Mr. Chirico held various senior management positions at Seagate Technology PLC (NASDAQ: STX), a designer, manufacturer and marketer of hard disc drives, including Executive Vice President, Global Disc Storage Operations, from February 2006 until November 2007, and Senior Vice President and General Manager, Asia Operations, from September 2000 to February 2006. In addition, Mr. Chirico served on the Board of Directors of Caraustar Industries, Inc., an integrated manufacturer of 100% recycled paperboard and converted paperboard products, from 2009 until 2013. Mr. Chirico was selected to serve as a director in light of his role as Chief Executive Officer, the management perspective he brings to board deliberations and his extensive management experience.

Jaroslaw S. Glembocki, Senior Vice President, Operations

Mr. Glembocki has served as our Senior Vice President, Operations since October 23, 2017, after having served as our Senior Vice President, Quality Program Office from November 7, 2011 through October 2017. Previously he served as Chief Operating Officer of Solexant Corp., a developer of third-generation ultrathin-film PV technology, from March 2011 until October 2011. From June 2009 until March 2011, Mr. Glembocki was

engaged in various consulting projects. Prior to that, Mr. Glembocki served as Senior Vice President of Recording Heads and Media Operations at Seagate Technology PLC (NASDAQ: STX), from October 2000 until May 2009.

Nicholas Nikolopoulos, Senior Vice President, Corporate Strategy, Corporate Development and Marketing

Mr. Nikolopoulos has been our Senior Vice President, Corporate Strategy, Corporate Development and Marketing since October 23, 2017. Previously, from May 2015 to October 2017, he served as Chief M&A Counsel and Head of Business Transformation for Mednax, Inc. (NYSE: MD) overseeing M&A transactions and business transformation initiatives. From February 2013 to April 2015, he served as Vice President of Corporate Operations and Business Transformation at Avaya Inc., responsible for the company's business transformation programs and initiatives. From April 2007 to February 2013, he served as Vice President of Corporate Strategy and Development at Office Depot, Inc. (NASDAQ: ODP) and from July 2001 to April 2007, he served a Director of Business Development for Tyco Electronics, Inc. (NYSE: TEL) (now TE Connectivity Ltd.), responsible for submarine cable joint ventures and public safety radio communications projects. Prior to 2001, Mr. Nikolopoulos served in a variety roles with telecom start-ups in Europe funded by Warburg Pincus and prior to that he served as Director of Regulatory Affairs for Orion Satellite Systems. Mr. Nikolopoulos holds a Bachelor of Science in Electrical Engineering from the University of New Hampshire and a Juris Doctorate from the Chicago Kent College of Law.

Patrick J. O'Malley, III, Senior Vice President and Chief Financial Officer

Mr. O'Malley has been our Senior Vice President and Chief Financial Officer since October 24, 2017. Previously, from October 2015 to October 2017, he served as Senior Vice President for Seagate Technology PLC (NASDAQ: STX) with responsibility for overseeing strategic and operational initiatives. From August 2008 to October 2015, Mr. O'Malley served as Seagate's Executive Vice President and Chief Financial Officer. From October 2005 to August 2008, he served as Senior Vice President Finance and Treasurer, responsible for Corporate Accounting, Reporting, Treasury, Credit and Collections and Risk Management along with Corporate Financial Planning and Analysis and support for Seagate's Business Unit General Managers, Sales and other functions. From 2004 to 2005, he was Seagate's Senior Vice President, Consumer Electronics Business Development. Mr. O'Malley joined Seagate in 1988 and has held various management roles within the Finance organization including Manager of Consolidation and Cost Accounting, Director of Finance - Corporate Financial Planning and Analysis, Senior Director of Finance for Oklahoma City Operations, Sr. Director of Finance for Desktop Design, VP of Finance for Recording Media Operations and Senior Vice President of Finance for Manufacturing Operations.

Laurent Philonenko, Senior Vice President, Solutions & Technology

Mr. Philonenko has been our Senior Vice President, Solutions & Technology since October 23, 2017, after having served as our Senior Vice President, Corporate Strategy, Development and Technology since November 2014. Immediately prior to that, he served as our Vice President, Corporate Development and Strategy beginning in November 2013. Prior to joining Avaya, Mr. Philonenko served as Chief Technology Officer for Cisco's Collaboration Technology Group from November 2012 to October 2013 and he was a Vice President and General Manager of three business units at Cisco from June 2004 to November 2012. He also served as the COO of Genesys Telecommunications Laboratories from July 2002 to December 2003 and CEO from December 2003 to May 2004.
Mr. Philonenko is a graduate of Ecole Polytechnique in Paris and earned his master's degree in Management Science from Paris University.

William Mercer Rowe, Senior Vice President and General Manager, Cloud

Mr. Rowe has been our Senior Vice President and General Manager, Cloud since December 18, 2017. Previously, he served as Vice President, Strategic Partners at IBM from February 2016 to December 2017.

Prior to that he held a variety of positions at VMWare, Inc. from April 2009 through February 2016, including Chief Executive Officer of VMWare vCloud Service G.K. from October 2014 through February 2016. Mr. Rowe holds a Bachelor of Science in Electrical Engineering from North Carolina State University.

Shefali Shah, Senior Vice President, Chief Administrative Officer and General Counsel

Ms. Shah has been our Senior Vice President, Chief Administrative Officer and General Counsel since December 18, 2017. Previously she served as Senior Vice President, General Counsel and Corporate Secretary of Era Group Inc. from March 2014 until December 2017. Prior to that Ms. Shah served as Era Group Inc.'s Acting General Counsel and Corporate Secretary from February 2013 through February 2014. From June 2006 to January 2013, Ms. Shah held several positions with Comverse Technology, Inc., including Senior Vice President, General Counsel and Corporate Secretary. Ms. Shah served on the Board of Directors of Verint Systems Inc. (NASDAQ: VRNT) from August 2007 until February 2013. Prior thereto, she was an associate at Weil Gotshal & Manges LLP from September 2002 to May 2006 and Hutchins, Wheeler & Dittmar, P.C. from September 1996 to September 2002. Ms. Shah holds a Bachelor of Science in Business Administration from Boston University and a Juris Doctor from Duke University School of Law.

William D. Watkins, Chair of the Board of Directors

Mr. Watkins joined our board of directors and became Chair of the board of directors on the Emergence Date. Mr. Watkins was most recently Chairman and Chief Executive Officer of Imergy Power Systems, a privately-held energy storage solutions company, from January 2015 and September 2013, respectively, until August 2016. Previously, he served as Chairman of the Board at Bridgelux, Inc., from February 2013 to December 2013 and as its Chief Executive Officer from 2010 to February 2013. Prior to that, he served as Chief Executive Officer and Board Member at Seagate Technology PLC, a publicly-traded (NASDAQ: STX) provider of electronic data storage technologies and systems, from 2004 until 2009, and before that he was Seagate's President and Chief Operating Officer. He joined Seagate in 1996 with the company's acquisition of Conner Peripherals. Mr. Watkins currently sits on two public company boards: since April 2009, Flex Ltd (NASDAQ: FLEX), a $23.8 billion in annual revenues in fiscal 2017 electronics design manufacturer; and since August 2008, Maxim Integrated Products, Inc. (NASDAQ: MXIM), a $2.2 billion in annual revenues in fiscal 2017 manufacturer of linear and mixed-signal integrated circuits. Mr. Watkins previously served as a member of the board of directors at Seagate Technology from 2000 until 2009. He was a Non-Executive Director at MEMC Electronic Materials, Inc. (NYSE: WFR) from 2002 until 2004. He earned a Bachelor of Arts in Government from the University of Texas in 1976. Mr. Watkins' experience in the technology industry, his operational and management experience, his experience as an executive officer of other companies, including as Chief Executive Officer, President and Chief Operating Officer, his experience serving on the boards of directors of two public companies and their respective audit committees and his expertise and familiarity with financial statements, as well as his independence from the Company and his selection by holders of more than 50% of the Company's first lien debt, led to the conclusion that he should serve as a director of our Company.

Ronald A. Rittenmeyer, Director

Mr. Rittenmeyer has been a member of our board of directors since October 1, 2014, when he joined our board of directors and the board of directors of Avaya Inc. as a director designated by TPG. He currently serves as Executive Chairman and Chairman of the Board of Tenet Healthcare, positions he has held since August 31, 2017. He also serves as an advisor to Millennium Health LLC, a leading health solutions company, following his service from April 25, 2016 until August 31, 2017 as Chairman of the Board and Chief Executive Officer. From 2011 to 2014 Mr. Rittenmeyer served as Chairman, President and Chief Executive Officer of Expert Global Solutions, a global BPO and credit recovery company, employing 40,000 people worldwide. He led the restructuring and subsequent sale of the credit recovery business, before retiring from there in 2014. Mr. Rittenmeyer is also the retired Chairman, President and Chief Executive Officer of Electronic Data Systems Corporation, a leading global provider of information technology services, business process outsourcing and

applications services. In addition, Mr. Rittenmeyer has been the Chief Executive Officer of Turnberry Advisors LLC, a company which advises businesses on performance optimization, crisis management, information technology effectiveness and interim management, since its formation in 2009. Mr. Rittenmeyer is currently on the board of directors of American International Group, Inc. (AIG), Tenet Healthcare Corporation, Quintiles IMS Holdings, Inc. and various private companies. Mr. Rittenmeyer earned a Bachelor of Science in Commerce and Economics from Wilkes University in 1972 and a Master of Business Administration from Rockhurst University in 1985. Mr. Rittenmeyer's service as an executive officer, including as President and Chief Executive Officer, and a director of other companies and his service on our board of directors prior to the Restructuring, as well as his independence from the Company and his selection by Mr. Chirico, led to the conclusion that he should continue to serve as a director of our Company.

Stephan Scholl, Director

Mr. Scholl joined our board of directors on the Emergence Date. Mr. Scholl is currently President at Infor, Inc., a privately-held provider of enterprise software products and services with $2.8 billion in annual revenues in fiscal 2017, a position he has held since 2012. Previously, from 2011 until 2012, he served as President and Chief Executive Officer of Lawson Software. He helped merge Lawson into Infor in 2012. He joined Infor in 2010 as Executive Vice President of Global Sales and Consulting. Before that, Mr. Scholl held various leadership roles at Oracle Corporation (NADAQ: ORCL) including Senior Vice President and General Manager of the Tax and Utilities Business after serving as Senior Vice President of the North America Consulting business. He joined Oracle in 2005 with the company's acquisition of PeopleSoft. He earned a Bachelor degree in Education from McGill University in Montreal, Canada, in 1993. Mr. Scholl's experience in software and services, including with a cloud business, his service as an executive officer of other companies, including as President and Chief Executive Officer, as well as his independence from the Company and his selection by holders of more than 50% of the Company's first lien debt, led to the conclusion that he should serve as a director of our Company.

Susan L. Spradley, Director

Ms. Spradley joined our board of directors on the Emergence Date. Ms. Spradley is a partner in the Tap Growth Group, a senior executive consulting firm focused on helping new ventures and Fortune 500 companies drive growth, a position she has held since August 2017. In addition, Ms. Spradley is the principal of Spradley Consulting LLC, a consulting firm that she founded in February 2017 that offers management consulting and leadership and talent coaching. Previously, she served in senior executive roles at Viavi Solutions (formerly JDS Uniphase Corporation), a publicly-traded provider of strategic network solutions (NASDAQ: VIAV) with $906 million in fiscal 2016. She was Executive Vice President and General Manager of Product Line Management and Design from 2015 to January 2017, and before that she was Senior Vice President and General Manager of the Communications Test & Measurement Business Unit from 2013 to 2015. From April 2011 to December 2012, Ms. Spradley was the CEO/Executive Director of US Ignite, a White House and National Science Foundation initiative focused on applications for smart city implementation. Prior to serving at US Ignite, Ms. Spradley was President of the North America region at Nokia Siemens Networks and an Executive Board Member. She served in a variety of roles at Nortel before her work at Nokia Siemens Networks, most recently as President of Global Services. Ms. Spradley currently sits on the board of Qorvo (NASDAQ: QRVO), a global provider of RF systems and semiconductor technologies, a position she has held since January 2017. Additionally, since 2012 Ms. Spradley has served as Chairman of the board of directors of US Ignite. From October 2011 until November 2012, she served on the board of directors of EXFO Inc. (NASDAQ: EXFO; TSX: EXF). She graduated from the University of Kansas with a Bachelor of Science in Computer Science in 1983 and the Advanced Management Program from the Harvard Business School in 2000. Ms. Spradley's experience in the wireless telecommunications industry, including broad operating experience in sales, product portfolio management, and research and development for multiple global communications-related companies, her extensive public company executive leadership experience, as well as her independence from the Company and her selection by holders of more than 50% of the Company's first lien debt, led to the conclusion that she should serve as a director of our Company.

Stanley J. Sutula III, Director

Mr. Sutula joined our board of directors on the Emergence Date. Mr. Sutula is currently Executive Vice President and Chief Financial Officer of Pitney Bowes Inc. (NYSE: PBI), a publicly-traded business-to-business provider of equipment, software and services, a position he has held since February 2017. From January 2015 to January 2017, he was Vice President and Controller at IBM (NYSE: IBM), was IBM's Vice President and Treasurer from January 2014 until January 2015 and from May 2008 to January 2014, he served as Vice President of Finance and Planning for IBM's approximately $38 billion Global Technology Services business. Before that, he served as Vice President of Finance and Planning for IBM's Americas Geography. Mr. Sutula joined IBM in 1988. Mr. Sutula earned a Bachelor of Science in Business Administration from Northeastern University in 1988 and a Master of Business Administration from Fordham University in 1995. Mr. Sutula's experience in senior finance positions, including as Chief Financial Officer and Controller, and his experience with software and global management, as well as his independence from the Company and his selection by holders of more than 50% of the Company's first lien debt, led to the conclusion that he should serve as a director of our Company.

Scott D. Vogel, Director

Mr. Vogel joined our board of directors on the Emergence Date. Mr. Vogel is currently serving as a Managing Member of Vogel Partners LLC, a private investment firm and has served in that capacity since July 2016. From 2002 through July 2016, he was a Managing Director at Davidson Kempner Capital Management, L.L.C., investing in distressed debt securities. From 1999 to 2001, he worked at MFP Investors, L.L.C. investing in special situations and turnaround opportunities. Prior to MFP Investors, he was an investment banker at Chase Securities. Mr. Vogel serves on the Board of Directors of the following public companies: Bonanza Creek Energy, Inc. since April 2017, Key Energy Services, Inc. since December 2016 and Arch Coal, Inc. since October 2016. He previously served on numerous boards of directors and ad hoc creditor and equity committees throughout his career. Mr. Vogel is a member of the Olin Alumni Board of Washington University and a member of the Advisory Board of Grameen America. Mr. Vogel earned a Bachelor of Science in Business Administration from Washington University in 1997 and a Master of Business Administration from The Wharton School at the University of Pennsylvania in 2003. Mr. Vogel's mix of experience with executive management oversight, finance and capital markets, human resources and compensation and strategic planning, as well as his independence from the Company and his selection by holders of more than 50% of the Company's first lien debt, led to the conclusion that he should serve as a director of our Company.

Former Executive Officers

In addition to the executive officers and directors listed above, below is information regarding former executive officers who are named executive officers for fiscal 2016 (See "Item 6. Executive Compensation"):

Gary E. Barnett, Senior Vice President and General Manager, Engagement Solutions

Mr. Barnett, who is 64 years old, has been our Senior Vice President and General Manager, Engagement Solutions (previously known as Avaya Collaboration) since December 20, 2011. Prior to that time, from August 2011 until December 2011, he served as our Vice President and General Manager of UC Applications and from April 2011 until August 2011, he served as our Vice President of CC Applications. Previously, from October 2005 until April 2011, he served as Executive Vice President and Chief Technology Officer of Aspect Software, Inc., a provider of unified communications and contact center software and services.

Kevin J. Kennedy, Company Advisor and Former Director, President and Chief Executive Officer

Mr. Kennedy, who is 62 years old, was our President and Chief Executive Officer and a member of our Board of Directors from December 22, 2008 through October 1, 2017. He is currently an advisor to the Company

with respect to, among other things, Company strategy and strategic alternatives, customer engagement and mergers and acquisitions. Previously, from September 2003 until December 2008, he served as Chief Executive Officer of JDS Uniphase Corporation ("JDSU"), a provider of optical communications products, and from March 2004 until December 2008, he also served as President of JDSU. He was a member of JDSU's board of directors from November 2001 until August 2012 and served as Vice Chairman of their board of directors from December 2008 until August 2012. Mr. Kennedy is on the boards of directors of KLA-Tencor Corporation, a supplier of process control and yield management solutions for the semiconductor industry, and Digital Realty Trust, Inc., which owns, acquires, develops and manages technology-related real estate. Mr. Kennedy served on the boards of directors of Rambus Inc., a developer of a high speed chip-to-chip interface technology, from April 2003 until July 2008 and Polycom Inc., a provider of telepresence, voice and video conferencing solutions, from May 2008 until January 2009. Mr. Kennedy is also currently a Presidential Advisory Member of the National Security Telecommunications Advisory Committee.

Morag Lucey, Senior Vice President, Chief Marketing Officer

Ms. Lucey, who is 56 years old, has been our Senior Vice President, Chief Marketing Officer since October 5, 2015. Ms. Lucey leads our global marketing efforts, including marketing communications and branding. Immediately before coming to Avaya she served as the Chief Executive Officer of VirtualCMO Limited, a marketing consulting firm focused on generating short term profitability and long term stability, from November 2014 until September 2015. Ms. Lucey previously worked at Avaya from 2002 to 2007 as Vice President of EMEA Marketing and Vice President of Global Marketing and Channel Marketing for small and midmarket business solutions. In addition, Ms. Lucey worked at BAE Systems from March 2013 to November 2014, serving as Chief Marketing Officer, and at Convergys from May 2009 to June 2012, serving as Senior Vice President of Global Marketing and Product Management.

Michael M. Runda, Former Senior Vice President and President, Avaya Client Services

Mr. Runda, who is 61 years old, was our Senior Vice President and President, Avaya Client Services from May 2012 through October 1, 2017. From October 2011 until May 2012, he served as our Vice President, Global Support Services. Prior to that time, from 2010 until 2011, he served as Chief Executive Officer of KCS Academy, where he was responsible for the startup of the KCS Academy, a subsidiary of the Consortium for Service Innovation. From 2006 until 2010, he served as the Vice President of Global Support for Intuit Corporation. In 2004 to 2006, he led Global Services for Symantec Corp., and he led Oracle Group Support Services from 1996 to 2004. Prior to that, Mr. Runda held sales and services leadership positions in IBM, Unisys and Harris corporations.

David Vellequette, Senior Vice President of Finance and Former Senior Vice President, Chief Financial Officer

Mr. Vellequette, who is 61 years old, has been our Senior Vice President of Finance since October 24, 2017. From October 1, 2012 through October 23, 2017 he served as our Senior Vice President, Chief Financial Officer. Previously, he served as Executive Vice President and Chief Financial Officer, a position he held from June 2005 until August 2012, of JDS Uniphase Corporation. He joined JDSU as Vice President and Operations Controller in July 2004.

Board Composition

Our business and affairs are managed under the direction of the board of directors. Our board of directors is currently composed of seven directors.

Under our bylaws, the number of directors shall not be fewer than seven, nor more than nine. At each annual meeting of stockholders, the directors will be elected to serve until the earlier of their death, resignation, retirement, disqualification, removal or incapacity or until their successors have been elected and qualified.

Currently each director is elected until the next annual meeting of stockholders.

Board Committees

We currently have an audit committee, a compensation committee and a nominating and corporate governance committee with the composition and responsibilities described below. The members of each committee are appointed by the board of directors and serve until their successor is elected and qualified, unless they are earlier removed or resign. In addition, from time to time, special committees may be established under the direction of the board of directors when necessary to address specific issues.

Audit Committee

Following the Emergence Date, the Audit Committee is composed of Susan L. Spradley, Stanley J. Sutula, III and Scott D. Vogel. Mr. Sutula serves as the Chair of the Audit Committee.

Messrs. Sutula and Vogel and Ms. Spradley have each been determined by the board of directors to meet the independence rules of the New York Stock Exchange and Rule 10A-3 of the Exchange Act. The board of directors has affirmatively determined that each of Messrs. Sutula and Vogel qualifies as an audit committee financial expert under the applicable requirements of the rules and regulations of the SEC.

Our Audit Committee is responsible for, among other things:

- selecting the independent auditor;
- pre-approving all audit engagement fees and terms, as well as audit and permitted non-audit services to be provided by the independent auditor;
- at least annually, obtaining and reviewing a report of the independent auditors describing the audit firm's internal quality-control procedures and any material issues raised by its most recent review of internal quality controls;
- at least annually evaluating the qualifications, performance and independence of the independent auditors, including the lead audit partners;
- discussing the scope of the audit and any problems or difficulties;
- reviewing and discussing the annual audited and quarterly unaudited financial statements and "Item 2. Financial Information—Management's Discussion and Analysis of Financial Conditions and Results of Operations" with management and the independent auditor;
- discussing types of information to be disclosed in earnings press releases and provided to analysts and rating agencies;
- discussing policies governing the process by which risk assessment and risk management are to be undertaken;
- discussing the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- discussing with management and the independent auditor the adequacy and effectiveness of the Company's ethics and compliance program;
- reviewing internal audit activities and qualifications of the internal audit function;

- establishing and overseeing procedures for receipt, retention and treatment of complaints received by us regarding accounting, auditing or internal controls and the submission of anonymous employee concerns regarding accounting and auditing;
- discussing with our general counsel any material government investigations, litigation or legal matters that could reasonably be expected to have a material impact on business or financial statements;
- approving related party transactions above a certain threshold;
- reviewing and approving the Company's decisions to enter into certain swaps and security-based swaps;
- annually reviewing and assessing the Audit Committee's performance; and
- preparing the report required by the SEC to be included in our annual report on Form 10-K or our proxy or information statement.

The Audit Committee has authority under its charter to obtain advice and assistance from outside legal counsel, accounting or other outside advisors as deemed appropriate to perform its duties and responsibilities. A copy of the charter is available on our website at https://investors.avaya.com/corporate-governance/governance-policies. Information contained in, and that can be accessed through, our website is not incorporated into and does not form a part of this registration statement.

Compensation Committee

The Compensation Committee consists of Ronald A. Rittenmeyer, Stephan Scholl and Scott D. Vogel. Mr. Vogel serves as Chair of the Compensation Committee. Our board of directors has determined Messrs. Rittenmeyer, Scholl and Vogel each meet the independence rules of the New York Stock Exchange for compensation committee members.

The Compensation Committee is responsible for:

- reviewing and evaluating individual performance of each of the Company's senior officers who are, as determined from time to time by our board of directors, subject to the provisions of Section 16 of the Exchange Act (the "Senior Executives"), and setting their compensation based on that evaluation;
- reviewing the individual goals and objectives of, and evaluating the performance of, the CEO, and setting the CEO's compensation based on that evaluation;
- approving, and when required by law or regulation making recommendations to the board of directors regarding, the adoption of equity-based plans and incentive compensation plans in which the CEO and the Senior Executives, may participate, and administering our existing equity-based and incentive compensation plans;
- making recommendations to the board of directors regarding compensation of the non-employee board members and its committee members;
- approving severance plans for Senior Executives;
- administering the Company's clawback policy;
- annually reviewing the Compensation Committee charter and recommending any proposed changes to the Nominating and Corporate Governance Committee of our board of directors;
- reviewing and discussing with management the compensation discussion and analysis to be included in our filings with the SEC and preparing an annual compensation committee report for inclusion in our annual report on Form 10-K or proxy statement; and
- overseeing any other such matters as the board of directors shall deem appropriate from time to time.

The Compensation Committee has authority under its charter to access such internal and external resources, including retaining legal, financial or other advisors, as the Compensation Committee deems necessary or appropriate to fulfill its responsibilities. A copy of the charter is available on our website at https://investors.avaya.com/corporate-governance/governance-policies. Information contained in, and that can be accessed through, our website is not incorporated into and does not form a part of this registration statement.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of our board of directors consists of Ronald A. Rittenmeyer and Susan L. Spradley. Mr. Rittenmeyer serves as Chair of the Nominating and Corporate Governance Committee. Our board of directors has determined Mr. Rittenmeyer and Ms. Spradley each meet the independence requirements of the New York Stock Exchange.

The Nominating and Corporate Governance Committee is responsible for:

- evaluating the performance, size and composition of the full board of directors to determine the qualifications and areas of expertise needed to further enhance the composition of the board of directors and working with management in attracting candidates with those qualifications;
- developing and recommending to the board of directors criteria for the selection of new directors;
- identifying individuals qualified to become directors and reviewing the qualifications of prospective nominees, including nominees recommended by stockholders;
- recommending to the board of directors the slate of nominees for inclusion in the Company's proxy statement and presentation to the Company's shareholders at each annual meeting;
- recommending qualified individuals to serve as committee members and chairs on the various board committees and recommending to the full board of directors, as appropriate, changes in number, function or composition of committees;
- reviewing the performance of any board member eligible to stand for re-election at our annual meeting, if any, as well as other criteria prescribed by Company policies;
- establishing procedures, subject to the board of directors' approval, for the annual performance self-evaluation process of our board of directors;
- developing and overseeing a Company orientation program for new directors and an education program for all directors and periodically reviewing such programs and updating them as necessary;
- monitoring, with the assistance of our general counsel, current developments in the regulation and practice of corporate governance; and
- periodically reviewing our corporate governance guidelines once adopted and providing recommendations to the board of directors regarding possible changes.

The Nominating and Corporate Governance Committee has sole authority under its charter to retain and terminate, at the Company's expense, any search firm or advisor to be used to identify director candidates and has sole authority to approve the search firm's or advisor's fees and other retention terms. A copy of the charter is available on our website at https://investors.avaya.com/corporate-governance/governance-policies. Information contained in, and that can be accessed through, our website is not incorporated into and does not form a part of this registration statement.

Board Leadership Structure

Our board of directors understands that there is no single, generally accepted approach to providing board leadership and that given the dynamic and competitive environment in which we operate, the right board leadership structure may vary as circumstances warrant. Our board of directors has a policy mandating the separation of the roles of Chairman and CEO.

Board Oversight of Risk Management

While the full board of directors has the ultimate oversight responsibility for the risk management process, its committees oversee risk in certain specified areas. In particular, our Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements and the incentives created by the compensation awards it administers. Our Audit Committee oversees management of enterprise risks as well as financial risks and effective upon the consummation of this registration will also be responsible for overseeing potential conflicts of interests. Pursuant to the board of directors' instruction, management regularly reports on applicable risks to the relevant committee or the full board of directors, as appropriate, with additional review or reporting on risks conducted as needed or as requested by the board of directors and its committees.

Code of Ethics and Business Conduct

Our Code of Conduct is designed to help directors and employees worldwide to resolve ethical issues in an increasingly complex global business environment. The Code of Conduct applies to all directors and employees, including, without limitation, the CEO, the CFO, the Corporate Controller and any other employee with any responsibility for the preparation and filing of documents with the SEC. The Code of Conduct covers a variety of topics, including those required to be addressed by the SEC. Topics covered include, but are not limited to, conflicts of interest, confidentiality of information and compliance with applicable laws and regulations. Directors and employees of the Company receive periodic updates regarding policies governed by and changes to the Code of Conduct. The Code of Conduct is available at our Investor Relations website located at https://investors.avaya.com/corporate-governance/governance-policies. We will post amendments to or waivers of the provisions of the Code of Conduct made with respect to any of our directors and executive officers on that website within four business days. The information contained on, or accessible through, our website is not part of this registration statement, and is therefore not incorporated by reference. During fiscal 2017, no amendments to or waivers of the provisions of the Code of Conduct were made with respect to any of our directors or executive officers.

ITEM 6. EXECUTIVE COMPENSATION

Introduction

The fiscal year 2017 Compensation Discussion and Analysis ("CD&A") outlines the design and overall philosophy of our executive compensation program, the objectives and principles upon which it is based, and our fiscal 2017 pay decisions for our named executive officers ("NEOs").

Under SEC rules, our NEOs for fiscal 2017 are:

- Kevin J. Kennedy, Company advisor and former President and Chief Executive Officer ("CEO") [1]
- David Vellequette, Senior Vice President of Finance and former Senior Vice President and Chief Financial Officer ("CFO")
- James M. Chirico, Jr., President and Chief Executive Officer and former Executive Vice President, Chief Operating Officer and Head of Global Sales [2]
- Gary Barnett, Senior Vice President & General Manager, Engagement Solutions
- Michael Runda, Former Senior Vice President and President, Avaya Client Services [3]
- Morag Lucey, Senior Vice President, Chief Marketing Officer

Overview

Fiscal 2017 was an unusual and uncertain period in our business. As described elsewhere in this registration statement, on January 19, 2017, the Company and the Debtor Affiliates commenced chapter 11 cases in the Bankruptcy Court. Our focus was on ensuring that Avaya emerge from bankruptcy as quickly as possible, with enhanced focus on team and customer engagement. Notwithstanding that, we continued to evolve from a traditional telecommunications hardware company into a software and services company, as we focused on expanding our cloud- and mobile-enabled contact center, unified communications and innovative next-generation workflow automation solutions. In addition, we continued to build momentum with our newest generation of solutions.

For discussion of Avaya's operating results, please refer to "Item 2. Financial Information" located elsewhere in this registration statement.

The objective of our executive compensation program in fiscal 2017 was to align executive officer compensation with performance by providing our executive officers with opportunities to earn non-discretionary, performance-based compensation based on Company performance. We designed our executive compensation program to help achieve this objective by using a combination of fixed pay and an opportunity for non-discretionary short-term incentive compensation. The compensation program for fiscal 2017 included the following elements, together with our rationale for providing them:

Element of Compensation	***Overview of Program Element***
Base Salary	• Provide executive officers with base salaries that are market competitive and reflect the skills and experience required for their roles.
Incentive Compensation	• Key Employee Incentive Plan ("KEIP"): Provide NEOs with a performance-based quarterly cash incentive program based on achieving a threshold level of adjusted EBITDA, as well as timing of Avaya's emergence from bankruptcy.

1 Mr. Kennedy retired from all offices and directorships of the Company, effective October 1, 2017. He remained a Company employee until the Emergence Date, at which point he became an advisor to the Company, a position he will hold for up to two years.

2 Mr. Chirico was appointed President and Chief Executive Officer of the Company, effective October 1, 2017.

3 As of July 1, 2017, Mr. Runda's executive level responsibilities were assumed by other Company officers, and his employment with the Company ended on October 1, 2017.

Under this fiscal 2017 program, Mr. Kennedy and the other NEOs had 43% and 43% performance-based pay (*i.e.* , 43% or 43% of their compensation was in the form of KEIP awards, including the Bankruptcy Incentive Awards (as defined below) which they earned for Q3 FY2017 and Q4 FY2017), respectively.

Compensation Governance

Our process for determining executive officer compensation (including for our NEOs) is as follows:

Compensation Committee

Our Compensation Committee is a committee of our board of directors. In fiscal 2017, our Compensation Committee consisted of John W. Marren (Chair), Charles H. Giancarlo and Gary B. Smith (the "Predecessor Compensation Committee"). As of the Emergence Date, the Compensation Committee consists of Scott D. Vogel (Chair), Ronald A. Rittenmeyer and Stephan Scholl. In accordance with its charter, the Compensation Committee approves all elements of compensation for our senior executives. The role of the Compensation Committee is to discharge the board of directors' responsibilities relating to executive compensation matters. In this regard, the Compensation Committee is responsible for the development and administration of our executive compensation and benefits programs. In furtherance of this purpose, the Compensation Committee has the authority and responsibility to:

- Develop, in partnership with management, an overarching compensation philosophy upon which our executive pay programs are built;
- Review and approve corporate goals and objectives relevant to the compensation of our CEO, evaluate the performance of our CEO in light of these goals and objectives, and determine and approve the compensation of our CEO based on this evaluation;
- Set compensation for the Company's senior executives who are, as determined from time to time by our board of directors, subject to Section 16 of the Exchange Act, review and approve all equity-based and incentive compensation plans and administer and make awards under such plans;
- Review and approve the compensation of all senior executives;
- Review the Company's incentive compensation arrangements to determine whether they encourage excessive risks by participants that are reasonably likely to have a material adverse effect on the Company;
- Administer the Company's clawback policy;
- At its discretion, retain a compensation consultant to advise the Compensation Committee on executive pay matters; and
- Review and assist with the development of senior executive succession plans.

Compensation Consultant

For the fiscal 2017 compensation program, the Predecessor Compensation Committee was advised by Willis Towers Watson ("WTW") and Kirkland & Ellis LLP ("Kirkland") on executive compensation matters, including the KEIP. Additionally, the Predecessor Compensation Committee was advised on certain executive compensation matters by Semler Brossy Consulting Group ("Semler Brossy"). Semler Brossy was retained by management but provided advice and guidance to the Predecessor Compensation Committee on a variety of topics, including determination of our peer group and competitive assessment of our compensation.

Management

Typically, before our fiscal year begins, our CEO, supported by our Human Resources team and with input from Semler Brossy, makes recommendations to the Compensation Committee regarding setting base salary

compensation levels for all executive officers other than for himself. Following the Predecessor Compensation Committee's approval of the KEIP in May 2016, no CEO recommendations were made regarding executive compensation for fiscal 2017. Pay decisions for our CEO are reviewed separately by the Compensation Committee and are independent of our CEO's input. Semler Brossy provided comparative market data and recommendations on CEO pay to the Predecessor Compensation Committee directly.

Peer Group

To ensure that our compensation program remains competitive and aligned with our overall philosophy and objectives, the Compensation Committee compares our compensation and benefit practices and levels of pay to a peer group consisting of technology-oriented businesses that compete with us for talent and:

- are primarily information technology service businesses;
- have similar revenue bases and sizes to reflect business complexity; and
- are companies for which comparative executive compensation data is readily available.

Using these principles as our guide, the following 15 companies were used as the peer group for fiscal 2017 pay-related decisions (the "Peer Group"):

Fiscal 2017 Peer Group

Adobe Systems, Inc.	Juniper Networks, Inc.
ARRIS Group, Inc.	Motorola Solutions, Inc.
Autodesk, Inc.	NetApp, Inc.
Brocade Communications Systems Inc.	Symantec Corp.
CA, Inc.	Teradata Corp.
Citrix Systems Inc.	Unisys Corp.
CommScope Holdings	VMware, Inc.
Computer Sciences Corp. (now known as DXC Technology Co.)	

In addition to the Peer Group, the Compensation Committee also reviews pay data from the Radford Global Compensation Survey, with a focus on technology companies with an appropriate revenue size. This data is used to supplement the pay data from the Peer Group and also provides the Compensation Committee with market data for executive officers whose positions are not listed in Peer Group public filings.

Risk Assessment of Compensation Policies and Practices

The Company has conducted an internal risk assessment of its employee incentive compensation policies and practices, including those relating to its employees who are not executive officers. In performing its assessment, the Company inventoried its incentive compensation plans and assessed the risks of those plans. As a result of this review, both management and the Predecessor Compensation Committee concluded that our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Fiscal 2017 Compensation Elements and Pay Decisions

In past years, the Predecessor Compensation Committee generally targeted executive officer total target direct compensation, including long-term incentive grants, between the median and the seventy-fifth percentile of the market data, but actual pay positioning for each NEO was determined based on a number of factors, including the role, contribution and level of experience of each executive officer and the retention needs of the Company, and each was evaluated by the Predecessor Compensation Committee in its judgment without any formula or weighting. In those years, we did not set specific targets relative to market for individual components of compensation such as base salary or target levels of annual or long-term incentives, but rather reviewed the

components in total. In fiscal 2017, following the commencement of the bankruptcy proceedings, our executive officer compensation, and any modifications thereto, was subject to the approval of the Bankruptcy Court. During such period, the Predecessor Compensation Committee sought and received Bankruptcy Court approval for the KEIP for different periods of fiscal 2017. As described below, for the second quarter of fiscal 2017, our NEOs voluntarily agreed to a reduction to their KEIP target award levels to position total compensation closer to the twenty-fifth percentile of the market.

Our total direct compensation program for our NEOs and other executive officers was built to incentivize senior leadership to help achieve our objective of emerging from bankruptcy as quickly as possible by emphasizing pay-for-performance. We used base salaries and a short-term, cash incentive plan, instead of long-term incentives, to focus on short-term, performance-based objectives that the Predecessor Compensation Committee believed were important to achieve during an unusual and uncertain time in our business.

For fiscal 2017, the primary elements of our executive compensation program are described below.

Base Salary

Base salaries are generally evaluated at the beginning of each fiscal year following an assessment using market and Peer Group data provided by Semler Brossy. Assessment-based recommendations are made by our CEO and the Company's Executive Compensation team and presented to the Compensation Committee for further evaluation based on individual performance.

Base salaries for our executive officers were not changed for fiscal 2017, as shown below:

Named Executive Officer	FY 2016 Base Salary	FY 2017 Base Salary	FY 2016 to FY 2017 % Change in Base Salary
Kevin J. Kennedy	$ 1,250,000	$ 1,250,000	0%
David Vellequette	$ 650,000	$ 650,000	0%
James M. Chirico, Jr.	$ 750,000	$ 750,000	0%
Gary Barnett	$ 525,000	$ 525,000	0%
Michael Runda	$ 450,000	$ 450,000	0%
Morag Lucey	$ 450,000	$ 450,000	0%

Short-Term Incentive Compensation

In May 2016, the Predecessor Compensation Committee approved the KEIP, a short-term cash incentive plan for executive officers, which began in the fourth quarter of fiscal 2016 and continued through the third quarter of fiscal 2017. In May 2017, the KEIP was extended to continue through the fourth quarter of fiscal 2017. The KEIP was designed to incentivize our executive officers to drive Company performance. In order to participate in the KEIP, each NEO was required to waive his or her rights to participate in the Executive Committee Discretionary Annual Incentive Plan ("EC DAIP"), the Company's prior short-term incentive compensation program, for the second half of fiscal 2016 and to forfeit the long-term incentive ("LTI") compensation awarded to him or her in November 2015 for all of fiscal 2016.

The KEIP provided a quarterly cash incentive opportunity tied to a specific Company performance metric, namely achievement of adjusted EBITDA versus target. Under the KEIP, an executive officer could earn his or her award for a fiscal quarter upon the Company's achievement of the adjusted EBITDA performance metric and the executive officer's continued employment through the end of the applicable fiscal quarter, with any earned award paid during the next fiscal quarter. The KEIP was intended to have a limited duration, and it is expected that the Company will develop new compensation programs following its December 15, 2017 emergence from bankruptcy.

Target awards under the KEIP were based on recommendations driven by the board of directors with the support of WTW and Kirkland, considering each individual's annual short-term incentive target, a market-adjusted one-year long-term incentive value and the level of total compensation for similar roles among companies in our Peer Group. The focus was on supporting critical alignment of our executive officers on the performance goals and ensuring the ongoing and effective operation of the Company.

Quarterly payouts under the KEIP ranged from 80% to 100% of the target award, with straight line interpolation for performance between threshold and target performance metrics, provided the threshold performance level was achieved; if the threshold performance level was not achieved, no award was paid, and there was no payout in excess of 100% of the target award for achievement in excess of the target performance level. In addition, while 100% of each NEO's total maximum KEIP award opportunity for Q1 FY2017 and Q2 FY2017 was determined based solely on the Company's achievement of adjusted EBITDA performance, as described above, for Q3 FY2017 and Q4 FY2017, only 90% of each NEO's total maximum KEIP award opportunity was determined based on the Company's achievement of a specified level of adjusted EBITDA performance. The remaining 10% of each NEO's total maximum KEIP award opportunity for each of those two quarters (the "Bankruptcy Incentive Award") was based, as shown below, on the timing of the Company's emergence from bankruptcy:

Emergence Date	% of Bankruptcy Incentive Award Earned
Prior to October 31, 2017	100%
Prior to November 30, 2017	66.7%
Prior to December 31, 2017	33.3%
After December 31, 2017	0%

Following the Company's emergence from bankruptcy on December 15, 2017, 33.3% of the maximum Bankruptcy Incentive Awards for Q3 FY2017 and Q4 FY2017 were approved by the Compensation Committee. These awards are expected to be paid to our executive officers, including our NEOs (other than Mr. Runda), by December 31, 2017.

KEIP for Q1 FY2017

In November 2016, the Predecessor Compensation Committee approved the following KEIP performance targets for Q1 FY2017.

Performance Level	Q1 FY17 Adjusted EBITDA	Funding % of Target Award
Threshold	$225 million	80%
Target	$235 million or higher	100%

Given the Company's adjusted EBITDA performance of $238 million for Q1 FY2017, above the target level, in February 2017, the Predecessor Compensation Committee approved KEIP awards for NEOs at 100% of target award value for Q1 FY2017. However, before the KEIP awards were paid, the Company and certain of its subsidiaries filed voluntary petitions under chapter 11 of the U.S. Bankruptcy Code as mentioned above. As a result of the bankruptcy proceedings, payments to our NEOs of any compensation in excess of wages, certain health and welfare benefits and the 401(k) match were precluded. Thus, the approved KEIP award amounts for Q1 FY2017 were not paid to our NEOs.

Named Executive Officer	Q1 FY17 KEIP Targets	Q1 FY17 KEIP Awards Approved	Q1 FY17 KEIP Awards Paid
Kevin J. Kennedy	$ 2,400,000	$ 2,400,000	$ 0
David Vellequette	$ 587,500	$ 587,500	$ 0
James M. Chirico, Jr.	$ 687,500	$ 687,500	$ 0
Gary Barnett	$ 343,750	$ 343,750	$ 0
Michael Runda	$ 312,500	$ 312,500	$ 0
Morag Lucey	$ 250,000	$ 250,000	$ 0

KEIP for Q2 FY2017

As we navigated the bankruptcy proceedings, we continued to engage WTW and Kirkland, as well as Zolfo Cooper, to provide guidance and support on executive compensation, among other things. In February 2017, our NEOs voluntarily agreed to a 35% reduction to their KEIP target award levels for Q2 FY2017 to position total compensation closer to the twenty-fifth percentile of the market. In February 2017, the Predecessor Compensation Committee, under the advisement of Zolfo Cooper, approved these reduced target award levels for Q2 FY2017, as well as the following Q2 FY2017 threshold and target performance metrics:

Performance Level	Q2 FY17 Adjusted EBITDA	Funding % of Target Award
Threshold	$170 million	80%
Target	$205 million or higher	100%

We requested authority from the Bankruptcy Court to implement the KEIP in the form approved by our Predecessor Compensation Committee on March 1, 2017. Upon further discussion with our creditor constituencies, including the U.S. Trustee's office, regarding the KEIP, we made the following adjustments to the KEIP:

- The Q2 FY2017 threshold award for Mr. Kennedy was set at $488,000 (as opposed to the proposed $1,248,000), and the Q2 FY2017 target award for Mr. Kennedy was set at $800,000 (as opposed to the proposed $1,560,000), with linear interpolation between the threshold and target award amounts.
- A clawback provision was added as an award condition, requiring each NEO to return his or her Q2 FY2017 KEIP award to the Company in the event of his or her termination of employment for any reason prior to the earlier of September 30, 2017 and the Company's emergence from bankruptcy.

On April 21, 2017, the Bankruptcy Court approved the continuation of the KEIP as so adjusted for Q2 FY2017.

Given the Company's adjusted EBITDA performance of $199 million for Q2 FY2017, slightly below the target level, KEIP awards were approved for Q2 FY2017 at 96% of target award value, with the exception that Mr. Kennedy's award was approved at 93% of target award value due to the fact that his threshold award level was set separately. The Q2 FY2017 KEIP awards were paid in May 2017, subject to the clawback provision described above.

Named Executive Officer	Q2 FY17 KEIP Threshold Awards [1]	Q2 FY17 KEIP Target Awards [1]	Q2 FY17 KEIP Paid Awards
Kevin J. Kennedy	$ 488,000[2]	$ 800,000[2]	$ 744,414
David Vellequette	$ 305,500	$ 381,875	$ 368,268
James M. Chirico, Jr.	$ 357,500	$ 446,875	$ 430,952
Gary Barnett	$ 178,750	$ 223,438	$ 215,476
Michael Runda	$ 162,500	$ 203,125	$ 195,887
Morag Lucey	$ 130,000	$ 162,500	$ 156,710

1 Except as described in the next footnote, these threshold and target award amounts reflect the 35% reduction made in February 2017 to earlier threshold and target award amounts for the second quarter of fiscal 2017 to position total compensation closer to the twenty-fifth percentile of the market.

2 These threshold and target award amounts for Mr. Kennedy for the second quarter of fiscal 2017 reflect adjustments made to the KEIP following discussions with our creditor constituencies, including the U.S. Trustee's office, which were approved by the Bankruptcy Court on April 21, 2017. Mr. Kennedy's Q2 FY2017 threshold award was set at $488,000 (as opposed to the proposed $1,248,000), and the Q2 FY2017 target award for Mr. Kennedy was set at $800,000 (as opposed to the proposed $1,560,000.)

KEIP for Q3 FY2017 and Q4 FY2017

In May 2017, our Predecessor Compensation Committee approved extending the KEIP through Q4 FY2017 with the same threshold and target award levels for NEOs, and setting the Q3 FY2017 and Q4 FY2017 threshold and target performance metric levels based on the 2017 Avaya Business Plan, which was filed with the Bankruptcy Court. Upon further discussion with the Company's creditor constituencies and the U.S. Trustee, we made the following adjustments to the KEIP for Q3 FY2017 and Q4 FY2017:

- 90% of each NEO's total maximum award opportunity for each of Q3 FY2017 and Q4 FY2017 was to be determined based on the Company's achievement of a specified level of adjusted EBITDA performance. The performance metrics for Q3 FY2017 and Q4 FY2017 were as follows:

Performance Level	Q3 FY17 Adjusted EBITDA	Q4 FY17 Adjusted EBITDA	Funding % of Target Award
Threshold	$178 million	$209 million	80%
Target	$219 million or higher	$252 million or higher	100%

- The Bankruptcy Incentive Award, which represents 10% of each NEO's total maximum award opportunity for each of Q3 FY2017 and Q4 FY2017, was to be determined based on the timing of the Company's emergence from bankruptcy, as follows:

Emergence Date	% of Bankruptcy Incentive Target Award
Prior to October 31, 2017	100%
Prior to November 30, 2017	66.7%
Prior to December 31, 2017	33.3%
After December 31, 2017	0%

- The total threshold award for Mr. Kennedy, including the portion based on adjusted EBITDA performance and the portion based on timing of the Company's emergence from bankruptcy, was set at $602,667 for each of Q3 FY2017 and Q4 FY2017.
- The payout timing for each of the Q3 FY2017 and Q4 FY2017 KEIP awards was determined to be the earlier of the Company's emergence from bankruptcy and 60 days after the end of the applicable fiscal quarter.
- A clawback provision was added as an award condition, requiring each NEO to return his or her Q3 FY2017 and/or Q4 FY2017 KEIP award(s) to the Company in the event of his or her termination of employment for any reason (other than a termination by the Company without "cause") prior to the earlier of September 30, 2017, in the case of the Q3 FY2017 KEIP award, or December 31, 2017, in the case of the Q4 FY2017 KEIP award, and the Company's emergence from bankruptcy.

On June 22, 2017, we requested authority from the Bankruptcy Court to implement the continuation of the KEIP for Q3 FY2017 and Q4 FY2017, as described above, and the Bankruptcy Court approved our continuation request on July 11, 2017.

Based on adjusted EBITDA performance of $204 million for Q3 FY2017, the EBITDA-based portion of the KEIP awards for Q3 FY2017 was approved at 92.9% of the target award value. Based on adjusted EBITDA performance of $228 million for Q4 FY2017, the EBITDA-based portion of the KEIP awards for Q4 FY2017 was approved at 88.6% of the target award value. The EBITDA-based portion of the Q3 FY2017 and Q4 FY2017 KEIP awards were paid in August 2017 and November 2017, respectively, subject to the clawback provisions described above.

Named Executive Officer	Q3 FY17 and Q4 FY17 EBITDA-Based KEIP Target Awards (90% of KEIP Target Award)	Q3 FY17 EBITDA-Based KEIP Paid Awards	Q4 FY17 EBITDA-Based KEIP Paid Awards
Kevin J. Kennedy	$720,000	$668,524	$637,813
David Vellequette	$343,688	$319,116	$304,456
James M. Chirico, Jr.	$402,188	$373,433	$356,278
Gary Barnett	$201,094	$186,717	$178,140
Michael Runda [1]	$182,812	$169,742	n/a
Morag Lucey	$146,250	$135,794	$129,556

1 As of July 1, 2017, Mr. Runda's executive level responsibilities were assumed by other Company officers, and, in accordance with the Bankruptcy Court's approval granted on July 11, 2017, he was not a participant in the KEIP for the Q4 FY2017.

Following the Company's emergence from bankruptcy on December 15, 2017, the following Bankruptcy Incentive Awards for Q3 FY2017 and Q4 FY2017 were approved by the Compensation Committee. These awards are expected to be paid to our executive officers, including our NEOs (other than Mr. Runda), by December 31, 2017.

Named Executive Officer	Q3 FY17 and Q4 FY17 KEIP Bankruptcy Incentive Target Awards (10% of KEIP Target Award)	Approved Q3 FY17 KEIP Bankruptcy Incentive Awards [1]	Approved Q4 FY17 KEIP Bankruptcy Incentive Awards [1]
Kevin J. Kennedy	$80,000	$ 26,640	$ 26,640
David Vellequette	$38,187	$ 12,716	$ 12,716
James M. Chirico, Jr.	$44,687	$ 14,881	$ 14,881
Gary Barnett	$22,344	$ 7,441	$ 7,441
Michael Runda [2]	$20,312	$ 0	n/a
Morag Lucey	$16,250	$ 5,411	$ 5,411

1 These awards, as shown above, are expected to be paid to our NEOs (other than Mr. Runda) by December 31, 2017.

2 Mr. Runda's employment with the Company ended on October 1, 2017 prior to the Company's emergence from bankruptcy so he was not eligible to receive a Q3 FY2017 KEIP Bankruptcy Incentive Award. In addition, as of July 1, 2017, his executive level responsibilities were assumed by other Company officers, and in accordance with the Bankruptcy Court's approval granted on July 11, 2017, he was not a participant in the KEIP for Q4 FY2017.

Other Compensation

LTI Compensation

Prior to fiscal 2017, we provided our executive officers with annual grants of LTI opportunities. These awards, which were intended to be competitive with practices among our Peer Group, provided the executives with annual equity-based and cash-based awards with a multi-year vesting timeframe. These awards also included both time-vesting and performance-based features. As noted above, the LTI awards granted to our NEOs in November 2015 for fiscal 2016 were forfeited in exchange for participation in the KEIP, and no LTI awards were granted in fiscal 2017. In addition, prior to the Restructuring, our NEOs, who were considered "insiders" by the Bankruptcy Court ("Insiders"), were not entitled to receive payments of outstanding cash LTIs that would have vested and been payable, or to receive outstanding options that would have otherwise vested.

We expect that LTIs will be a significant component of our future compensation program, which will primarily consist of equity awards.

Executive Benefits and Perquisites

We provide certain benefits and perquisites to our executive officers to ensure our compensation and benefits package remains competitive. The Compensation Committee reviews these benefits and perquisites periodically to evaluate their value and market prevalence based on data provided by our advisors. Please see the Summary Compensation Table footnote 5 for additional details about benefits paid and perquisites provided in fiscal 2017.

Savings Plans

We offer a qualified 401(k) savings plan for all U.S. salaried employees, the Avaya Inc. Savings Plan for Salaried Employees ("ASPSE"). In fiscal 2017, our matching allocation was determined on a quarterly basis, once a Company financial performance threshold was met. The matching formula was 50% for the first 5% of pre-tax eligible compensation contributed by a participant, up to $3,000 annually.

Fiscal 2018 Compensation Elements and Pay Decisions

In August 2017, the Predecessor Compensation Committee conducted its annual assessment of our Peer Group for fiscal 2018 with guidance from Semler Brossy. Semler Brossy recommended that we revise the Peer Group based on the Company's expected revenue scope of $3 billion after the Restructuring and to increase the focus on software and services companies rather than telecommunications equipment and networking. They recommended removing Computer Sciences Corp. (now known as DXC Technology Co.), ARRIS Group, Inc., Motorola Solutions, Inc., CommScope Holdings, Unisys Corp. and Brocade Communications Systems Inc. and adding Akamai Technologies, Inc., Intuit, Inc., Nuance Communications, Open Text Corp., Red Hat, Inc. and Synopsys, Inc. The revised Peer Group of 15 companies may be used to assess executive officer compensation during fiscal 2018.

Fiscal 2018 Peer Group

Adobe Systems, Inc.	Nuance Communications
Akamai Technologies, Inc.	Open Text Corp.
Autodesk, Inc.	Red Hat, Inc.
CA, Inc.	Symantec Corp.
Citrix Systems Inc.	Synopsys, Inc.
Intuit, Inc.	Teradata Corp.
Juniper Networks, Inc.	VMware, Inc.
NetApp, Inc.	

Impact of Section 162(m) of the Internal Revenue Code

Because our common stock was not publicly traded, executive compensation paid during fiscal 2017 was not subject to the provisions of Section 162(m) of the Internal Revenue Code (the "Code"), which limits to $1 million the deductibility of compensation paid to any of certain named executive officers of a public company, with exceptions for qualifying performance-based compensation and certain other exceptions. The Compensation Committee will retain flexibility to approve compensation arrangements that, in its view, promote the objectives of our compensation program but that may not qualify for full or partial tax deductibility.

Summary Compensation Table

The Summary Compensation Table contains values calculated and disclosed according to SEC reporting requirements. Salary, Bonus and Non-Equity Incentive Compensation values are reflective of compensation earned during fiscal 2017, 2016, and 2015 respectively. Stock Award and Option Award values are reflective of the total fair value, regardless of vesting conditions for earning the awards, for grants received during the applicable fiscal year.

Name	Year	Salary ($) (1)	Bonus ($) (2)	Stock Awards ($) (3)	Option Awards ($) (3)	Non-Equity Incent. Plan Comp. ($) (4)	All Other Comp. ($) (5)	Total ($)
Kevin J. Kennedy	2017	$ 1,250,000	—	—	—	$ 3,588,406	$ 46,430	$ 4,884,836
Company Advisor and Former	2016	$ 1,241,987	$ 6,900,000	—	—	$ 5,993,750	$ 44,113	$ 14,179,850
President and Chief Executive	2015	$ 1,250,000	—	$ 2,250,000	$ 1,500,000	$ 9,134,375	$ 42,004	$ 14,176,379
Officer								
David Vellequette	2017	$ 650,000	—	—	—	$ 1,478,211	$ 38,016	$ 2,166,227
Senior Vice President of Finance	2016	$ 640,865	$ 1,550,000	—	—	$ 1,807,814	$ 26,056	$ 4,024,735
and Former Senior Vice President	2015	$ 625,000	—	$ 825,000	$ 550,000	$ 1,712,500	$ 24,837	$ 3,737,337
and Chief Financial Officer								
James M. Chirico, Jr.	2017	$ 750,000	—	—	—	$ 1,651,363	$ 33,383	$ 2,434,746
President and Chief Executive	2016	$ 708,654	$ 2,500,000	—	—	$ 1,945,314	$ 23,817	$ 5,177,785
Officer and Former Executive	2015	$ 675,000	—	$ 825,000	$ 550,000	$ 4,275,000	$ 23,321	$ 6,348,321
Vice President, Chief Operating Officer and Head of Sales								
Gary Barnett	2017	$ 525,000	—	—	—	$ 852,505	$ 35,210	$ 1,412,715
Senior Vice President and	2016	$ 521,635	$ 525,000	—	—	$ 1,002,292	$ 29,667	$ 2,078,594
General Manager, Engagement Solutions								
Michael Runda	2017	$ 450,000	—	—	—	$ 686,376	$ 34,767	$ 1,171,143
Former Senior Vice President and President, Avaya Client Services								
Morag Lucey	2017	$ 450,000	—	—	—	$ 432,882	$ 233,736	$ 1,116,618
Senior Vice President and Chief Marketing Officer								

(1) Amounts shown for fiscal 2016 for Messrs. Kennedy, Vellequette and Barnett reflect the impact of a change in payroll from weekly to semi-monthly and, for all NEOs, the impact of participation in the Company's mandatory two-week furlough program in the fourth quarter of 2016.

(2) Amounts shown for fiscal 2016 reflect one time retention awards paid in the third quarter of fiscal 2016 to encourage leadership continuity. The retention awards remain subject to clawback (generally on a pro rata basis), if the NEO is terminated by the Company for "cause" or resigns without "good reason" (as such terms are defined in the relevant agreement), in each case, within eighteen (18) months after the May 2016 grant date of such retention award. In connection with the retention award granted to Mr. Chirico, the cash retention award previously granted to him in November 2015, pursuant to which he was to receive $500,000 at the end of each of fiscal 2016 and fiscal 2017, was modified to (i) accelerate the first payment of $500,000, so that such payment was made in the third quarter of fiscal 2016 but was subject to pro-rata clawback if Mr. Chirico did not remain employed by the Company through September 30, 2016 as contemplated by the original award, and (ii) cancel the second $500,000 payment which was to be paid at the end of fiscal 2017.

(3) Amounts indicated for "Stock Awards" and "Option Awards" represent the fair value of the awards at the date of grant as calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, "Compensation-Stock Compensation," or ASC 718, without regard to forfeiture assumptions.

For more information regarding the valuation of equity-based awards (including assumptions made in such valuation), refer to Note 15, "Share-based Compensation," to our audited Consolidated Financial Statements included elsewhere in this registration statement.

As noted, LTI awards made to our NEOs in fiscal 2016 were forfeited in exchange for participation in the KEIP, which is described above under Short-Term Incentive Compensation.

(4) Non-Equity Incentive Plan Compensation reflects amounts earned under each of the following programs:

Name	Year	EC DAIP Awards (a)	Long-Term Cash Award (b)	EC Long-Term Incentive Plan (c)	Cash Long-Term Incentive (d)	Key Employee Incentive Plan (e)	Total ($)
Kevin J. Kennedy	2017	—	—	—	$ 1,484,375	$ 2,104,031	$ 3,588,406
	2016	$ 703,125	—	—	$ 2,890,625	$ 2,400,000	$ 5,993,750
	2015	$ 859,375	$ 5,900,000	$ 1,125,000	$ 1,250,000	—	$ 9,134,375
David Vellequette	2017	—	—	—	$ 460,938	$ 1,017,273	$ 1,478,211
	2016	$ 243,750	—	—	$ 976,564	$ 587,500	$ 1,807,814
	2015	$ 270,000	$ 517,500	$ 550,000	$ 375,000	—	$ 1,712,500
James M. Chirico, Jr.	2017	—	—	—	$ 460,938	$ 1,190,425	$ 1,651,363
	2016	$ 281,250	—	—	$ 976,564	$ 687,500	$ 1,945,314
	2015	$ 300,000	$ 3,000,000	$ 600,000	$ 375,000	—	$ 4,275,000
Gary Barnett	2017	—	—	—	$ 257,291	$ 595,214	$ 852,505
	2016	$ 157,500	—	—	$ 501,042	$ 343,750	$ 1,002,292
Michael Runda	2017	—	—	—	$ 320,747	$ 365,629	$ 686,376
Morag Lucey	2017	—	—	—	—	$ 432,882	$ 432,882

(a) *EC DAIP Awards* . Represents EC DAIP award payments for the first performance period of fiscal 2016 (*i.e.* , the first half of fiscal 2016) paid at 38% of target. The EC DAIP was suspended for the second half of fiscal 2016 and replaced with the KEIP, as described above under Short-Term Incentive Compensation.

(b) *Long-Term Cash Award* . Represents Long-Term Cash Award payments in fiscal 2015 under the Long-Term Cash Award Program, which is no longer active. The Long-Term Cash Award Program was approved in fiscal 2013 after a competitive assessment was completed in July 2012. These long-term cash awards were retention awards designed to provide a degree of value assurance relative to our equity plans for executive officers due to the uncertainty regarding the timing of a liquidity event for the Company. The awards are generally payable in three installments over either a three- or five-year period, depending on executive officer tenure. For executive officers with more than five years' tenure when the award was made, the first installments were paid in fiscal 2013, the second installments were paid in fiscal 2014, and the final installments were paid in fiscal 2015. For executive officers with less than five years' tenure when the award was made, the first installments were paid in fiscal 2013, the second installments were paid in fiscal 2015, and the final installments were scheduled to be paid in fiscal 2017. In all cases, when the award was granted, the final installment was communicated as a range. For each of the NEOs (other than Ms. Lucey), the total award value (using the lower end of the range) was designed to equal approximately five times the individual's base salary over a five-year period. The total award value for each NEO (other than Ms. Lucey) was divided into different installment payments, as set forth in an individual award letter which each NEO received. For each NEO, the upper end of the final installment range equals 150% of the lower end of such range. Since Ms. Lucey joined the Company in October 2015, she was not eligible to receive any awards under this program.

The amounts payable for installments with a range were determined based upon the NEO's achievement under the Executive Committee Performance Recognition Program from fiscal 2011 through fiscal 2015. In addition, the final payment was subject to adjustment, in the Compensation Committee's discretion, based on the executive officer's performance through the payment date. The final payment was also subject to downward adjustment (i) to reflect shares of Avaya Holdings common stock previously owned and sold by that individual, and (ii) if Avaya Holdings' common stock was publicly traded as of such time, to reflect the value of certain shares of Avaya Holdings' common stock that the individual owned (including vested stock units) or could receive upon exercise

of stock options, in each case, excluding shares relating to continuation stock options, continuation stock units and cash invested in connection with the going-private transaction of Avaya Inc.

No new awards were granted under the Long-Term Cash Award Program in fiscal 2015, fiscal 2016 or fiscal 2017, and there were no payouts under the Long-Term Cash Award Program in fiscal 2017. Final installments originally scheduled to be paid in fiscal 2017 include: Mr. Vellequette $1,660,000—$2,835,500; Mr. Barnett $945,000—$1,732,500; and Mr. Runda $810,000—$1,485,000. No further awards are planned under the Long-Term Cash Award Program.

As a result of the bankruptcy proceedings, these Long-Term Cash Award Program awards were not determined and were not paid in fiscal 2017.

(c) *EC Long-Term Incentive Plan ("EC LTIP")* . Represents cash incentives earned in fiscal 2015 under the EC LTIP, which is no longer active. The EC LTIP was a five-year program that was created in fiscal 2011 and revised in fiscal 2014 to provide executive officers with an additional annual deferred incentive opportunity. In fiscal 2014, the program was amended to (i) reflect a single financial target of adjusted EBITDA on a pre-short-term incentive plan basis (*i.e.* , before taking into account any payment under the Company's short-term incentive plans for employees generally), or "Pre-STIP Adjusted EBITDA," and (ii) provide the Predecessor Compensation Committee with full discretion to determine awards, provided that no individual award could exceed 160% of the individual's target. No further awards are planned under the EC LTIP.

(d) *Cash Long-Term Incentive* . The amounts indicated in fiscal 2016 and fiscal 2017 represent vesting of the cash LTI awards granted in fiscal 2014 and fiscal 2015. Based on fiscal 2016 results, the NEOs did not receive any performance-based upside cash payments for the cash LTI awards granted in fiscal 2014 or fiscal 2015. Fiscal 2017 results are not yet known but no performance-based upside cash payments for the cash LTI awards granted in fiscal 2014 or fiscal 2015 are expected. All LTIs granted in fiscal 2016, including the cash LTI awards with performance-based upside, were forfeited in exchange for participation in the KEIP, which is described above under Short-Term Incentive Compensation. In addition, following the commencement of the bankruptcy proceedings, we were unable to pay out any cash LTI awards that would have vested during the pendency of the bankruptcy proceeding. As a result, the NEOs did not receive any cash LTI payments after January 19, 2017, except for Mr. Runda, who received a partial payment of $50,182 in August 2017 for vesting after June 30, 2017, when he had taken on reduced responsibilities and was no longer considered an Insider.

(e) *Key Employee Incentive Plan* . The amounts indicated in fiscal 2017 represent awards earned and paid for Q2 FY2017, EBITDA based awards earned and paid for Q3 FY2017 and Q4 FY2017, and Bankruptcy Incentive Awards earned for Q3 FY2017 and Q4 FY2017 under the KEIP, which is described above under Short-Term Incentive Compensation. The KEIP awards which were approved for Q1 FY2017 were not paid to our NEOs as a result of the bankruptcy proceedings, as described above. The amounts indicated in fiscal 2016 represent awards earned under the KEIP for Q4 FY2016, which is described above under Short-Term Incentive Compensation.

(5) During fiscal 2017, NEOs received certain perquisites provided or paid by the Company pursuant to Company policies.

Name	Financial Counseling	Life Insurance Premiums	Life Insurance Imputed Income	HSA Contribution	Relocation	Relocation Tax Gross-Up [(a)]	401(k) Company Match	Total
Kevin J. Kennedy	$ 20,000	$ 8,385	$ 15,045	—	—	—	$ 3,000	$ 46,430
David Vellequette	$ 15,000	$ 6,678	$ 13,338	—	—	—	$ 3,000	$ 38,016
James M. Chirico, Jr	$ 15,000	$ 6,382	$ 8,901	$ 100	—	—	$ 3,000	$ 33,383
Gary Barnett	$ 15,000	$ 6,883	$ 13,177	$ 150	—	—	—	$ 35,210
Michael Runda	$ 15,000	$ 5,686	$ 11,081	—	—	—	$ 3,000	$ 34,767
Morag Lucey	$ 15,000	$ 4,981	$ 7,741	—	$ 90,000	$ 106,014	—	$223,736

(a) Tax gross up of certain relocation services, offered to NEOs the same as to all eligible employees.

Grants of Plan-Based Awards in Fiscal 2017

The following table sets forth information concerning non-equity incentive awards granted in fiscal 2017 to each of the NEOs pursuant to the KEIP. As described above, no LTI awards were granted in fiscal 2017 and the LTI awards granted to our NEOs in November 2015 for fiscal 2016, which included equity incentive awards made under the Avaya Holdings Corp. Second Amended and Restated 2007 Equity Incentive Plan ("2007 Plan"), which awards are described below, were forfeited in exchange for participation in the KEIP. In addition, prior to the Restructuring, our NEOs, who were considered Insiders, were not entitled to receive payments of outstanding cash LTIs that would have vested and been payable, or to receive outstanding options that would have otherwise vested after January 19, 2017.

			Estimated Future Payouts under Non-Equity Incentive Plan Awards (1)		
Name	Grant Date (2)		Threshold ($)	Target ($)	Maximum ($)
Kevin J. Kennedy	August 18, 2016	Q1	1,920,000	2,400,000	2,400,000
	February 21, 2017	Q2	1,248,000	1,560,000	1,560,000
	June 15, 2017	Q3	576,000	720,000	720,000
	June 15, 2017	Q4	576,000	720,000	720,000
David Vellequette	August 18, 2016	Q1	470,000	587,500	587,500
	February 21, 2017	Q2	305,500	381,875	381,875
	June 15, 2017	Q3	274,950	343,688	343,688
	June 15, 2017	Q4	274,950	343,688	343,688
James M. Chirico, Jr.	August 18, 2016	Q1	550,000	687,500	687,500
	February 21, 2017	Q2	357,500	446,875	446,875
	June 15, 2017	Q3	321,750	402,188	402,188
	June 15, 2017	Q4	321,750	402,188	402,188
Gary Barnett	August 18, 2016	Q1	275,000	343,750	343,750
	February 21, 2017	Q2	178,750	223,438	223,438
	June 15, 2017	Q3	160,875	201,094	201,094
	June 15, 2017	Q4	160,875	201,094	201,094
Michael Runda	August 18, 2016	Q1	250,000	312,500	312,500
	February 21, 2017	Q2	162,500	203,125	203,125
	June 15, 2017	Q3	146,250	182,813	182,813
		Q4	—	—	—
Morag Lucey	August 18, 2016	Q1	200,000	250,000	250,000
	February 21, 2017	Q2	130,000	162,500	162,500
	June 15, 2017	Q3	117,000	146,250	146,250
	June 15, 2017	Q4	117,000	146,250	146,250

(1) Represents the fiscal 2017 threshold, target and maximum amounts payable under the KEIP for fiscal 2017, as discussed above under Short-Term Incentive Compensation. The amounts shown represent (a) for the first quarter of fiscal 2017, the original threshold, target and maximum amounts payable under the KEIP, (b) for the second quarter of fiscal 2017, the threshold, target and maximum amounts payable under the KEIP (after the agreed-upon 35% reduction for that quarter), and (c) for the third and fourth quarters of fiscal 2017, the threshold, target and maximum amounts payable under the KEIP (i) based on adjusted EBITDA performance for both such quarters, and (ii) including 0% of the Bankruptcy Incentive Award potentially payable for both such quarters.

(2) These KEIP thresholds, targets and maximums were approved by the Predecessor Compensation Committee and the Bankruptcy Court as shown below:

FY17 KEIP Performance Quarter	Thresholds/Targets Approved by Predecessor Compensation Committee	Thresholds/Targets Approved by the Court
Q1	August 18, 2016	N/A
Q2	February 21, 2017	April 21, 2017
Q3	June 15, 2017	July 11, 2017
Q4	June 15, 2017	July 11, 2017

2007 Plan

Executive officers, including our NEOs, and other employees, directors and consultants were eligible to participate in the 2007 Plan. As of September 30, 2017, 61,236,872 shares of Avaya Holdings' common stock were authorized for issuance under the 2007 Plan. Our common stock was not publicly traded prior to the Emergence Date. See "Management's Discussion and Analysis—Use of Estimates and Critical Accounting Policies—Share-based Compensation" for information on the methodology to value equity-based awards.

Restricted Stock Units ("RSUs")

Each RSU awarded under the 2007 Plan, when vested, entitled the holder to receive one share of Avaya Holdings' common stock, subject to certain restrictions on their transfer and sale as provided for in the 2007 Plan and the related award agreements.

Stock Options

Each stock option, when vested and exercised, entitled the holder to receive one share of Avaya Holdings' common stock, subject to certain restrictions on transfer and sale as provided for in the 2007 Plan and the related award agreements. All stock options awarded under the 2007 Plan were to expire ten years from the date of grant or upon cessation of employment, in which event there were limited exercise periods associated with vested stock options.

To the extent an individual acquired shares of Avaya Holdings' common stock upon the exercise of a stock option or vesting of an RSU, those shares were subject to the restrictions on transfer and other provisions contained in a management stockholders' agreement and, in the case of certain executive officers, a 2007 registration rights agreement. Each of these agreements terminated in connection with the Restructuring. See "Certain Relationships and Related Transactions and Director Independence."

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the outstanding equity awards at the end of fiscal 2017 for each of the NEOs:

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options # Exercisable (1)	Number of Securities Underlying Unexercised Options # Unexercisable (2)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (3)	Market Value of Shares or Units of Stock that have not vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that have not vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that have not vested ($)
Kevin J. Kennedy	3,250,000	—	$ 3.00	11/17/2019	—	—	—	—
	650,000	—	$ 3.00	11/19/2019	—	—	—	—
	2,000,000	—	$ 2.25	12/11/2023	—	—	—	—
	1,200,000	—	$ 2.25	12/11/2023	—	—	—	—
	468,751	468,749	$ 2.50	11/20/2024	—	—	—	—
David Vellequette	325,000	—	$ 4.00	10/1/2022	—	—	—	—
	360,000	—	$ 2.25	11/15/2023	—	—	—	—
	171,878	171,872	$ 2.50	11/20/2024	—	—	—	—
James M. Chirico, Jr.	650,000	—	$ 3.00	11/17/2019	—	—	—	—
	162,500	—	$ 3.00	11/17/2019	—	—	—	—
	260,000	—	$ 3.00	11/19/2019	—	—	—	—
	360,000	—	$ 2.25	11/15/2023	—	—	—	—
	171,878	171,872	$ 2.50	11/20/2024	—	—	—	—
Gary Barnett	260,000	—	$ 4.40	6/23/2021	—	—	—	—
	195,000	—	$ 4.40	12/5/2021	—	—	—	—
	208,000	—	$ 2.25	11/15/2023	—	—	—	—
	81,252	81,248	$ 2.50	11/20/2024	—	—	—	—
Michael Runda	32,500	—	$ 4.40	11/11/2021	—	—	—	—
	162,500	—	$ 4.00	5/17/2022	—	—	—	—
	208,000	—	$ 2.25	11/15/2023	—	—	—	—
	81,252	81,248	$ 2.50	11/20/2024	—	—	—	—

(1) Represents the exercisable portion of stock options granted and outstanding. Ms. Lucey held no stock options.

(2) Represents the unvested and un-exercisable portion of stock options granted and outstanding. Ms. Lucey held no stock options.

As a result of the bankruptcy proceedings, vesting of the stock options held by our NEOs, who were considered Insiders, was suspended during the bankruptcy.

(3) All unvested stock awards held by NEOs in July 2016 were cancelled in a voluntary equity exchange program. Employees were given the choice whether to keep certain LTI awards under the existing terms and vesting conditions or to exchange those awards for replacement cash LTI awards with new terms and vesting conditions. Eligible awards included outstanding RSUs, as previously awarded to each NEO, and certain performance-based cash LTI awards, which none of the NEOs held. The exchange was offered to provide a vehicle to monetize specific LTI awards and reinforce our philosophy to provide appropriate long-term incentives.

Each exchanged RSU was replaced with a cash award of $0.40. Replacement cash LTI awards received in exchange for unvested RSUs have a two-year vesting period, with 34% vesting on the first anniversary of the replacement cash LTI award grant date, and 33% vesting on each of the 18- and 24-month anniversaries of the replacement cash LTI award grant date, subject, in each case, to the holder's continued employment with the Company through the applicable vesting date. Replacement cash LTI awards received in exchange for deferred RSUs maintained their original vesting and distribution dates, in alignment with Section 409A

of the Code. All of the NEOs exchanged all of their eligible RSU awards. Replacement cash LTI awards were granted to NEOs under the Avaya Holdings Corp. Long-Term Incentive Cash Plan (the "Cash Incentive Plan"), which was adopted in May 2016.

As a result of the bankruptcy proceedings, vested cash LTI awards, including replacement cash LTI awards granted in the equity exchange program, were not paid to our NEOs, who were considered Insiders, during the bankruptcy, except for Mr. Runda, who received a partial payment of $50,182 in August 2017 for vesting after June 30, 2017, when he had taken on reduced responsibilities and was no longer considered an Insider.

Prior to the Restructuring, the stock options were scheduled to vest as follows. Ms. Lucey held no stock options.

Name	Number of Securities Underlying Options	Grant Date	Vesting Description
Kevin J. Kennedy	937,500	11/20/2014	1/4 on 1st anniversary: 1/16 quarterly thereafter
David Vellequette	343,750	11/20/2014	1/4 on 1st anniversary: 1/16 quarterly thereafter
James M. Chirico, Jr.	343,750	11/20/2014	1/4 on 1st anniversary: 1/16 quarterly thereafter
Gary Barnett	162,500	11/20/2014	1/4 on 1st anniversary: 1/16 quarterly thereafter
Michael Runda	162,500	11/20/2014	1/4 on 1st anniversary: 1/16 quarterly thereafter

Options Exercised and Stock Vested

During fiscal 2017, there were no exercises of stock options by any of the NEOs.

Nonqualified Deferred Compensation

The table below sets forth information concerning all nonqualified deferred compensation earned by each of the NEOs during fiscal 2017.

All information represents data from the Avaya Inc. Savings Restoration Plan ("ASRP"), an unfunded, non-qualified deferred compensation plan to provide eligible executive employees with additional savings opportunities beyond the IRS limits of the qualified ASPSE. No Company matching contributions have been made to the ASRP since 2009. The ASRP was "frozen" to new contributions effective January 2016. As of April 2016, the component of the ASRP that provides for employee elective deferrals was terminated, and associated balances are required to be paid to participants following the 12-month waiting period from the plan termination date. Investment earnings are based on the fund selection by each participant from among the ASRP investment fund options. All participants are 100% vested in their ASRP accounts.

Name	Executive Contributions in Fiscal 2017	Registrant Contributions in Fiscal 2017	Aggregate Earnings in Fiscal 2017	Aggregate Withdrawals/ Distributions in Fiscal 2017	Aggregate Balance at the End of Fiscal 2017
Kevin J. Kennedy	—	—	$ (575)	—	$497,722
David Vellequette	—	—	—	—	—
James M. Chirico, Jr.	—	—	$ 83,944	—	$597,485
Gary Barnett	—	—	—	—	—
Michael Runda	—	—	—	—	—
Morag Lucey	—	—	—	—	—

As a result of the bankruptcy proceedings, ASRP balances were not paid in fiscal 2017 to participants, including NEOs who were considered Insiders.

Potential Payments on Qualifying Termination or Occurrence of Change of Control

During fiscal 2017, we offered certain benefits to NEOs in the event of an involuntary termination of employment, or, in the case of a change in control, in the event of a termination of employment by the Company for any reason other than for "cause" or due to death or disability, or by the NEO for "good reason". These benefits were:

- Separation Benefits : The Avaya Inc. Involuntary Separation Plan for Senior Officers ("Senior Officer Plan") was designed to provide a specific payment to eligible senior officers of Avaya and its affiliated companies and subsidiaries in the event that their employment was involuntarily terminated under certain conditions. During fiscal 2017, the Senior Officer Plan covered our CEO, certain other employees of the Company at a level of senior vice president or above, and certain other employees selected by the CEO, who were designated "At Risk" under the Avaya Force Management Program Guidelines. Mr. Runda was not eligible to receive benefits under this Senior Officer Plan as of the end of fiscal 2017. A participant who receives severance benefits under any employment agreement, change in control plan and/or a separate agreement is not entitled to benefits under the Senior Officer Plan.
- Change in Control Benefits : In May 2016, the Predecessor Compensation Committee approved a form of Avaya Inc. Executive Change in Control Agreement (the "CIC Agreement"), which was entered into with key executive officers of the Company to facilitate such executive officers' continued dedication to the Company notwithstanding the occurrence of a change in control of the Company and to encourage such executive officers' full attention and dedication to the Company and its affiliated companies currently and in the event of a change in control. The Predecessor Compensation Committee also approved a form of Avaya Inc. Executive Change in Control Agreement (the "CEO CIC Agreement"), which was entered into with Mr. Kennedy.

However, during fiscal 2017, NEOs who were considered Insiders would not have been eligible to receive all or a portion of the payments or benefits under the Senior Officer Plan or the CIC Agreements if terminated while the bankruptcy proceedings were pending and prior to the consummation of the Restructuring. The Senior Officer Plan and the CIC Agreements terminated upon consummation of the Restructuring.

The sections below indicate amounts that could have been received by each of the current NEOs following, or in connection with, a qualifying termination of employment, subject to any limitations imposed by the Restructuring. The sections assume that (i) the triggering event happened as of September 30, 2017, the last day of fiscal 2017, (ii) the Restructuring was consummated on or before such triggering event, and (iii) the arrangements set forth above remained in full force and effect, and were not discharged, following consummation of the Restructuring. In addition to severance, participating NEOs were previously entitled to receive payment of deferred amounts in the event of a termination of employment or a change in control, as shown above under Nonqualified Deferred Compensation. It should also be noted that each of the sections below represents the various amounts that could have been received by the current NEOs under alternative scenarios, and they are not cumulative in nature.

Resignation/Retirement

In general, upon an NEO's resignation or retirement, there would be no continuation of benefits (other than certain medical benefits as prescribed by applicable law) and no additional payments made under any of the Company's defined contribution (qualified and nonqualified) plans, other than as set forth under the Nonqualified Deferred Compensation table. NEOs would also be eligible for early payment of vested and deferred cash LTI awards issued in exchange for deferred RSUs. Those payouts are for Mr. Kennedy $173,892; Mr. Vellequette $48,047; Mr. Chirico $47,833; Mr. Barnett $85,833, and Mr. Runda $86,076.

As a result of the bankruptcy proceedings, vested and deferred Cash LTI awards were not paid to our NEOs, who were considered Insiders.

Generally, each of the NEOs had up to 30 days subsequent to a resignation to exercise vested stock options, and any unvested stock options and/or RSUs as of the date of termination of employment are forfeited. If the resignation was for "good reason" (as defined in the 2007 Plan and described below), then each of the NEOs would have 90 days from the date of such termination to exercise any vested stock options. However, Mr. Kennedy's employment agreement, as described below, provided that following his resignation of employment for "good reason" (as defined in his employment agreement), he would have 12 months to exercise any vested stock options.

Under the 2007 Plan, "good reason" was defined as any of the following events or conditions occurring without a participant's express written consent, unless cured by the Company within 30 days of being notified by a participant of the event or condition: (i) a material reduction in the participant's base compensation, (ii) a material diminution of a participant's position with the Company and its subsidiaries involving a substantial reduction in the scope, nature, and function of the participant's duties, which would typically be demonstrated by a reduction in compensation and/or title, (iii) a change of 30 miles or more in the participant's principal work location, or (iv) a material reduction in the employee benefits provided by the Company and its subsidiaries to the participant, other than any such reduction that affected, or that was similar to a change in benefits that affected, one or more other, similarly situated employees of the Company and its subsidiaries.

Involuntary Termination without Cause or For Good Reason Outside of a Change in Control

Under the Senior Officer Plan, in the event that a participating senior officer (other than Mr. Kennedy) is terminated by the Company other than for "cause" (as defined below), that senior officer is entitled to receive, upon executing and not revoking a termination agreement and release, a payment equal to 100% of his or her final annual base salary, along with certain other benefits to continue for a period of time post-termination of employment, including certain medical benefits as prescribed by applicable law. With respect to Mr. Kennedy, the terms of his employment agreement described below provided that his involuntary termination would be governed by the Senior Officer Plan, but he would be entitled to a payment equal to 200% of his base salary, plus 200% of his target bonus under the Company's short-term incentive plan for the year of termination, in addition to the other benefits offered generally to senior officers under the Senior Officer Plan.

For purposes of the Senior Officer Plan, "cause" is defined as (1) a material breach of duties and responsibilities (other than as a result of incapacity due to physical or mental illness) which is demonstrably willful and deliberate on the senior officer's part, and which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company or its affiliated companies and subsidiaries; or (2) conviction (including a plea of guilty or nolo contendere) of a felony; or (3) the commission of theft, fraud, breach of trust or any act of dishonesty involving the Company or its subsidiaries; or (4) any significant violation of Avaya's Code of Conduct or any statutory or common law duty of loyalty to the Company or its subsidiaries. For Mr. Kennedy, the definition of "cause" was contained in his employment agreement.

Awards made pursuant to the Avaya Inc. Long-Term Cash Award Agreements prior to May 2016 contain an acceleration clause for partial acceleration of the unvested portion of the award in the event of a termination of employment by the Company without "cause" (as defined in the relevant Award Agreement). If the termination occurs during the first year of the grant, one-fourth of the award would vest pro rata based on the number of full or partial quarters the NEO was employed during the first year of the grant. If the termination occurs after the first anniversary of the grant, the portion of the award that was scheduled to have vested on the next quarterly vesting date will vest. In both cases, vesting will occur on the date of termination and any portion of awards that remains unvested will be forfeited and cancelled immediately. Beginning May 2016, cash LTI awards were made pursuant to the Cash Incentive Plan and they did not have an acceleration clause outside that for change in control.

As a result of the bankruptcy proceedings, payments under the Senior Officer Plan (if any), as well as payments of accelerated cash LTIs that would have vested band otherwise been payable, were not paid to

our NEOs, who were considered Insiders. Notwithstanding that, the table below represents the severance amounts that could have been received by each of the current NEOs as of September 30, 2017, assuming (i) a qualifying involuntary separation occurred on that date, (ii) the Restructuring was consummated on or before such date, and (iii) the relevant arrangements remained in full force and effect, and were not discharged, following consummation of the Restructuring.

Involuntary Termination Without Cause or For Good Reason Outside a Change in Control

Name	Annual Base Salary	Annual Target Bonus (1)	Total Severance Pay (2)	Outplacement Services (3)	Acceleration of Cash LTI (4)	Pre-IPO Share Repurchase (5)	Total
Kevin J. Kennedy	$ 1,250,000	$ 1,875,000	$ 6,250,000	$ 7,000	$ 234,375	$ 4,000,000	$ 10,491,375
David Vellequette	$ 650,000	—	$ 650,000	$ 7,000	$ 85,937	—	$ 742,937
James M. Chirico, Jr.	$ 750,000	—	$ 750,000	$ 7,000	$ 85,937	—	$ 842,937
Gary Barnett	$ 525,000	—	$ 525,000	$ 7,000	$ 40,625	—	$ 572,625
Morag Lucey	$ 450,000	—	$ 450,000	$ 7,000	—	—	$ 457,000

(1) Amount represents the annual target for Mr. Kennedy's short-term incentive award.

(2) Amounts represent two times the sum of annual base salary and annual target bonus for Mr. Kennedy, and one times annual base salary for each of Messrs. Vellequette, Chirico, Barnett and Ms. Lucey, each as of September 30, 2017. Mr. Runda is not eligible to receive benefits under the Senior Officer Plan.

(3) Represents an estimated cost to the Company for outplacement services customarily provided.

(4) Partial acceleration of cash LTI awards made prior to May 2016 in the event of termination without "cause" as described above. Does not include the value of vested and deferred cash LTI awards that is payable upon any involuntary termination. Those payouts are as follows: Mr. Kennedy: $453,893; Mr. Vellequette: $71,381; Mr. Chirico: $124,834; and Mr. Barnett: $117,378.

(5) As provided under Mr. Kennedy's employment agreement described below. As a result of the bankruptcy proceedings, Mr. Kennedy's "put right" was not payable.

The receipt of these severance benefits would generally be subject to the NEO's execution and non-revocation of an effective release of claims against the Company and compliance with certain non-compete, non-solicitation and confidentiality provisions. If an NEO breaches the provisions, the NEO will forfeit any award or payment made pursuant to any applicable severance or other incentive plan or program, or if a payment has already been made, be obligated to return the proceeds to the Company.

Termination upon Death or Disability

In the event a termination of employment occurs due to an NEO's death or disability, the NEO would not be entitled to any benefits under the Senior Officer Plan. NEOs would be eligible for payments as set forth under the Nonqualified Deferred Compensation Plans table and payment of certain cash LTI awards issued in exchange for deferred RSUs.

Awards made pursuant to the Avaya Inc. Long-Term Cash Award Agreements prior to May 2016 contain an acceleration clause for partial acceleration of the unvested portion of the award in the event of a termination of employment due to death or disability. If the termination due to death or disability occurs during the first year of the grant, one-fourth of the award would vest pro rata based on the number of full or partial quarters the NEO was employed during the first year of the grant. If the termination occurs after the first anniversary of the grant, the portion of the award that was scheduled to have vested on the next quarterly vesting date will vest. In both cases, vesting will occur on the date of termination and any portion of awards that remains unvested will be forfeited and cancelled immediately. Beginning May 2016, cash LTI awards were made pursuant to the Cash Incentive Plan and they did not have an acceleration clause outside that for change in control.

As a result of the bankruptcy proceedings, deferred compensation balances were not paid to our NEOs, who were considered Insiders. Notwithstanding that, the following table represents the amounts that could have been received by each of the current NEOs as of September 30, 2017, assuming (i) a termination of the NEO due to death or disability occurred on that date, (ii) the Restructuring was consummated on or before such date, and (iii) the relevant arrangements remained in full force and effect, and were not discharged, following consummation of the Restructuring.

	Termination Upon Death or Disability			
Name	Total Severance Pay	Value of Accelerated Cash LTI Awards (1)	Pre-IPO Repurchase Share (2)	Total
Kevin J. Kennedy	$ —	$ 234,375	$4,000,000	$4,234,375
David Vellequette	$ —	$ 85,937	$ —	$ 85,937
James M. Chirico, Jr.	$ —	$ 85,937	$ —	$ 85,937
Gary Barnett	$ —	$ 40,625	$ —	$ 40,625
Michael Runda	$ —	$ 40,625	$ —	$ 40,625

(1) Partial acceleration of cash LTI awards made prior to May 2016 in the event of termination due to death or disability as described above. Ms. Lucey does not hold any of these awards. Does not include the value of vested and deferred cash LTI awards that is payable upon death or disability, as described in footnote 3 of Grants of Plan-Based Awards. Those payouts are for Mr. Kennedy $453,893; Mr. Vellequette $130,513; Mr. Chirico $124,834; Mr. Barnett $117,378 and Mr. Runda $99,639.

(2) As provided under Mr. Kennedy's employment agreement described below. As a result of the bankruptcy proceedings, Mr. Kennedy's "put right" was not payable.

In the case of disability, the receipt of these severance benefits would generally be subject to the NEO's execution and non-revocation of an effective release of claims against the Company and compliance with certain non-compete, non-solicitation and confidentiality provisions. If an NEO breaches the provisions, the NEO will forfeit any award or payment made pursuant to any applicable severance or other incentive plan or program, or if a payment has already been made, be obligated to return the proceeds to the Company.

Involuntary Termination without Cause or For Good Reason within a Change in Control

The CIC Agreements and the CEO CIC Agreement which were approved and entered into in May 2016 each provide that if the NEO's employment is terminated by the Company without "cause" (other than due to the NEO's death or disability) or by the NEO for "good reason," in each case, during the six months preceding a change in control of the Company or within the two years following a change in control of the Company (so-called "double-trigger" benefits), the NEO will be entitled to receive certain payments and benefits. Upon such a qualifying termination, the CEO CIC Agreement provided Mr. Kennedy with an amount equal to two and a half times the sum of his annual base salary and target annual bonus. The CIC Agreements provide (i) Messrs. Vellequette and Chirico with an amount equal to two times the sum of their respective annual base salaries and target annual bonuses, and (ii) Messrs. Barnett and Runda and Ms. Lucey with an amount equal to one and one half times the sum of his or her annual base salary and target annual bonus. Additionally, the CIC Agreements, including the CEO CIC Agreement, provide all NEOs with an amount equal to 18 months of the Company's portion of the NEO's Consolidated Omnibus Budget Reconciliation Act of 1985 (as amended) premiums.

Additionally, each CIC Agreement provides, in the event of a Qualifying Termination (as defined therein), all outstanding long-term incentive awards, whether cash- or equity-based, granted to the NEO shall be fully vested and earned. Any outstanding option, stock appreciation right and other outstanding award in the nature of a right that may be exercised, and which was granted to the NEO and not previously exercisable and vested, shall become fully exercisable and vested. In addition, the restrictions, deferral limitations and forfeiture conditions applicable to any outstanding award (other than eligibility for an annual bonus) granted to the NEO under an incentive compensation plan, practice, policy or program shall lapse, and such award shall be deemed fully vested.

As a result of the bankruptcy proceedings, payments under the CIC Agreements, including the CEO CIC Agreement, would not have been paid to our NEOs, who were considered Insiders. Notwithstanding that, the table below represents the severance amounts that could have been received by each of the current NEOs as of September 30, 2017, assuming (i) a termination within the change in control context occurred on that date, (ii) the Restructuring was consummated on or before such date, and (iii) the CIC Agreements, including the CEO CIC Agreement, remained in full force and effect, and were not discharged, following consummation of the Restructuring.

Involuntary Termination Without Cause or For Good Reason Within a Change in Control

Name	Annual Base Salary	Annual Target Bonus (1)	Total Severance Pay (2)	Outplacement Services (3)	Acceleration of Options (4)	Acceleration of Cash LTI (5)	Pre-IPO Share Repurchase (6)	Total
Kevin J. Kennedy	$1,250,000	$1,875,000	$7,812,500	$ 7,000	$ —	$1,818,268	$4,000,000	$13,637,768
David Vellequette	$ 650,000	$ 650,000	$2,600,000	$ 7,000	$ —	$ 627,848	$ —	$ 3,234,848
James M. Chirico, Jr.	$ 750,000	$ 750,000	$3,000,000	$ 7,000	$ —	$ 622,169	$ —	$ 3,629,169
Gary Barnett	$ 525,000	$ 420,000	$1,417,500	$ 7,000	$ —	$ 353,870	$ —	$ 1,778,370
Michael Runda	$ 450,000	$ 360,000	$1,215,000	$ 7,000	$ —	$ 336,131	$ —	$ 1,558,131
Morag Lucey	$ 450,000	$ 360,000	$1,215,000	$ 7,000	$ —	$ —	$ —	$ 1,222,000

(1) Amounts represent the annual targets for short-term incentive awards.

(2) Amounts represent the sum of the annual base salaries and target annual bonuses times the applicable multiple approved in each NEO's change in control agreement. The multiple for Mr. Kennedy is 2.5x, for Messrs. Vellequette and Chirico is 2.0x, for Messrs. Barnett and Runda is 1.5x., and for Ms. Lucey is 1.5x.

(3) Represents an estimated cost to the Company for outplacement services.

(4) Pursuant to the terms of the 2007 Plan, if the exercise price of a stock option was equal to or greater than the fair market value of a share of Avaya Holdings' common stock, such stock option was not exercisable. No value has been attributed to accelerated stock options since they had an exercise price greater than the fair market value of a share of Avaya Holdings' common stock on September 30, 2017.

(5) Does not include the value of vested and deferred cash LTI awards that is payable upon termination. Those payouts are as follows: Mr. Kennedy: $453,893; Mr. Vellequette: $130,513; Mr. Chirico: $124,834; Mr. Barnett: $117,378; and Mr. Runda $99,639.

(6) As provided under Mr. Kennedy's employment agreement described below. As a result of the bankruptcy proceedings, Mr. Kennedy's "put right" was not payable.

The receipt of these severance benefits would generally be subject to the NEO's execution and non-revocation of an effective release of claims against the Company and compliance with certain non-compete, non-solicitation and confidentiality provisions. If an NEO breaches the provisions, the NEO will forfeit any award or payment made pursuant to any applicable severance or other incentive plan or program, or if a payment has already been made, be obligated to return the proceeds to the Company.

Executive Employment Arrangements

Mr. Kennedy's Employment Agreement

Mr. Kennedy was party to an employment agreement with the Company under which he agreed to serve as the Company's President and CEO. The agreement, which became effective December 22, 2008, had an initial three-year term that was automatically renewed for subsequent one-year periods unless notice of non-renewal was delivered by the Company. This agreement was terminated, by mutual agreement, pursuant to the Advisory Services Arrangement described below. The termination of this agreement was effective as of the Emergence Date, without payment of any amounts thereunder. In addition, effective as of the Emergence Date, Mr. Kennedy ceased participation in the Senior Officer Plan (described above).

Effective December 22, 2008, Mr. Kennedy received 400,000 RSUs, which fully vested and with respect to which the underlying shares have been distributed to him. The employment agreement provided that, prior to an

initial public offering, (i) if Mr. Kennedy's employment was terminated other than for "cause" (as defined in his employment agreement), (ii) if he voluntarily resigned for any reason or (iii) if he was terminated due to death or disability, Mr. Kennedy had the right to require the Company to purchase from him any or all of the shares of common stock subject to those vested RSUs at fair market value (the "put right"), unless the fair market value was less than $10 per share, in which case the purchase price would have been $10 per share. Further, in the event that certain "drag-along" or "tag-along" provisions under the management stockholders' agreement were exercised and Mr. Kennedy sold shares of common stock underlying those vested RSUs in certain transactions and received less than $10 per share, then the Company was obligated to pay to Mr. Kennedy the difference between $10 per share and the amount realized by Mr. Kennedy in such transaction.

As a result of the bankruptcy proceedings, Mr. Kennedy's "put right" was not payable. In addition, the employment agreement provided that, for so long as Mr. Kennedy was the Company's CEO, the Sponsors were required to ensure that their affiliates vote to elect him as a member of our board of directors.

Mr. Kennedy's employment agreement provided that, in the event he resigned for "good reason" (as defined below), he would be entitled to receive the same amount as set forth under Involuntary Termination without Cause or For Good Reason Outside of a Change in Control above. Under the employment agreement, "good reason" meant any of : (i) a material reduction by the Company in his base salary; (ii) a material breach of the agreement by the Company, which included a material reduction or material negative change by the Company in the type or level of compensation and benefits (other than base salary) to which he was entitled under the employment agreement, other than any such reduction or change that was part of and consistent with a general reduction or change applicable to all senior officers of the Company; (iii) a material failure by the Company to pay or provide to him any compensation or benefits to which he was entitled; (iv) a change in Mr. Kennedy's status, position, titles, offices or responsibilities that constituted a material and adverse change from his status, positions, titles, offices or responsibilities as in effect immediately before such change; (v) the assignment to him of any duties or responsibilities that were materially and adversely inconsistent with his status, positions, titles, offices or responsibilities as in effect immediately before such assignment; (vi) any removal of Mr. Kennedy from or failure to reappoint or reelect him to any of such positions, titles or offices; (vii) the Company changing the location of its principal executive offices to a location more than 50 miles from its current principal office; (viii) any material breach by the Company or Avaya Inc. of the employment agreement or any other agreement between the Company or Avaya Inc. and Mr. Kennedy incorporated by reference in the agreement; or (ix) the provision of notice by the Company of its intention not to renew the employment agreement. **As noted above, as a result of, and during, the bankruptcy proceedings, Mr. Kennedy would not have been expected to receive any severance benefits.** Mr. Kennedy's employment agreement provided that, with respect to his stock option awards, he would have 12 months following his termination of employment without cause or for "good reason" to exercise those stock options. In all other contexts, upon resignation or retirement, there would be no continuation of benefits (other than certain medical benefits as prescribed by applicable law) and no additional payments made under any of the Company's defined contribution (qualified and nonqualified), other than as set forth under the Nonqualified Deferred Compensation Plans table.

Mr. Kennedy's Advisory Services Arrangement

In connection with Mr. Kennedy's approaching ten-year anniversary with the Company and the Company's upcoming Restructuring, the Company and Mr. Kennedy agreed upon the material terms and conditions of Mr. Kennedy's advisory services arrangement (the "Advisory Services Arrangement"), which was further memorialized in a definitive agreement. The Advisory Services Arrangement was approved by the board of directors following the Emergence Date. As a condition to the Company's entry into the Advisory Services Arrangement, Mr. Kennedy and the Company agreed to terminate, by mutual agreement, the employment agreement and the CEO CIC Agreement, in each case, effective as of the Emergence Date and without payment of any amounts thereunder, and effective as of the Emergence Date, the Senior Officer Plan (described above) which covered Mr. Kennedy and certain other Company employees was terminated.

On October 1, 2017, Mr. Kennedy resigned from all offices and directorships with the Company. Pursuant to the Advisory Services Arrangement, Mr. Kennedy remained an employee of the Company until the Emergence Date, at which time he became an advisor to the Company, and Mr. Kennedy acknowledged and agreed that his transition to the role of advisor would not constitute "good reason" to terminate his employment under any of his arrangements with the Company or any of its affiliates or subsidiaries (including, without limitation, his employment agreement and the CEO CIC Agreement, nor would it amount to a termination of employment for purposes of his one-time retention bonus awarded in May 2016, which was subject to clawback (generally on a pro rata basis) if Mr. Kennedy was terminated by the Company for "cause" or resigned without "good reason" (as such terms are defined in such retention bonus award agreement), in each case, within eighteen (18) months after the May 2016 grant date of such retention award).

Until the Emergence Date, Mr. Kennedy continued to receive his then-current base salary and was eligible to receive a bonus under the KEIP. As compensation for providing the advisory services for the period commencing on the Emergence Date and ending on the second anniversary of the Emergence Date (the "Post-Emergence Consulting Period"), Mr. Kennedy will receive a total of $1,900,000 in cash per year (the "Annual Consulting Fee"), payable monthly in advance commencing on the day after the Emergence Date and pro-rated for any partial months of service, and he will be eligible to receive a maximum total of $2,475,000 per year (the "Target Annual Consulting Completion Fee") in cash based on achievement of performance goals, which goals will be established by the board of directors following the Emergence Date, but in any event no less than $1,900,000 for a given 12-month period. Additionally, for the 30 months immediately following the Emergence Date, the Company will reimburse Mr. Kennedy for incurred health insurance premiums.

If the Company terminates Mr. Kennedy's provision of advisory services prior to the second anniversary of the Emergence Date without "disqualifying reason" (as defined below), then subject to his timely execution and non-revocation of a general release of claims in favor of the Company, Mr. Kennedy will receive any unpaid portion of all Annual Consulting Fees and all Target Annual Consulting Completion Fees. For the purposes of the Advisory Services Arrangement, "disqualifying reason" means any of Mr. Kennedy's: (i) failure to perform his advisory services that continues for more than ten days following the Company's written notice of such failure, (ii) fraud or intentional misconduct in the performance of his advisory services, (iii) material breach of any material Company policy, or (iv) material breach of the restrictive covenants to which he is subject pursuant to the Advisory Services Arrangement.

The Company shall pay directly or reimburse Mr. Kennedy for his reasonable and documented legal fees and expenses incurred in connection with the negotiation and implementation of the foregoing arrangement and any related documents. Pursuant to the Advisory Services Arrangement, Mr. Kennedy is subject to the following restrictive covenants: (i) non-competition and non-solicitation of customers, employees, independent contractors and others until December 15, 2019, (ii) assignment of inventions to the Company, (iii) perpetual non-disparagement, and (iv) perpetual confidentiality.

Mr. Chirico's Employment Arrangements

On October 1, 2017, Mr. Chirico was appointed President and Chief Executive Officer of the Company and he became a member of the board of directors on the Emergence Date. Pursuant to a definitive employment agreement which was entered into on November 13, 2017 and was negotiated among certain Company creditors, the Company and Mr. Chirico and approved by the Bankruptcy Court in conjunction with confirmation of the Company's Chapter 11 Plan (the "Executive Employment Agreement"), Mr. Chirico's initial base salary is $1,250,000, to be annually reviewed for increase (but not decrease) by the Compensation Committee. Mr. Chirico's target bonus will be equal to 200% of his base salary (the "Target Bonus"), based on meeting reasonably attainable quantitative performance goals to be established by the Compensation Committee in good faith after discussion with Mr. Chirico. Mr. Chirico's actual bonus payout may range up to (but cannot exceed) 250% of his base salary, provided that Mr. Chirico's actual bonus for the 2018 fiscal year will be no less than the Target Bonus. Mr. Chirico is also entitled to receive a one-time cash payment of $2,500,000 (the "Sign-On Bonus") within ten days after the Emergence Date, which he will be required to repay (on an after-tax basis) in

the event he is terminated by the Company for "cause" or resigns without "good reason" (each as defined below) as follows: (x) 100% of the Sign-On Bonus if his employment ends on or prior to October 1, 2018 or (y) 50% of the Sign-On Bonus if his employment ends after October 1, 2018 but on or prior to October 1, 2019. Additionally, upon the Emergence Date, Mr. Chirico was entitled to receive an incentive equity award consisting of restricted stock units (75% of the award) and stock options (25% of the award), with a fair market value of approximately $30 million as of the Emergence Date (33.3% of the Emergence Date award pool), pursuant to the Company's new Equity Incentive Plan, which plan was approved by the Bankruptcy Court in conjunction with confirmation of the Plan of Reorganization. One third of this award will vest on the first anniversary of the Emergence Date and the remainder will vest 8.33% at the end of each quarter thereafter, so that the award will be fully vested on the third anniversary of the Emergence Date.

Upon a termination of Mr. Chirico's employment other than for "cause" (not due to death or disability) or due to his resignation for "good reason" (each as defined below) (each, a "Qualifying Termination"), subject to his timely execution and non-revocation of a release of claims, Mr. Chirico is entitled to receive (i) a lump sum amount equal to two (the "Multiplier") times the sum of his base salary and Target Bonus, (ii) any earned but unpaid bonus for the completed performance period preceding the Qualifying Termination, and (iii) up to 18 months' of Company-paid COBRA benefits. If the Qualifying Termination occurs within the six-month period preceding or the 24-month period following a change of control of the Company, the Multiplier is increased to three, and Mr. Chirico is also entitled to full vesting of all of his outstanding long-term incentive awards, whether cash-based or equity-based, with any exercisable awards to remain outstanding until the expiration of their term. As noted above, Mr. Chirico's employment agreement was negotiated among certain Company creditors, the Company and Mr. Chirico as part of the Plan of Reorganization and was subsequently approved by the Bankruptcy Court, and it contains a Code Section 280G "gross-up" provision, which will provide Mr. Chirico with an additional payment to the extent he receives any payments and/or benefits that are subject to excise tax imposed under Code Section 4999.

Pursuant to the Executive Employment Agreement, "cause" means any of Mr. Chirico's: (i) material breach of his duties and responsibilities as a senior officer of the Company (other than as a result of incapacity due to physical or mental illness) which is demonstrably willful and deliberate, and which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company or its affiliated companies and subsidiaries; (ii) conviction of (including a plea of guilty or *nolo contendere* to) a felony; (iii) commission of fraud involving the Company or its subsidiaries; (iv) material violation of a material provision of the Company's Code of Conduct or any statutory or common law duty of loyalty to the Company or its subsidiaries; or (v) material violation of the Executive Employment Agreement.

Pursuant to the Executive Employment Agreement, "good reason" means the occurrence, without Mr. Chirico's express written consent (which may be withheld for any reason or no reason), of any of the following events or conditions: (i) a material reduction by the Company in Mr. Chirico's base salary; (ii) a material breach of the Executive Employment Agreement which shall include a material reduction or material negative change by the Company in the type or level of compensation and benefits (other than base salary) to which Mr. Chirico is entitled under the Executive Employment Agreement, other than any such reduction or change that is part of and consistent with a general reduction or change applicable to all senior officers of the Company; (iii) a material failure by the Company to pay or provide to Mr. Chirico any compensation or benefits to which he is entitled; (iv) a change in Mr. Chirico's status, positions, titles, offices or responsibilities that constitutes a material and adverse change or the assignment to Mr. Chirico of any duties or responsibilities that are materially and adversely inconsistent with his status, positions, titles, offices or responsibilities as in effect immediately before such assignment; (v) the Company changing the location of Mr. Chirico's principal working location to a location more than 50 miles from such location as in effect immediately prior to the Emergence Date; or (vi) any material breach by the Company of the Executive Employment Agreement or any other agreement between the Company and Mr. Chirico incorporated by reference in the Executive Employment Agreement. In order to terminate for Good Reason, (A) Mr. Chirico must provide notice to the Company within

60 days of the initial occurrence of the alleged event or condition; (B) the Company must fail to cure such alleged event or condition within 30 days of such notice; and (C) Mr. Chirico must resign within 6 months of the initial occurrence of the alleged event or condition.

The Company shall pay directly or reimburse Mr. Chirico for his reasonable legal fees and expenses incurred in connection with the negotiation and implementation of the foregoing employment arrangements and any related documents (including without limitation any documentation relating to the incentive equity grants he will receive).

Pursuant to the Executive Employment Agreement, Mr. Chirico is subject to the following restrictive covenants: (i) non-competition and non-solicitation of customers, employees, independent contractors and others during the employment term and for one year post-employment, (ii) assignment of inventions to the Company, (iii) perpetual non-disparagement, and (iv) perpetual confidentiality.

Emergence Following the End of Fiscal 2017

Following the end of fiscal 2017, on November 28, 2017, the Bankruptcy Court entered an order confirming the Debtors' Plan of Reorganization. Pursuant to such order, the Restructuring was consummated, and the Company emerged from bankruptcy on December 15, 2017. In connection with the Company's emergence from bankruptcy proceedings, equity issued in connection with pre-bankruptcy programs has been cancelled and any obligations otherwise outstanding with respect to pre-bankruptcy programs were discharged through the chapter 11 process.

Fiscal 2017 Director Compensation

In August 2016, the Predecessor Compensation Committee recommended that the board of directors approve changes to our independent director compensation program, which the board of directors approved commencing in fiscal 2017.

Annual Retainer Fee	$250,000
Committee Member Annual Retainer Fee (in lieu of meeting attendance fees)	$10,000
Additional Committee Chair Annual Fee	Audit: $20,000
	Compensation: $15,000
	Nominating & Governance: $15,000
Initial Equity Grant Upon Joining the Board of Directors	RSUs with a market value of $200,000

In addition, the board of directors approved that all compensation listed above (other than the initial equity grant upon joining the board of directors) would be paid to the independent directors quarterly in November, February, May and August of each year.

In December 2013, we executed letter agreements with each of Messrs. Mohebbi and Rittenmeyer agreeing to pay them director fees in cash. We agreed to pay Mr. Mohebbi $450,000 for fiscal 2013 and $500,000 for each year thereafter and Mr. Rittenmeyer $75,000 for fiscal 2013 and $300,000 for each year thereafter.

In May 2017, the board of directors approved quarterly fees in the amount of $75,000 to be paid to Mr. Marren for his service as chairman of the board of directors. In May 2017, Mr. Marren received $150,000 as payment for the second and third quarters of fiscal 2017.

Below is a summary of the compensation received by our directors for their services as directors of Avaya Holdings and Avaya Inc. during fiscal 2017. The summary below relates to compensation received by our pre-Emergence Date directors and except as indicated below, none of our other directors received compensation from us for service on our board of directors during fiscal 2017.

Name	Fees Earned or Paid in Cash ($)
Mary Henry [1]	$ 260,000
John Marren	$ 225,000
Afshin Mohebbi	$ 500,000
Kiran Patel [2]	$ 280,000
Ronald A. Rittenmeyer	$ 300,000
Gary Smith [3]	$ 260,000

(1) As of September 30, 2017, Ms. Henry held vested RSUs for an aggregate of 316,274 shares.
(2) As of September 30, 2017 Mr. Patel held vested RSUs for an aggregate of 398,717 shares.
(3) As of September 30, 2017, Mr. Smith held vested RSUs for an aggregate of 364,849 shares.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

2017 Registration Rights Agreement

In connection with the Restructuring, we entered into a registration rights agreement with certain of the creditors and their affiliates, pursuant to which we provide them certain "demand" registration rights and customary "piggyback" registration rights. The registration rights agreement also provides that we will pay certain expenses relating to such registrations and indemnify the registration rights holders against (or make contributions in respect of) certain liabilities which may arise under the Securities Act.

Arrangements with Sponsors

In connection with the Sponsors' acquisition of Avaya Inc., through Avaya Holdings, in a transaction that was completed on October 26, 2007 (the "Merger"), Avaya Holdings entered into certain stockholder agreements and registration rights agreements with the Sponsors and various co-investors. Each of these arrangements was terminated in connection with the Restructuring. In addition, Avaya Holdings entered into a management services agreement with affiliates of the Sponsors, which terminated upon consummation of the Restructuring, and, from time to time, Avaya Holdings may have entered into various other contracts with companies affiliated with the Sponsors.

Stockholders' Agreement

In connection with the Merger, Avaya Holdings entered into a stockholders' agreement with the Sponsors and certain of their affiliates. This stockholders' agreement was amended and restated in connection with the financing of the NES acquisition and again in connection with the financing of the Radvision acquisition. The stockholders' agreement contained certain restrictions on the Sponsors' and their affiliates' transfer of Avaya Holdings' equity securities, contained provisions regarding participation rights, contained standard tag-along and drag-along provisions, provided for the election of Avaya Holdings' directors, mandated board of directors approval of certain matters to include the consent of each Sponsor and generally set forth the respective rights and obligations of the stockholders who were parties to that agreement. None of Avaya Holdings' officers, directors or former directors were parties to this agreement, although certain of Avaya Holdings' former directors may have had an indirect interest in the agreement to the extent of their affiliations with the Sponsors.

2007 Registration Rights Agreement

In addition, in connection with the Merger, Avaya Holdings entered into a registration rights agreement with the Sponsors and certain of their affiliates which was amended and restated in connection with the financing of the NES acquisition and again in connection with the financing of the Radvision acquisition. Pursuant to the registration rights agreement, as amended, Avaya Holdings was to provide the Sponsors and certain of their affiliates party thereto with certain demand registration rights. In addition, in the event that Avaya Holdings registered shares of common stock for sale to the public, Avaya Holdings was required to give notice of such registration to the Sponsors and their affiliates party to the agreement of its intention to effect such a registration, and, subject to certain limitations, the Sponsors and such holders would have piggyback registration rights providing them with the right to require Avaya Holdings to include shares of common stock held by them in such registration. Avaya Holdings was required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, if any, associated with any registration of shares by the Sponsors or other holders described above. Avaya Holdings agreed to indemnify each holder of its common stock covered by the registration rights agreement for violations of federal or state securities laws by it in connection with any registration statement, prospectus or any preliminary prospectus. Each holder of such securities in turn agreed to indemnify Avaya Holdings for federal or state securities law violations that occur in reliance upon written information the holder provides to Avaya Holdings in connection with any registration statement in which a holder of such securities is participating. None of Avaya Holdings' officers, directors or former directors were a

party to this agreement, although certain of Avaya Holdings' former directors may have had an indirect interest in the agreement to the extent of their affiliations with the Sponsors.

Management Services Agreement and Consulting Services

Both Avaya Holdings and Avaya Inc. were party to a Management Services Agreement with Silver Lake Management Company, L.L.C., an affiliate of Silver Lake, and TPG Capital Management, L.P., an affiliate of TPG, collectively "the Managers," pursuant to which the Managers provided management and financial advisory services to the Company. Pursuant to the Management Services Agreement, the Managers received a monitoring fee of $7 million per annum and reimbursement on demand for out-of-pocket expenses incurred in connection with the provision of such services. In the event of a financing, acquisition, disposition or change of control transaction involving the Company during the term of the Management Services Agreement, the Managers had the right to require the Company to pay a fee equal to customary fees charged by internationally-recognized investment banks for serving as a financial advisor in similar transactions. The Management Services Agreement could have been terminated at any time by the Managers, but otherwise had an initial term ending on December 31, 2017 that automatically extended each December 31st for an additional year unless terminated earlier by the Company or the Managers. The term was automatically extended nine times since the execution of the agreement such that the final term was through December 31, 2026. In the event that the Management Services Agreement was terminated, the Company would be required to pay a termination fee equal to the net present value of the monitoring fees that would have been payable during the remaining term of the Management Services Agreement. Therefore, if the Management Services Agreement was terminated at September 30, 2017, the termination fee would be calculated using the then-current term ending December 31, 2026. In accordance with the Management Services Agreement, the Company recorded $2 million, $7 million and $7 million of monitoring fees per year during fiscal 2017, 2016 and 2015, respectively.

In December 2013, the Company and TPG Capital Management, L.P. executed a letter agreement reducing the portion of the monitoring fees owed to TPG Capital Management, L.P. by $1,325,000 for fiscal 2014 and thereafter on an annual basis by $800,000. The Company agreed to pay Messrs. Mohebbi, a former Director and a TPG Senior Advisor, and Rittenmeyer in aggregate $800,000 annually.

In fiscal 2016, the Company agreed to terms with Silver Lake and TPG to suspend payments under the Management Services Agreement. Although the management services fees continued to accrue, payments to Messrs. Mohebbi and Rittenmeyer were made in fiscal 2016 and 2017.

Transactions with Other Sponsor Portfolio Companies

The Sponsors are private equity firms that have investments in companies that do business with Avaya. For fiscal 2017, 2016 and 2015, the Company recorded $29 million, $33 million and $30 million, respectively, associated with sales of the Company's products and services to companies in which one or both of the Sponsors have investments. For fiscal 2017, 2016 and 2015, the Company purchased goods and services of $10 million, $13 million and $11 million, respectively from companies in which one or both of the Sponsors have investments. In September 2015, a company in which a Sponsor has an investment merged with a commercial real estate services firm that began providing management services associated with the Company's leased properties during fiscal 2015. Included in the above purchased goods and services amounts is $5 million, $8 million and $4 million the Company incurred for management services provided by this commercial real estate services firm during fiscal 2017, 2016 and 2015, respectively.

Preferred Stock Ownership by Sponsors

As of September 30, 2017, 2016 and 2015, affiliates of TPG owned 38,865 shares of Avaya Holdings' Series A Preferred Stock and affiliates of Silver Lake owned 38,865 shares of Avaya Holdings' Series A Preferred Stock.

As of September 30, 2017, 2016 and 2015, affiliates of TPG owned 16,273, 16,273 and 32,649 shares, respectively, of Avaya Holdings' Series B Preferred Stock and affiliates of Silver Lake owned 16,273, 16,273 and 32,649 shares, respectively, of Avaya Holdings' Series B Preferred Stock.

See Note 17, "Capital Stock" to our audited Consolidated Financial Statements for further details regarding our preferred stock prior to the Emergence Date.

Arrangements Involving the Company's Directors and Executive Officers

Senior Manager Registration and Preemptive Rights Agreement and Management Stockholders' Agreement

In connection with the Merger, Avaya Holdings entered into a senior manager registration and preemptive rights agreement with certain current and former members of its senior management who owned shares of Avaya Holdings' common stock and options and RSUs convertible into shares of Avaya Holdings' common stock prior to the Emergence Date. Pursuant to the senior manager registration and preemptive rights agreement, the senior managers party thereto that held registrable securities thereunder were provided with certain registration rights upon either (a) the exercise of the Sponsors or their affiliates of demand registration rights under the Sponsors' registration rights agreement discussed above or (b) any request by the Sponsors to file a shelf registration statement for the resale of such shares, as well as certain notification and piggyback registration rights. Avaya Holdings was required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, if any, associated with any registration of stock by the senior managers as described above. Avaya Holdings agreed to indemnify each holder of registrable securities covered by this agreement for violations of federal or state securities laws by Avaya Holdings in connection with any registration statement, prospectus or any preliminary prospectus. Each holder of such registrable securities in turn agreed to indemnify Avaya Holdings for federal or state securities law violations that occur in reliance upon written information the holder provides to Avaya Holdings in connection with any registration statement in which a holder of such registrable securities was participating.

In addition, pursuant to the senior manager registration and preemptive rights agreement, the Company agreed to provide each senior manager party thereto with certain preemptive rights to participate in any future issuance of shares of Avaya Holdings' common stock to the Sponsors or their affiliates.

In connection with the Merger, Avaya Holdings also entered into a management stockholders' agreement with certain management stockholders. The stockholders' agreement contained certain restrictions on such stockholders' transfer of Avaya Holdings equity securities, contained rights of first refusal upon disposition of shares, contained standard tag-along and drag-along provisions, and generally set forth the respective rights and obligations of the stockholders who were parties to that agreement.

This senior manager registration and preemptive rights agreement and this management stockholders' agreement were terminated in connection with the Restructuring.

Specific Arrangements Involving Certain Post-Restructuring Directors and Executive Officers

Laurent Philonenko is a Senior Vice President of Avaya Holdings and Avaya Inc. and became an Advisor to Koopid, Inc., a software development company specializing in mobile applications, in February 2017. During fiscal 2018 (through December 15, 2017), fiscal 2017 and fiscal 2016, the Company purchased goods and services from Koopid, Inc. of less than $1 million.

Ronald A. Rittenmeyer is a Director of Avaya Holdings and Avaya Inc. Mr. Rittenmeyer was previously designated as a director by TPG and continues, following the Restructuring, to serve as a Director. Mr. Rittenmeyer serves on the board of directors of Tenet Healthcare Corporation ("Tenet Healthcare"), a healthcare services company, and serves on the board of directors of American International Group, Inc. ("AIG"), a global

insurance organization. During fiscal 2018 (through December 15, 2017), fiscal 2017, 2016 and 2015 sales of the Company's products and services to Tenet Healthcare were less than $1 million, less than $1 million, $2 million and $1 million, respectively. During fiscal 2018 (through December 15, 2017), fiscal 2017, 2016 and 2015 sales of the Company's products and services to AIG were $2 million, $10 million, $14 million and $21 million, respectively.

Stanley J. Sutula III is a director of Avaya Holdings and he is Executive Vice President and Chief Financial Officer of Pitney Bowes Inc., a business-to-business provider of equipment, software and services. During fiscal 2018 (through December 15, 2017) and in each of fiscal 2017, 2016 and 2015, sales of the Company's products and services to Pitney Bowes Inc. were less than $1 million.

Specific Arrangements Involving Certain Pre-Restructuring Directors and Executive Officers

Gary E. Barnett is the Senior Vice President and General Manager of Engagement Solutions of Avaya Holdings and Avaya Inc. The Company also employs his son, Sean Barnett, whose salary and commissions were less than $1 million during fiscal 2018 (through December 15, 2017) and in each of fiscal 2017, 2016 and 2015.

Charles Giancarlo was a Director of Avaya Holdings and Avaya Inc. and served in these capacities as a director designated by Silver Lake. He held the positions of Special Advisor and Managing Partner of Silver Lake until September 30, 2015 and December 31, 2013, respectively. Mr. Giancarlo also serves as a Director of Accenture, Plc ("Accenture"), a management consulting business. During fiscal 2018 (through December 15, 2017) and in each of fiscal 2017, 2016 and 2015 sales of the Company's products and services to Accenture were less than $1 million, $1 million, $1 million and $1 million, respectively. During fiscal 2018 (through December 15, 2017) and in each of fiscal 2017, 2016 and 2015 the Company purchased goods and services from Accenture of less than $1 million.

John W. Marren was a Director of Avaya Holdings and Avaya Inc. and served in these capacities as a director designated by TPG. He held the position of Partner of TPG until January 2016 and served on the board of directors of Sungard Data Systems, Inc. ("Sungard"), a software and technology services company until December 2015. During fiscal 2018 (through December 15, 2017) and in fiscal 2017, 2016 and 2015 sales of the Company's products and services to Sungard were less than $1 million, $1 million, $1 million and $2 million, respectively. During fiscal 2016 and 2015 the Company purchased goods and services from Sungard of less than $1 million and $1 million, respectively.

Afshin Mohebbi was a Director of Avaya Holdings and Avaya Inc. and holds the position of Senior Advisor of TPG.

Greg Mondre was a Director of Avaya Holdings and Avaya Inc. and served in these capacities as a director designated by Silver Lake. He holds the positions of Managing Partner and Managing Director of Silver Lake. Mr. Mondre serves on the board of directors of Sabre Holdings Corp. ("Sabre"), a software and technology services company. Mr. Mondre is related to the former Vice Chairman and Co-Chief Executive Officer of C3/Customer Contact Channels Holdings L.P. ("C3 Holdings"), a provider of outsourced customer management solutions. During fiscal 2018 (through December 15, 2017) and in each of fiscal 2017, 2016 and 2015 sales of the Company's products and services to Sabre were less than $1 million. During fiscal 2018 (through December 15, 2017) and in fiscal 2017, 2016 and 2015 sales of the Company's products and services to C3 Holdings were less than $1 million, $1 million, $1 million and $1 million, respectively.

Marc Randall is the Senior Vice President and General Manager of Avaya Holdings and Avaya Inc. and until January 2016 served on the board of directors of Xirrus, Inc. ("Xirrus"), a provider of wireless access network solutions. In March 2014, the Company entered a strategic partnership with Xirrus whereby the Company owned less than 6% of the outstanding voting securities of Xirrus on a fully diluted basis. During fiscal 2016 and 2015 the Company made equity investments in Xirrus of $1 million and $1 million, respectively.

During fiscal 2016, the Company recognized a $11 million loss included in other (expense) income, net associated with this investment. During fiscal 2018 (through December 15, 2017) and in fiscal 2017, 2016 and 2015, the Company purchased goods and services from Xirrus of less than $1 million, $12 million, $14 million and $10 million, respectively.

Gary B. Smith was a Director of Avaya Holdings and Avaya Inc. and also currently serves as President, Chief Executive Officer and Director of Ciena Corporation ("Ciena") a network infrastructure company. During fiscal 2018 (through December 15, 2017) and in fiscal 2017, 2016 and 2015, sales of the Company's products and services to Ciena were less than $1 million. In fiscal 2015, the Company also purchased goods and services from Ciena of less than $1 million.

In addition, see above under " *Specific Arrangements Involving Certain Post-Restructuring Directors and Executive Officers* " for information about specific arrangements with Laurent Philonenko and Ronald A. Rittenmeyer, who served as an officer and director, respectively, of the Company prior to the Restructuring.

Related Party Transaction Policy

In December 2017, Avaya Holdings' Board of Directors adopted written procedures for the review, approval and/or ratification of "related party transactions," which are those transactions required to be disclosed pursuant to Item 404 of Regulation S-K as promulgated by the SEC.

The procedures give Avaya Holdings' Audit Committee the power to approve or disapprove existing and potential related party transactions involving Avaya Holdings' directors and certain of Avaya Holdings' executive officers. Upon becoming aware of an existing or potential related party transaction, the Audit Committee is required to conduct a full inquiry into the facts and circumstances concerning that transaction and to determine the appropriate actions, if any, for Avaya Holdings to take. At the discretion of the Audit Committee, consideration of a related party transaction may be submitted to the full board of directors. A director who is the subject of a potential related party transaction is not permitted to vote in the decision-making process of the Audit Committee or full board of directors, as applicable, relating to what actions, if any, shall be taken by us in light of that transaction.

All related party transactions identified above that occurred during fiscal 2018 (through December 15, 2017) and in fiscal 2015, 2016 and 2017 or that are currently proposed which required approval and/or ratification through the procedures described above were subject to such review procedures (other than those listed under the heading "Arrangements with Sponsors—Transactions with Other Sponsor Portfolio Companies" which were transacted in the ordinary course of Avaya Holdings' business).

Director Independence

The board of directors has considered the independence of our directors pursuant to the listing standards of the New York Stock Exchange. Under these listing standards, a director will be deemed to be not independent if certain relationships exist between the director and us. In addition to reviewing the specific disqualifying relationships, the listing standards of the New York Stock Exchange also require that the board determine whether any of our directors has a material relationship that it believes would interfere with such director's exercise of independent judgment in carrying his or her the responsibilities. The board's independence determinations included reviewing the following relationships:

- Mr. Watkins and Mr. O'Malley entered into a partnership in 2009 with Mr. Chirico for the purpose of owning and potentially developing real estate in North Carolina with a total value of $14 million. In 2016, Mr. Chirico transferred his ownership in the land and partnership pro rata to Mr. Watkins and Mr. O'Malley. As of November 2017, Mr. Watkins and Mr. O'Malley hold equal interests in the partnership and real estate.

- In 2001, Mr. Watkins and Mr. O'Malley entered into a loan agreement together to purchase land in New Zealand for $1.5 million for the purpose of developing the property. In September 2016, Mr. O'Malley bought out Mr. Watkins' interest in the property for $350,000.

Based on this review, the Board has determined that each of Messrs. Rittenmeyer, Scholl, Sutula, Vogel and Watkins and Ms. Spradley is independent pursuant to the listing standards of the New York Stock Exchange. Accordingly, the current board consists of six independent directors.

ITEM 8. LEGAL PROCEEDINGS

In the ordinary course of business, the Company is involved in litigation, claims, government inquiries, investigations and proceedings, including, but not limited to, those identified below, relating to intellectual property, commercial, employment, environmental and regulatory matters.

The Company believes that it has meritorious defenses in connection with its current lawsuits and material claims and disputes, and intends to vigorously contest each of them. Much of the pending litigation against the Debtors has been stayed as a result of the Bankruptcy Filing and will be subject to resolution in accordance with the Bankruptcy Code and the orders of the Bankruptcy Court.

Based on the Company's experience, management believes that the damages amounts claimed in a case are not a meaningful indicator of the potential liability. Claims, suits, investigations and proceedings are inherently uncertain and it is not possible to predict the ultimate outcome of cases.

Other than as described below, in the opinion of the Company's management based upon information currently available to the Company, while the outcome of these lawsuits, claims and disputes is uncertain, the likely results of these lawsuits, claims and disputes are not expected, either individually or in the aggregate, to have a material adverse effect on the Company's financial position, results of operations or cash flows, although the effect could be material to the Company's results of operations or cash flows for any interim reporting period.

Chapter 11 Filing

On the Petition Date, the Debtors filed the Bankruptcy Filing under the Bankruptcy Code in the Bankruptcy Court, case number 17-10089 (SMB). The Debtors continued to operate their business as DIPs under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. All other subsidiaries of Avaya Inc. that were not part of the Bankruptcy Filing continued to operate in the ordinary course of business. As a result of the Bankruptcy Filing, the principal and interest due under our debt agreements became due and payable, except as agreed in the Forbearance Agreement described below.

Contemporaneously with the Bankruptcy Filing, the Foreign ABL Borrowers entered into the Forbearance Agreement pursuant to which, among other things, the Foreign ABL lenders agreed to forbear from exercising certain rights as a result of the Debtors filing voluntary petitions for relief under the Bankruptcy Code, which constituted events of default under the Foreign ABL. The Forbearance Agreement also provided for, among other things, entry into a payoff letter which contemplates that all loans and other obligations that are accrued and payable under the Foreign ABL and the corresponding loan documents were required to be paid in full within eight business days after January 19, 2017. The Foreign ABL and Domestic ABL were repaid in full on January 24, 2017 in the amount of $50 million and $55 million, respectively, inclusive of accrued interest.

The Senior Secured Credit Agreement, the Domestic ABL, the Foreign ABL and the indentures governing the Senior Secured Notes provided that as a result of the Bankruptcy Filing, the principal and interest due thereunder became due and payable, except as described in the Forbearance Agreement above. However, any efforts to enforce such payment obligations under the credit agreements and indentures governing the Senior Secured Notes were automatically stayed as a result of the Bankruptcy Filing, and the creditors' rights of enforcement in respect of the credit agreements and indentures governing the Senior Secured Notes were subject to the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Subsequent to the Petition Date, the Company received approval from the Bankruptcy Court to pay or otherwise honor certain pre-petition obligations to stabilize the Company's operations. These obligations related to certain employee wages, salaries and benefits, taxes, insurance, customer programs and the payment of critical vendors in the ordinary course for goods and services, and legal and financial professionals to advise the

Company in connection with the Bankruptcy Filing and other professionals to provide services and advice in the ordinary course of business.

On January 30, 2017, the U.S. Trustee appointed the UCC. The UCC and its legal representatives had a right to be heard on all matters affecting the Debtors that come before the Bankruptcy Court.

The Debtors filed a proposed plan of reorganization and related disclosure statement with the Bankruptcy Court on April 13, 2017. The Debtors subsequently filed the First Amended Plan of Reorganization and disclosure statement on August 7, 2017. In addition, on August 6, 2017, the Debtors entered into the First Lien PSA with holders of more than 50% of first lien debt of the Company, pursuant to which such holders, when solicited, would vote in favor of and support the Plan of Reorganization. The First Lien PSA was subsequently amended on August 23, 2017 and October 23, 2017. Also in connection with the Plan of Reorganization, the Debtors entered into the Crossover PSA, dated as of October 23, 2017, among the Debtors and the Ad Hoc Crossover Group. The Bankruptcy Court approved the amended disclosure statement on August 25, 2017, and allowed the Debtors to commence solicitation on their First Amended Plan of Reorganization, which solicitation began on September 8, 2017. Additionally, on August 25, 2017, the Bankruptcy Court approved the First Lien PSA, which became effective and binding upon court approval. Together, holders of approximately over two-thirds of the total amount of first lien debt and holders of approximately over two-thirds of the total amount of second lien notes were party to the PSAs. On September 8, 2017, the Debtors filed the solicitation versions of the First Amended Plan of Reorganization and Amended Disclosure Statement. On September 9, 2017, the Bankruptcy Court assigned the Debtors and their major stakeholder constituencies to mediation. The mediation resulted in a resolution between these constituencies, and, as a result, the Debtors filed a further amended Plan of Reorganization and a Disclosure Statement Supplement on October 24, 2017. On November 28, 2017, the Bankruptcy Court entered an order confirming the Debtors' Plan of Reorganization.

Antitrust Litigation

In 2006, the Company instituted an action in the U.S. District Court, District of New Jersey, against defendants Telecom Labs, Inc., TeamTLI.com Corp. and Continuant Technologies, Inc. ("TLI/Continuant") and subsequently amended its complaint to include certain individual officers of these companies as defendants. Defendants purportedly provide maintenance services to customers who have purchased or leased the Company's communications equipment. The Company asserted in its amended complaint that, among other things, defendants, or each of them, engaged in tortious conduct by improperly accessing and utilizing the Company's proprietary software, including passwords, logins and maintenance service permissions, to perform certain maintenance services on the Company's customers' equipment. TLI/Continuant filed counterclaims against the Company alleging that the Company has violated the Sherman Act's prohibitions against anticompetitive conduct through the manner in which the Company sells its products and services. TLI/Continuant sought to recover the profits they claim they would have earned from maintaining Avaya's products, and asked for injunctive relief prohibiting the conduct they claim is anticompetitive.

The trial commenced on September 9, 2013. On January 7, 2014, the Court issued an order dismissing the Company's affirmative claims. With respect to TLI/Continuant's counterclaims, on March 27, 2014, a jury found against the Company on two of eight claims and awarded damages of $20 million. Under the federal antitrust laws, the jury's award is subject to automatic trebling, or $60 million.

Following the jury verdict, TLI/Continuant sought an injunction regarding the Company's ongoing business operations. On June 30, 2014, a federal judge rejected the demands of TLI/Continuant's proposed injunction and stated that "only a narrow injunction is appropriate." Instead, the judge issued an order relating to customers who purchased an Avaya PBX system between January 1, 1990 and April 30, 2008 only. Those customers and their agents will have free access to the on demand maintenance commands that were installed on their systems at the time of the purchase transaction. The court specified that this right "does not extend to access on a system purchased after April 30, 2008." Consequently, the injunction affected only systems sold prior to April 30, 2008. The judge denied all other requests TLI/Continuant made in its injunction filing. The Company complied with the injunction although it has now been vacated by the September 30, 2016 decision discussed below.

The Company and TLI/Continuant filed post-trial motions seeking to overturn the jury's verdict, which motions were denied. In September 2014, the Court entered judgment in the amount of $63 million, which included the jury's award of $20 million, subject to automatic trebling, or $60 million, plus prejudgment interest in the amount of $3 million. On October 10, 2014, the Company filed a Notice of Appeal, and on October 23, 2014, TLI/Continuant filed a Notice of Conditional Cross-Appeal. On October 23, 2014, the Company filed its supersedeas bond with the Court in the amount of $63 million. The Company secured posting of the bond through the issuance of a letter of credit under its then existing credit facilities.

On November 10, 2014, TLI/Continuant made an application for attorney's fees, expenses and costs, which the Company contested. TLI/Continuant's application for attorneys' fees, expenses and costs was approximately $71 million and represented activity through February 28, 2015. On February 22, 2016, the Company posted a bond in the amount of $8 million in connection with TLI/Continuant's attorneys' fees application.

In September 2016, a Special Master appointed by the trial court to assist in evaluating TLI/Continuant's application rendered a Recommendation, finding that TLI/Continuant should receive approximately $61 million in attorneys' fees, expenses and costs. Subsequently, the parties submitted letters to the Special Master seeking an Amended Recommendation. However, in light of the Third Circuit's favorable opinion, outlined below, the trial court proceedings relating to TLI/Continuant's application have not proceeded. TLI/Continuant is no longer entitled to attorneys' fees, expenses and costs, because it no longer is a prevailing party, subject to further proceedings on appeal or retrial.

On September 30, 2016, the Third Circuit issued a favorable ruling for the Company, which included: (1) reversing the mid-trial decision to dismiss four of the Company's affirmative claims and reinstated them; (2) vacating the jury verdict on the two claims decided in TLI/Continuant's favor; (3) entering judgment in the Company's favor on a portion of TLI/Continuant's claim relating to attempted monopolization; (4) dismissing TLI/Continuant's PDS patches claim as a matter of law; (5) vacating the damages award to TLI/Continuant; (6) vacating the award of prejudgment interest to TLI/Continuant; and (7) vacating the injunction. On October 28, 2016, TLI/Continuant sought panel rehearing or rehearing en banc review of the opinion, which was denied on November 16, 2016. On November 22, 2016, TLI/Continuant filed a Motion for Stay of Mandate, which was denied. On December 5, 2016, the Third Circuit issued a certified judgment in lieu of a formal mandate, returning jurisdiction to the trial court.

As a result of the Third Circuit's opinion, on November 23, 2016, the Company filed a Notice of Motion to Release the Supersedeas Bonds, which the court granted on December 23, 2016. On December 12, 2016, the Court issued an Order Upon Mandate and For Status Conference, which i) vacated the Court's January 7, 2014 order dismissing Avaya's claims against TLI/Continuant and the order of judgment entered on September 17, 2014 and ii) scheduled a status conference for January 6, 2017 to discuss the Joint Plan for Retrial. On January 13, 2017, the Court entered an Order staying the matter pending mediation. On January 20, 2017, the Company filed a Notice of Suggestion on Pendency of Bankruptcy For Avaya Inc., et. al. and Automatic Stay of Proceedings. On November 30, 2017, the Company filed a motion in the Bankruptcy Court seeking to estimate TLI/Continuant's claim.

The Company continues to believe that TLI/Continuant's claims are without merit and unsupported by the facts and law, and the Company continues to defend this matter. At this time an outcome cannot be predicted and, as a result, the Company cannot be assured that this case will not have a material adverse effect on the manner in which it does business, its financial position, results of operations or cash flows.

Patent Infringement

In September 2011, Network-1 Security Solutions, Inc. ("Network-1") filed a complaint for patent infringement against the Company and other corporations in the Eastern District of Texas (Tyler Division), alleging infringement of its patent with respect to power over Ethernet technology. Network-1 seeks to recover

for alleged reasonable royalties, enhanced damages and attorneys' fees. In January 2017, the Company filed a Notice of Suggestion of Pendency of Bankruptcy, which informed the Court of the Company's voluntary bankruptcy petition filing and stay of proceedings. On October 16, 2017, the Bankruptcy Court entered an order approving a settlement agreement with Network-1.

Intellectual Property and Commercial Disputes

In January 2010, SAE Power Incorporated and SAE Power Company ("SAE") filed a complaint in the New Jersey Superior Court asserting various claims including breach of contract, unjust enrichment, promissory estoppel, and breach of the covenant of good faith and fair dealing arising out of Avaya's relationship with SAE as a supplier of various power supply products. SAE has since asserted additional claims against Avaya for fraud, negligent misrepresentation, misappropriation of trade secrets, and civil conspiracy. SAE seeks to recover for alleged losses stemming from Avaya's termination of its power supply purchases from SAE, including for Avaya's alleged disclosure of SAE's alleged trade secret and/or confidential information to another power supply vendor. On July 19, 2016, the Court entered an order granting Avaya's motion for partial summary judgment, dismissing certain of SAE's claims regarding the alleged disclosure of trade secrets. In January 2017, the Company filed a Notice of Suggestion of Pendency of Bankruptcy, which informed the Court of the Company's voluntary bankruptcy petition filing and stay of proceedings. On September 28, 2017, the Company filed a motion in the Bankruptcy Court seeking to estimate SAE's claim. At this time an outcome cannot be predicted and, as a result, the Company cannot be assured that this case will not have a material adverse effect on the manner in which it does business, its financial position, results of operations or cash flows.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

There is currently no established public market for our common stock. As of the Emergence Date, there were 110,000,000 outstanding shares of our common stock.

Stockholders

As of the Emergence Date, there were 63 holders of record of shares of our common stock.

Shares of Common Stock Issued in the Restructuring Eligible for Future Sale

Pursuant to Section 1145 of the Bankruptcy Code, except as noted below, the registration, issuance and distribution of our common stock pursuant to the Plan of Reorganization is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the registration, issuance, distribution or sale of securities. The shares of our common stock issued in reliance on Section 1145 of the Bankruptcy Code are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of ours as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 days of such transfer, and (iii) is not an entity that is an "underwriter" as defined in Section 1145(b) of the Bankruptcy Code.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as any person who:

- purchases a claim against, an interest in, or a claim for an administrative expense against the debtor, if that purchase is with a view to distributing any security received in exchange for such a claim or interest;
- offers to sell securities offered under a plan of reorganization for the holders of those securities;
- offers to buy those securities from the holders of the securities, if the offer to buy is (i) with a view to distributing those securities; and (ii) under an agreement made in connection with the plan of reorganization, the completion of the plan of reorganization, or with the offer or sale of securities under the plan of reorganization; or
- is an issuer with respect to the securities, as the term "issuer" is defined in section 2(a)(11) of the Securities Act.

To the extent that persons who received common stock issued under the Plan of Reorganization that are exempt from registration under the Securities Act or other applicable law by Section 1145 of the Bankruptcy Code are deemed to be "underwriters," resales by those persons would not be exempted from registration under the Securities Act or other applicable law by Section 1145 of the Bankruptcy Code and may only be sold pursuant to a registration statement or pursuant to exemption therefrom, such as the exemption provided by Rule 144 under the Securities Act.

Whether or not any particular person would be deemed an "underwriter" with respect to our common stock received pursuant to the Plan of Reorganization would depend upon various facts and circumstances applicable to that person. Accordingly, we express no view as to whether any particular person that will receive our common stock pursuant to the Plan of Reorganization will be deemed an "underwriter" with respect to such shares.

Dividend Policy

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business, and therefore we do not anticipate paying any cash dividends in the foreseeable future.

Additionally, our ability to pay dividends on our common stock will be limited by restrictions on the ability of our subsidiaries and us to pay dividends or make distributions under the terms of current and any future agreements governing our indebtedness. Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements and other factors that our board of directors deems relevant.

In addition, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings, cash flow and ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

As of the Emergence Date, we issued:

- 110,000,000 shares of common stock to eligible holders of certain claims against the Debtors; and
- warrants to purchase up to an aggregate of 5,645,200 shares of common stock with an exercise price of $25.55 per warrant, subject to adjustment. Each warrant entitles the holder thereof to one share of common stock, subject to adjustment, and may be exercised any time from and including the Emergence Date to the earlier of 5:00 p.m., New York time on December 15, 2022 or the date of a Sale Cash Only Transaction, as defined in the Warrant Agreement included as Exhibit 4.6 herein.

Based upon the exemption provided by Section 1145 of the U.S. Bankruptcy Code, on November 28, 2017, the Bankruptcy Court entered an order confirming the Debtors' Plan of Reorganization, which, among other things, provides that the issuance of the above mentioned shares of common stock and warrants to purchase common stock conducted in accordance with the procedures described in the Plan of Reorganization, are, and shall be deemed to be, pursuant to Section 1145 of the U.S. Bankruptcy Code, or any other applicable state or federal securities law, exempt from the registration requirements of Section 5 of the Securities Act and any state or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker dealer in, a security.

Additionally, we issued options to purchase 1,146,835 shares of common stock and 3,440,528 restricted stock units. The exercise price of the options is $19.46 per share. The awards generally vest over three years, according to one of the following two schedules: (i) one-third of the awards vesting on the first anniversary of the grant date and one-twelfth of the awards vesting on the last day of each quarter thereafter; or (ii) one-sixth of the awards vesting on each of the six-month and first anniversaries of the grant date and one-twelfth of the awards vesting on the last day of each quarter thereafter. To the extent the execution of the award agreements were a "sale" under the Securities Act, such awards were issued pursuant to Section 4(a)(2) of the Securities Act. All of the awards were made to employees of the Company.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED

The following is a description of the material terms of our certificate of incorporation and bylaws as each was in effect upon the Emergence Date.

General

Upon the Emergence Date, the total amount of our authorized capital stock consisted of 550,000,000 shares of common stock, par value $0.01 per share, and 55,000,000 shares of undesignated preferred stock, par value $0.01 per share.

After giving effect to the Restructuring, we have 110,000,000 shares of common stock and no shares of preferred stock outstanding. The following summary describes all material provisions of our capital stock. We urge you to read our amended and restated certificate of incorporation and our amended and restated bylaws, which are included as exhibits to this registration statement.

Common Stock

As of the Emergence Date, there were 63 stockholders of record of our common stock.

Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities. Our common stock is neither convertible nor redeemable. Unless our board of directors determines otherwise, we will issue all of our capital stock in uncertificated form.

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that is outstanding at the time of the dividend.

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

All shares of common stock will, when issued, be duly authorized, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Our board of directors has the authority to issue shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the designations, preferences, privileges and restrictions of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, sinking fund terms and the number of shares constituting any series or the designation of any series to the fullest extent permitted by the Delaware General Corporation Law, as amended (the "DGCL"). The issuance of our preferred stock could have the effect of decreasing the trading price of our common stock, restricting dividends on our capital stock, diluting the voting power of our common stock, impairing the liquidation rights of our capital stock, or delaying or preventing a change in control of our Company.

Anti-takeover Effects of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give the board of directors the power to discourage acquisitions that some stockholders may favor.

Advance Notice Requirements for Stockholder Proposals

Our amended and restated bylaws require advance notice procedures for stockholder proposals to be brought before an annual meeting or special meeting of the stockholders, including the nomination of directors. Stockholders at an annual meeting or special meeting may only consider the proposals specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors, or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered a timely written notice in proper form to our secretary, of the stockholder's intention to bring such business before the meeting.

Amendment to Certificate of Incorporation and Bylaws

The DGCL provides generally that the affirmative vote of a majority of the outstanding stock entitled to vote on amendments to a corporation's certificate of incorporation or bylaws is required to approve such amendment, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our amended and restated bylaws may be amended, altered, or repealed by a majority vote of our board of directors.

Delaware Anti-Takeover Statute

Section 203 of the DGCL provides that if a person acquires 15% or more of the voting stock of a Delaware corporation, such person becomes an "interested stockholder" and may not engage in certain "business combinations" with the corporation for a period of three years from the time such person acquired 15% or more of the corporation's voting stock, unless: (1) the board of directors approves the acquisition of stock or the merger transaction before the time that the person becomes an interested stockholder, (2) the interested stockholder owns at least 85% of the outstanding voting stock of the corporation at the time the merger transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans), or (3) the merger transaction is approved by the board of directors and by the affirmative vote at a meeting, not by written consent, of stockholders of $2/3$ of the holders of the outstanding voting stock which is not owned by the interested stockholder. A Delaware corporation may elect in its certificate of incorporation or bylaws not to be governed by this particular Delaware law.

Under our amended and restated certificate of incorporation, we opted out of Section 203 of the DGCL, and therefore are not be subject to Section 203.

Limitations on Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation limits the liability of our directors to the fullest extent permitted by the DGCL, and our amended and restated bylaws provide that we indemnify them to the fullest extent permitted by such law. We entered into indemnification agreements with our current directors and executive officers prior to the completion of this registration and expect to enter into a similar agreement with any new directors or executive officers.

Exclusive Jurisdiction of Certain Actions

Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law that derivative actions brought in the name of the Company, actions against directors, officers and employees for
breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware. Although we believe this provision benefits the Company by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

Our common stock is currently quoted on the OTCQX marketplace under the symbol “AVYA.” We intend to list our common stock on the New York Stock Exchange under the symbol “AVYA.”

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102(b)(7) of the DGCL allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation provides for this limitation of liability.

Section 145 of the DGCL provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his or her status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

Our amended and restated certificate of incorporation and bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

We entered into indemnification agreements with each of our current directors and officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our amended and restated certificate of incorporation, our amended and restated bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

We maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 15, “Financial Statements and Exhibits.”

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) The following financial statements are being filed as part of this registration statement.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Avaya Holdings Corp.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' deficiency and cash flows present fairly, in all material respects, the financial position of Avaya Holdings Corp. and its subsidiaries as of September 30, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2017 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, the Company filed a petition on January 19, 2017 with the United States Bankruptcy Court for the district of New York for reorganization under the provisions of Chapter 11 of the Bankruptcy Code. The Company's Debtor's Plan of Reorganization was substantially consummated on December 15, 2017 and the Company emerged from bankruptcy. In connection with its emergence from bankruptcy, the Company is required to apply fresh start accounting as of December 15, 2017.

/s/ PricewaterhouseCoopers LLP
San Jose, California
December 22, 2017

Avaya Holdings Corp.
(Debtor-in-possession)
Consolidated Statements of Operations
(In millions, except per share amounts)

	Fiscal years ended September 30,		
	2017	2016	2015
REVENUE			
Products	$1,437	$1,755	$2,029
Services	1,835	1,947	2,052
	3,272	3,702	4,081
COSTS			
Products:			
Costs	500	630	744
Amortization of acquired technology intangible assets	20	30	35
Services	753	797	872
	1,273	1,457	1,651
GROSS PROFIT	1,999	2,245	2,430
OPERATING EXPENSES:			
Selling, general and administrative	1,282	1,413	1,432
Research and development	229	275	338
Amortization of acquired intangible assets	204	226	226
Impairment of indefinite-lived intangible assets	65	100	—
Goodwill impairment	52	442	—
Restructuring charges, net	30	105	62
Acquisition-related costs	—	—	1
	1,862	2,561	2,059
OPERATING INCOME (LOSS)	137	(316)	371
Interest expense	(246)	(471)	(452)
Loss on extinguishment of debt	—	—	(6)
Other income (expense), net	9	68	(11)
Reorganization items, net	(98)	—	—
LOSS BEFORE INCOME TAXES	(198)	(719)	(98)
Benefit from (provision for) income taxes	16	(11)	(70)
NET LOSS	(182)	(730)	(168)
Less: Accretion and accrued dividends on Series A and Series B preferred stock	(31)	(41)	(46)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (213)	$ (771)	$ (214)
Basic and diluted earnings per share attributable to common stockholders:			
Net loss per share—basic and diluted	$ (0.43)	$ (1.54)	$ (0.43)
Weighted average shares outstanding—basic and diluted	497.1	500.7	499.7

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Avaya Holdings Corp.
(Debtor-in-possession)
Consolidated Statements of Comprehensive Income (Loss)
(In millions)

	Fiscal years ended September 30,		
	2017	2016	2015
Net loss	$(182)	$ (730)	$(168)
Other comprehensive income (loss):			
Pension, postretirement and postemployment benefit-related items, net of income taxes of $(19) for fiscal 2017	252	(259)	(218)
Cumulative translation adjustment, net of income taxes of $(12) for fiscal 2015	(39)	(18)	34
Other comprehensive income (loss)	213	(277)	(184)
Comprehensive income (loss)	$ 31	$(1,007)	$(352)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Avaya Holdings Corp.
(Debtor-in-possession)
Consolidated Balance Sheets
(In millions)

	September 30, 2017	September 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 876	$ 336
Accounts receivable, net	536	584
Inventory	96	153
Other current assets	269	187
TOTAL CURRENT ASSETS	1,777	1,260
Property, plant and equipment, net	200	253
Acquired intangible assets, net	311	617
Goodwill	3,542	3,629
Other assets	68	62
TOTAL ASSETS	**$ 5,898**	**$ 5,821**
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	$ 725	$ 6,018
Accounts payable	282	338
Payroll and benefit obligations	127	183
Deferred revenue	614	705
Business restructuring reserve, current portion	35	69
Other current liabilities	90	267
TOTAL CURRENT LIABILITIES	1,873	7,580
Non-current liabilities:		
Pension obligations	513	1,743
Other postretirement obligations	—	245
Deferred income taxes, net	32	167
Business restructuring reserve, non-current portion	34	65
Other liabilities	170	492
TOTAL NON-CURRENT LIABILITIES	749	2,712
LIABILITIES SUBJECT TO COMPROMISE	7,705	—
TOTAL LIABILITIES	10,327	10,292
Commitments and contingencies		
Equity awards on redeemable shares	7	6
Preferred stock, par value $.001 per share, 250,000 shares authorized at September 30, 2017 and 2016:		
Convertible Series B, 48,922 shares issued and outstanding at September 30, 2017 and 2016	393	371
Series A, 125,000 shares issued and outstanding at September 30, 2017 and 2016	184	175
STOCKHOLDERS' DEFICIENCY		
Common stock, par value $.001 per share; 750,000,000 shares authorized; 494,768,243 and 494,593,415 shares issued and outstanding at September 30, 2017 and 2016, respectively	—	—
Additional paid-in capital	2,389	2,410
Accumulated deficit	(5,954)	(5,772)
Accumulated other comprehensive loss	(1,448)	(1,661)
TOTAL STOCKHOLDERS' DEFICIENCY	(5,013)	(5,023)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	**$ 5,898**	**$ 5,821**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Avaya Holdings Corp.
(Debtor-in-possession)
Consolidated Statements of Changes in Stockholders' Deficiency
(In millions)

	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficiency
Balance as of October 1, 2014	**489.5**	**$ —**	**$ 2,453**	**$ (4,874)**	**$ (1,200)**	**$ (3,621)**
Issuance of common stock, net of shares redeemed and cancelled, under employee stock option plan	2.3		(3)			(3)
Share-based compensation			19			19
Accrued dividends on Series A preferred stock			(8)			(8)
Accrued dividends on Series B preferred stock			(19)			(19)
Accretion on Series B preferred stock			(19)			(19)
Reclassifications to equity awards on redeemable shares			2			2
Net loss				(168)		(168)
Other comprehensive loss					(184)	(184)
Balance as of September 30, 2015	**491.8**	**—**	**2,425**	**(5,042)**	**(1,384)**	**(4,001)**
Issuance of common stock, net of shares redeemed and cancelled, under employee stock option plan	2.8		(3)			(3)
Share-based compensation			16			16
Accrued dividends on Series A preferred stock			(8)			(8)
Accrued dividends on Series B preferred stock			(20)			(20)
Accretion on Series B preferred stock			(13)			(13)
Reclassifications to equity awards on redeemable shares			13			13
Net loss				(730)		(730)
Other comprehensive loss					(277)	(277)
Balance as of September 30, 2016	**494.6**	**—**	**2,410**	**(5,772)**	**(1,661)**	**(5,023)**
Issuance of common stock, net of shares redeemed and cancelled, under employee stock option plan	0.2		—			—
Share-based compensation			11			11
Accrued dividends on Series A preferred stock			(9)			(9)
Accrued dividends on Series B preferred stock			(22)			(22)
Reclassifications to equity awards on redeemable shares			(1)			(1)
Net loss				(182)		(182)
Other comprehensive income					213	213
Balance as of September 30, 2017	**494.8**	**$ —**	**$ 2,389**	**$ (5,954)**	**$ (1,448)**	**$ (5,013)**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Avaya Holdings Corp.
(Debtor-in-possession)
Consolidated Statements of Cash Flows
(In millions)

	Fiscal years ended September 30,		
	2017	2016	2015
OPERATING ACTIVITIES:			
Net loss	$ (182)	$ (730)	$ (168)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	326	374	371
Share-based compensation	11	16	19
Amortization of debt issuance costs	36	12	13
Accretion of debt discount	25	8	7
Non-cash charge for debt issuance costs upon redemption of term loans	—	—	3
Third-party fees expensed in connection with the debt modification	—	—	8
Payment of paid-in-kind interest	—	—	(1)
Change in fair value of Preferred Series B derivative	—	(73)	24
Provision for uncollectible receivables	1	2	—
Deferred income taxes	(39)	(53)	29
Gain on sale of Networking business	(2)	—	—
Loss (gain) on disposal of long-lived assets	—	1	(1)
Impairment of long-lived asset	3	—	—
Impairment of indefinite-lived intangible assets	65	100	—
Goodwill impairment	52	442	—
Loss on investment	—	11	—
Postretirement and pension curtailments	(8)	1	—
Reorganization items, net	52	—	—
Unrealized gain on foreign currency exchange	(4)	(12)	(4)
Changes in operating assets and liabilities:			
Accounts receivable	24	94	70
Inventory	22	21	14
Accounts payable	(27)	(37)	(27)
Payroll and benefit obligations	(34)	(188)	(85)
Business restructuring reserve	(51)	(19)	(30)
Deferred revenue	(44)	28	13
Other assets and liabilities	65	115	(40)
NET CASH PROVIDED BY OPERATING ACTIVITIES	291	113	215
INVESTING ACTIVITIES:			
Capital expenditures	(57)	(94)	(124)
Capitalized software development costs	(2)	(2)	—
Acquisition of businesses, net of cash acquired	(4)	(20)	(24)
Proceeds from sale of Networking business	70	—	—
Proceeds from sale of long-lived assets	—	2	—
Proceeds from sale-leaseback transactions	—	14	22
Proceeds from sale of investments	—	—	1
Purchase of investment	—	(1)	(1)
Restricted cash	(80)	—	—
Other investing activities, net	3	1	(3)
NET CASH USED FOR INVESTING ACTIVITIES	(70)	(100)	(129)
FINANCING ACTIVITIES:			
Proceeds from DIP financing	712	—	—
Proceeds from Term B-7 Loans	—	—	2,100
Repayment of Term B-3 Loans	—	—	(1,473)
Repayment of Term B-6 Loans	—	—	(581)
Proceeds from Foreign ABL	—	53	60
Repayment of Foreign ABL	(55)	(18)	(40)
Proceeds from Domestic ABL	—	260	75
Repayment of Domestic ABL	(77)	(238)	(60)
Proceeds from borrowings on revolving loans under the Senior Secured Credit Agreement	—	35	50
Repayments of borrowings on revolving loans under the Senior Secured Credit Agreement	(18)	(35)	(122)
Debt issuance and third-party debt modification costs	—	—	(14)
Reorganization items	(1)	—	—
Repayment of long-term debt, including adequate protection payments	(223)	(25)	(32)
Payments related to sale-leaseback transactions	(19)	(19)	(12)
Other financing activities, net	(5)	(4)	(4)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	314	9	(53)
Effect of exchange rate changes on cash and cash equivalents	5	(9)	(32)
NET INCREASE IN CASH AND CASH EQUIVALENTS	540	13	1
Cash and cash equivalents at beginning of year	336	323	322
Cash and cash equivalents at end of year	$ 876	$ 336	$ 323

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Avaya Holdings Corp.
(Debtor-in-possession)
Notes to Consolidated Financial Statements

1. Background and Basis of Presentation

Background

Avaya Holdings Corp. (the "Parent" or "Avaya Holdings") together with its consolidated subsidiaries (collectively, the "Company" or "Avaya") is a leading provider of contact center, unified communications and networking products and services. The Company's products and services portfolio spans software, hardware, networking technology and related services. The Company conducts its business operations in three segments. Two of those segments, Global Communications Solutions ("GCS") and Avaya Networking ("Networking"), make up Avaya's Enterprise Collaboration Solutions ("ECS") product portfolio. The third segment includes Avaya's services portfolio, Avaya Global Services (AGS"). The Company sells directly through its worldwide sales force and indirectly through its global network of channel partners, including distributors, service providers, dealers, value-added resellers, system integrators and business partners that provide sales and services support.

Avaya Holdings was formed by affiliates of two private equity firms, Silver Lake Partners ("Silver Lake") and TPG Capital ("TPG", together with Silver Lake, the "Sponsors"). Upon emergence, the Company no longer has affiliations with the Sponsors.

Basis of Presentation

Avaya Holdings Corp. has no material assets or standalone operations other than its ownership in Avaya Inc. and its subsidiaries. The accompanying Consolidated Financial Statements reflect the operating results of Avaya Holdings Corp. and its consolidated subsidiaries, and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying Consolidated Financial Statements of the Company have been prepared on a basis that assumes that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Chapter 11 Filing Proceedings

On January 19, 2017 (the "Petition Date"), Avaya Holdings Corp., together with certain of its affiliates, namely Avaya CALA Inc., Avaya EMEA Ltd., Avaya Federal Solutions, Inc., Avaya Holdings LLC, Avaya Holdings Two, LLC, Avaya Inc., Avaya Integrated Cabinet Solutions Inc., Avaya Management Services Inc., Avaya Services Inc., Avaya World Services Inc., Octel Communications LLC, Sierra Asia Pacific Inc., Sierra Communication International LLC, Technology Corporation of America, Inc., Ubiquity Software Corporation, VPNet Technologies, Inc., and Zang, Inc. (the "Debtors"), filed voluntary petitions for relief (the "Bankruptcy Filing") under title 11 of the U.S. Code (the "Bankruptcy Code') in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court') for the case number 17-10089 (SMB). The Bankruptcy Court confirmed the Debtors' Second Amended Joint Plan of Reorganization filed on October 24, 2017 (the "Plan of Reorganization") on November 28, 2017, and the Debtors subsequently emerged from bankruptcy on December 15, 2017 (the "Emergence Date"). Although the Company is no longer a debtor-in-possession, the Company was a debtor-in-possession from the Petition Date through September 30, 2017, the date of these financial statements. As such, the Company's bankruptcy proceedings and related matters have been summarized below.

References to "Successor" or "Successor Company" relate to Avaya Holdings on and subsequent to December 16, 2017. References to "Predecessor" or "Predecessor Company" refer to Avaya Holdings on and prior to December 15, 2017.

The Debtors continued to operate their business as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Company received approval from the Bankruptcy Court to pay or otherwise honor certain pre-petition obligations to stabilize the Company's operations. These obligations related to certain employee wages, salaries and benefits, taxes, insurance, customer programs and the payment of critical vendors in the ordinary course for goods and services, and legal and financial professionals to advise the Company in connection with the Bankruptcy Filing and other professionals to provide services and advice in the ordinary course of business. All other non-Debtor subsidiaries of Avaya Inc. that were not part of the Bankruptcy Filing continued to operate in the ordinary course of business.

Automatic Stay. Under Section 362 of the Bankruptcy Code, the filing of voluntary bankruptcy petitions by the Debtors automatically stayed most actions against the Debtors, including most actions to collect indebtedness incurred prior to the Petition Date or to exercise control over the Debtors' property. Accordingly, although the Bankruptcy Filing triggered defaults under the Company's credit facilities and the indentures governing the senior secured notes, creditors were stayed from taking any actions as a result of such defaults.

Plan of Reorganization. In accordance with the Plan of Reorganization proposed by the Debtors and confirmed by the Bankruptcy Court on November 28, 2017, the following significant transactions occurred upon the Company's emergence from bankruptcy on December 15, 2017:

- *Debtor-in-Possession Credit Agreement.* The Company paid in full the Debtor-in-Possession Credit Agreement (see Note 11. "Financing Arrangements-Debtor-in-Possession Credit Agreement.)
- *First lien debt claims.* All outstanding obligations under the variable rate term B-3, B-4, B-6, and B-7 loans and the 7% and 9% senior secured notes were cancelled, and the claims under the variable rate term B-3, B-4, B-6, and B-7 loans and the 7% and 9% senior secured notes received their pro rata share of (i) new secured debt (or cash to the extent such debt is partially or fully syndicated) issued in connection with the restructuring and (ii) 90.5% of the Successor Company's common stock (subject to dilution by the post-Emergence Date equity incentive plan, that provides for the Successor Company's common stock, or other interests in the Successor Company, on a fully diluted basis, to be reserved for directors, officers, and employees of the Debtors (the "Equity Incentive Plan") and the warrants (as described below under Second lien notes claims) less the reservation of up to 2.55% of the Successor Company's common stock (subject to dilution by the Equity Incentive Plan and the warrants) for pro rata distributions on account of general unsecured claims.
- *Second lien notes claims.* All outstanding obligations under the 10.5% senior secured notes were cancelled and exchanged for a pro rata share of 4.0% of the Successor Company's common stock (subject to dilution by the Equity Incentive Plan and the warrants) and a pro rata share of warrants to acquire 5.0% of the Successor Company's common stock (subject to dilution by the Equity Incentive Plan).
- *General unsecured claims.* The Company's general unsecured claims became entitled to receive their pro rata share of the $58 million general unsecured recovery pool, which the general unsecured creditors could have irrevocably elected to receive as the Successor Company's common stock (subject to dilution by the Equity Incentive Plan and the warrants) or cash proceeds (pursuant to an election submitted prior to the applicable voting deadline).
- *Claims of Pension Benefit Guaranty Corporation ("PBGC").* The Avaya Inc. Pension Plan for Salaried Employees ("APPSE") was terminated (pursuant to an order of the Bankruptcy Court approving the Debtors' motion to terminate the APPSE) and transferred to PBGC in exchange for, among other things: (i) $340 million in cash and (ii) 5.5% of the Successor Company's common stock (subject to dilution by the Equity Incentive Plan and the warrants).
- *Preferred and Common Stock.* The Company's existing Preferred Series A, Preferred Series B and common stock were canceled and released under the Plan of Reorganization without receiving any recovery on account thereof.

Additionally, pursuant to the Plan of Reorganization confirmed by the Bankruptcy Court, the Company's post-emergence board of directors is comprised of seven directors, including the Company's Chief Executive Officer, James M. Chirico, Jr., and six non-employee directors, William D. Watkins, Ronald A. Rittenmeyer, Stephan Scholl, Susan L. Spradley, Stanley J. Sutula, III and Scott D. Vogel.

Fresh Start Accounting. Upon emergence from bankruptcy, the Company is required to apply fresh start accounting to its financial statements because (i) the holders of existing voting shares of the Company prior to its emergence received less than 50% of the voting shares of the Company outstanding following its emergence from bankruptcy and (ii) the reorganization value of the Company's assets immediately prior to confirmation of the Plan of Reorganization was less than the post-petition liabilities and allowed claims. Fresh start accounting will be applied to the Company's Consolidated Financial Statements as of December 15, 2017, the date it emerged from bankruptcy. Under the principles of fresh start accounting, a new reporting entity was considered to have been created, and, as a result, the Company will allocate the reorganization value of the Company to its individual assets, including property, plant and equipment, based on their estimated fair values. The process of estimating the fair value of the Company's assets, liabilities and equity upon emergence is currently ongoing and, therefore, such amounts have not yet been finalized. As set forth in the Plan of Reorganization, which was confirmed by the Bankruptcy Court on November 28, 2017, the agreed upon enterprise value is $5,721 million. This value is within the initial range of approximately $5.1 billion to approximately $7.1 billion using the income approach. The $5,721 million enterprise value was selected as it was the transaction price agreed to in the global settlement agreement with the Company's creditor constituencies, including the PBGC. The face value of the long-term debt issued at emergence was a stated amount of $2,925 million. As a result of the application of fresh start accounting and the effects of the implementation of the Plan of Reorganization, the financial statements on or after December 15, 2017 will not be comparable with the financial statements prior to that date.

Reorganization Expenses. The Company has incurred and will continue to incur significant costs associated with the reorganization, primarily legal and professional fees. The amount of these costs, which are being expensed as incurred, are expected to significantly affect the Company's results of operations. In accordance with applicable guidance, certain costs associated with the bankruptcy proceedings have been recorded as reorganization items within our accompanying audited Consolidated Statements of Operations for the fiscal year ended September 30, 2017.

Financial Statement Classification of Liabilities Subject to Compromise. The accompanying audited Consolidated Balance Sheet as of September 30, 2017, includes amounts classified as liabilities subject to compromise, which represent liabilities the Company anticipated would be allowed as claims in the chapter 11 case. These amounts represent the Debtors' current estimate of known or potential obligations to be resolved in connection with the chapter 11 proceedings. Differences between liabilities estimated and claims filed, or to be filed, are being investigated and resolved in connection with the claims resolution process. The Company will continue to evaluate these liabilities throughout the chapter 11 process and adjust amounts as necessary. Such adjustments may be material. Liabilities subject to compromise includes amounts related to the rejection of various executory contracts. Conversely, liabilities associated with executory contracts that are not rejected and are instead assumed, would constitute post-petition liabilities, which will be satisfied in full under the Plan of Reorganization.

Going Concern

The accompanying Consolidated Financial Statements of the Company have been prepared on a basis that assumes that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

During the Company's bankruptcy proceedings and prior to the Bankruptcy Court's entry of an order confirming the Debtor's Plan of Reorganization, the Company's ability to continue as a going concern was contingent upon, among other things, its ability to (i) develop a plan of reorganization and obtain required

creditor acceptance and confirmation under the Bankruptcy Code, (ii) successfully implement such plan of reorganization, (iii) reduce debt and other liabilities through the bankruptcy process, (iv) return to profitability, (v) generate sufficient cash flow from operations, and (vi) obtain financing sources sufficient to meet the Company's future obligations. The Company's debt obligations and uncertainties related to the bankruptcy process had raised substantial doubt about its ability to continue as a going concern.

As a result of the execution of the Plan of Reorganization and emergence from bankruptcy on December 15, 2017, management concluded there is no longer substantial doubt about the Company's ability to continue as a going concern and to satisfy its liquidity needs during the next twelve months from the date the financial statements are issued.

Sale of Networking Business

On March 7, 2017, the Company entered into an agreement with Extreme Networks, Inc. ("Extreme") related to the proposed sale of the Company's Networking business subject to certain working capital and other price adjustments. The Company's Networking business is comprised of certain assets of the Company's Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment. On April 4, 2017, the Bankruptcy Court authorized the purchase agreement, approved the auction procedures and established the sale hearing date. On May 31, 2017, the Bankruptcy Court issued an order authorizing the sale of the Company's Networking business to Extreme. The sale closed on July 14, 2017. Accordingly, Extreme paid the Company approximately $70 million and deposited approximately $10 million in an indemnity escrow account.

2. Summary of Significant Accounting Policies

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the periods reported. These estimates include assessing the collectability of accounts receivable, sales returns and allowances, the use and recoverability of inventory, the realization of deferred tax assets, business restructuring reserves, pension and postretirement benefit costs, the fair value of equity compensation, the fair value of assets and liabilities acquired in business combinations, the recoverability of long-lived assets, useful lives and impairment of tangible and intangible assets including goodwill, the amount of exposure from potential loss contingencies, and fair value measurements, among others. The markets for the Company's products are characterized by intense competition, rapid technological development and frequent new product introductions, all of which could affect the future recoverability of the Company's assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the Consolidated Financial Statements in the period they are determined to be necessary. Actual results could differ from these estimates.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Avaya Holdings Corp. and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current presentation.

Acquisition Accounting

The Company accounts for business combinations using the acquisition method, which requires an allocation of the purchase price of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. Goodwill represents the excess of the purchase price over the net tangible and intangible assets acquired.

Revenue Recognition

The Company derives revenue primarily from the sale of products and services for communications systems and applications. The Company's products are sold directly through its worldwide sales force and indirectly through its global network of channel partners, including distributors, service providers, dealers, value-added resellers, systems integrators and business partners that provide sales and services support. Services include (i) supplemental maintenance service, including services provided under contracts to monitor and optimize customers' communications network performance; (ii) professional services for implementation and integration of converged voice and data networks, network security and unified communications; and (iii) private cloud and managed services. Maintenance contracts have terms that range from one to five years. Contracts for professional services typically have terms that range from four to six weeks for simple engagements and from six months to one year for strategic engagements. Contracts for private cloud and managed services have terms that range from one to five years.

In accordance with GAAP, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. For arrangements that require acceptance of the product, system, or solution as specified by the customer, revenue is deferred until the acceptance criteria have been met.

The Company's indirect sales to channel partners are generally recognized at the time of shipment if all contractual obligations have been satisfied. The Company accrues a provision for estimated sales returns and other allowances, including promotional marketing programs and other incentives as a reduction of revenue at time of sale. When estimating returns, the Company considers customary inventory levels held by third-party distributors.

The Company enters into multiple deliverable arrangements, which may include various combinations of products, software and services. Most product and service deliverables qualify as separate units of accounting and can be sold on a standalone basis. A deliverable constitutes a separate unit of accounting when it has standalone value and, where return rights exist, delivery or performance of the undelivered items is considered probable and substantially within the Company's control. When the Company sells products with implementation services, they are generally combined as one or more units of accounting, depending on the nature of the services and the customer's acceptance requirements.

The Company's products may have both software and non-software components that function together to deliver the products' essential functionality. For these multiple deliverable arrangements, the Company allocates revenue to the deliverables based on their relative selling prices. To the extent that a deliverable is subject to specific guidance on whether and/or how to allocate the consideration in a multiple element arrangement, that deliverable is accounted for in accordance with such specific guidance. The Company limits the amount of revenue recognition for delivered items to the amount that is not contingent on the future delivery of products or services or meeting other future performance obligations.

The Company allocates revenue based on a selling price hierarchy of vendor-specific objective evidence, third-party evidence, and then estimated selling price. Vendor-specific objective evidence is based on the price charged when the deliverable is sold separately. Third-party evidence is based on largely interchangeable competitor products or services in standalone sales to similarly situated customers. As the Company is unable to reliably determine what competitors products' selling prices are on a standalone basis, the Company is not typically able to determine third-party evidence. Estimated selling price is based on the Company's best estimates of what the selling prices of deliverables would be if they were sold regularly on a standalone basis. Estimated selling price is established considering multiple factors including, but not limited to, pricing practices in different geographies and through different sales channels, major product and services groups, and customer classifications.

Once the Company allocates revenue to each deliverable, the Company recognizes revenue in accordance with its policies when all revenue recognition criteria are met. Product revenue is generally recognized upon

delivery and maintenance services revenue is generally recognized ratably over the period during which the services are performed, whereas revenue from private cloud and managed services is generally recognized based on usage, subject to contractual minimums. Revenue for professional services arrangements is generally recognized upon completion of performance and revenue for arrangements that require acceptance of the product, system or solution, is recognized when the acceptance criteria have been met.

Standalone or subsequent sales of software or software-related items are recognized in accordance with the software revenue recognition guidance. For multiple deliverable arrangements that only include software items, the Company generally uses the residual method to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered items equals the total arrangement consideration, less the fair value of the undelivered items. Where vendor- specific objective evidence of fair value for the undelivered items cannot be determined, the Company generally defers revenue until all items are delivered and services have been performed, or until such evidence of fair value can be determined for the undelivered items.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less at the date of purchase are classified as cash equivalents.

Concentrations of Risk

The Company's cash and cash equivalents are maintained with several financial institutions. Deposits held at banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk. The Company seeks to mitigate such risks by spreading its risk across multiple counterparties and monitoring the risk profiles of these counterparties.

The Company, from time to time, may enter into derivative financial instruments with high credit quality financial institutions to manage short-term foreign exchange rate and interest rate risk and is exposed to losses in the event of non-performance by the counterparties to these contracts. To date, no counterparty has failed to meet its obligations to the Company.

The Company relies on a limited number of contract manufacturers and suppliers to provide manufacturing services for its products. The inability of a contract manufacturer or supplier to fulfill supply requirements of the Company could materially impact future operating results.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded net of reserves for sales returns and allowances and provisions for doubtful accounts. The Company performs ongoing credit evaluations of its customers and generally does not require collateral from its customers. The allowances are based on analyses of historical trends, aging of accounts receivable balances and the creditworthiness of customers as determined by credit checks, analyses, and payment history. At September 30, 2017 and 2016, one distributor accounted for approximately 13% and 14% of accounts receivable, respectively, and a second distributor accounted for approximately 10% and 9% of accounts receivable, respectively.

Inventory

Inventory includes goods awaiting sale (finished goods), equipment that is being installed at customer locations for various installations that are not yet complete and goods to be used in connection with providing maintenance services. Inventory is stated at the lower of cost or net realizable value, determined on a first-in, first-out method. Reserves to reduce the inventory cost to net realizable value are based on current inventory levels, assumptions about future demand and product life cycles for the various inventory types.

The Company has outsourced the manufacturing of substantially all of its products and may be obligated to purchase certain excess inventory levels from its outsourced manufacturers if actual sales of product vary from forecast, in which case additional inventory provisions may need to be recorded in the future.

Research and Development Costs

Research and development costs are charged to expense as incurred. The costs incurred for the development of communications software that will be sold, leased or otherwise marketed, however, are capitalized when technological feasibility has been established in accordance with FASB ASC Topic 985, "Software". These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated future revenues and costs and changes in hardware and software technologies. Costs that are capitalized include direct labor and related overhead.

Amortization of capitalized software development costs begins when the product is available for general release to customers. Amortization is recognized on a product-by-product basis generally on the straight-line method over a period of up to two years. Unamortized software development costs determined to be in excess of net realizable value of the product are expensed immediately. There we no unamortized software development costs included in other assets at September 30, 2017. Included in other assets at September 30, 2016 is unamortized software development costs of $2 million.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is determined using a straight-line method over the estimated useful lives of the assets. Estimated lives range from two to ten years for machinery and equipment, up to five years for rental equipment, and the remaining lease term for acquired buildings under a capital lease. Improvements that extend the useful life of assets are capitalized and maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and related accumulated depreciation are removed from the Consolidated Balance Sheets and any gain or loss is reflected in the Consolidated Statements of Operations.

Internal Use Software

The Company capitalizes costs associated with software developed or obtained for internal use when the preliminary project stage is completed and it is determined that the software will provide enhanced capabilities and modifications. Internal use software is amortized on a straight-line basis generally over five to seven years. Costs capitalized include payroll and related benefits, third-party development fees and acquired software and licenses. General and administrative costs, overhead, maintenance and training, and the cost of the software that does not add functionality to existing systems, are expensed as incurred. The Company had unamortized internal use software costs included in Property, Plant and Equipment, net in the Consolidated Balance Sheets of $56 million and $75 million as of September 30, 2017 and 2016, respectively.

Goodwill

Goodwill is not amortized but is subject to periodic testing for impairment in accordance with FASB ASC Topic 350, "Intangibles-Goodwill and Other" ("ASC 350") at the reporting unit level, which is one level below the Company's operating segments. The assessment of goodwill impairment is conducted by estimating and comparing the fair value of the Company's reporting units, as defined in ASC 350, to their carrying amounts as of that date. The test for impairment is conducted annually each July 1st and more frequently if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

Intangible and Long-lived Assets

Intangible assets include acquired technology, customer relationships, trademarks and trade names and other intangible assets. Intangible assets with finite lives are amortized using the straight-line method over the estimated economic lives of the assets, which range from two to fifteen years. Long-lived assets, including intangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable in accordance with FASB ASC Topic 360, "Property, Plant, and Equipment." Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the estimated fair value of the asset. Intangible assets determined to have indefinite useful lives are not amortized but are tested for impairment annually each July 1 st , and more frequently if events occur or circumstances change that indicate an asset may be impaired. Long-lived assets to be disposed of are reported at the lower of carrying amount or estimated fair value less costs to sell. The estimated useful lives of intangible and long-lived assets are based on many factors including assumptions regarding the effects of obsolescence, demand, competition and other economic factors, expectations regarding the future use of the asset, and the Company's historical experience with similar assets. The assumptions used to determine the estimated useful lives could change due to numerous factors including product demand, market conditions, technological developments, economic conditions and competition.

Financial Instruments

The Company, from time to time, utilizes foreign currency forward contracts primarily to hedge fluctuations associated with certain monetary assets and liabilities including receivables, payables and certain intercompany obligations. As permitted under FASB ASC Topic 815 "Derivatives and Hedging," the Company has elected not to designate its foreign currency forward contracts as hedges thereby precluding the use of hedge accounting for these instruments. Changes in fair value of these contracts are recorded as a component of other income (expense), net to offset the change in the value of the underlying asset and liabilities.

The Company had Series B Convertible Preferred Stock ("preferred series B") containing certain features, which were considered an embedded derivative under GAAP. This embedded derivative was separated from the host contract (i.e. the preferred stock) and recognized as a current liability on the Consolidated Balance Sheets at fair value. Gains and losses on the changes in the fair value of the embedded derivative are included in other income (expense), net.

The Company also utilizes non-derivative financial instruments including letters of credit and commitments to extend credit.

Restructuring Programs

The Company accounts for exit or disposal of activities in accordance with FASB ASC Topic 420, "Exit or Disposal Cost Obligations" ("ASC 420"). In accordance with ASC 420, a business restructuring is defined as an exit or disposal activity that includes but is not limited to a program that is planned and controlled by management and materially changes either the scope of a business or the manner in which that business is conducted. Business restructuring charges include (i) one-time termination benefits related to employee separations, (ii) contract termination costs and (iii) other related costs associated with exit or disposal activities including, but not limited to, costs for consolidating or closing facilities and relocating employees.

A liability is recognized and measured at its fair value for one-time termination benefits once the plan of termination is communicated to affected employees and it meets all of the following criteria: (i) management commits to a plan of termination, (ii) the plan identifies the number of employees to be terminated and their job classifications or functions, locations and the expected completion date, (iii) the plan establishes the terms of the benefit arrangement and (iv) it is unlikely that significant changes to the plan will be made or the plan will be

withdrawn. Contract termination costs include costs to terminate a contract or costs that will continue to be incurred under the contract without benefit to the Company. A liability is recognized and measured at its fair value when the Company either terminates the contract or ceases using the rights conveyed by the contract. A liability is recognized and measured at its fair value for other related costs in the period in which the liability is incurred.

Pension and Postretirement Benefit Obligations

The Company sponsors non-contributory defined benefit pension plans covering a portion of its U.S. employees and retirees, and postretirement benefit plans covering a portion of its U.S. retirees that include healthcare benefits and life insurance coverage. Certain non-U.S. operations have various retirement benefit programs covering substantially all of their employees. Some of these programs are considered to be defined benefit pension plans for accounting purposes.

The Company's pension and postretirement benefit costs are developed from actuarial valuations. Inherent in these valuations are key assumptions, including the discount rate and expected long-term rate of return on plan assets. Material changes in pension and postretirement benefit costs may occur in the future due to changes in these assumptions, changes in the number of plan participants, changes in the level of benefits provided, changes in asset levels and changes in legislation.

The market-related value of the Company's plan assets as of the measurement date is developed using a five-year smoothing technique. First, a preliminary market-related value is calculated by adjusting the market-related value at the beginning of the year for payments to and from plan assets and the expected return on assets during the year. The expected return on assets represents the expected long-term rate of return on plan assets adjusted up to plus or minus 2% based on the actual ten-year average rate of return on plan assets. A final market-related value is determined as the preliminary market-related value, plus 20% of the difference between the actual return and expected return for each of the past five years.

These pension and other postretirement benefits are accounted for in accordance with FASB ASC Topic 715, "Compensation-Retirement Benefits" ("ASC 715"). ASC 715 requires that plan assets and obligations be measured as of the reporting date and the over-funded, under-funded or unfunded status of plans be recognized as of the reporting date as an asset or liability in the Consolidated Balance Sheets. In addition, ASC 715 requires costs and related obligations and assets arising from pensions and other postretirement benefit plans to be accounted for based on actuarially-determined estimates.

The plans use different factors, including years of service, eligible compensation and age, to determine the benefit amount for eligible participants. The Company funds its U.S. pension plans in compliance with applicable laws.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs were $44 million, $59 million and $57 million during fiscal 2017, 2016 and 2015, respectively.

Share-based Compensation

The Company accounts for share-based compensation in accordance with FASB Topic ASC 718, "Compensation-Stock Compensation," which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including stock options, restricted stock units and stock purchases based on estimated fair values.

Equity Awards on Redeemable Shares

The Company issued equity awards, including restricted stock units and stock options, to employees of the Company that had a provision allowing, upon the employees' death or disability during employment, their estates to sell any shares obtained as a result of the equity award to the Company at an amount equal to the then current fair value per share as long as the sale is done pursuant to the terms and conditions of the Management Stockholder's Agreement. As a result of this provision, the Company classifies the vested portion of the intrinsic value of these stock options and restricted stock units in the mezzanine section between debt and stockholders' deficiency in the Consolidated Balance Sheets.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Consolidated Statements of Operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized. Additionally, the accounting for income taxes requires the Company to evaluate and make an assertion as to whether undistributed foreign earnings will be indefinitely reinvested or repatriated.

FASB ASC Subtopic 740-10, "Income Taxes-Overall" ("ASC 740-10") prescribes a comprehensive model for the financial statement recognition, measurement, classification, and disclosure of uncertain tax positions. ASC 740-10 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, based on the technical merits of the position. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement.

Significant judgment is required in evaluating uncertain tax positions and determining the provision for income taxes. Although the Company believes its reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in the historical income tax provision and accruals. The Company adjusts its estimated liability for uncertain tax positions periodically due to new information discovered from ongoing examinations by, and settlements with various taxing authorities, as well as changes in tax laws, regulations and interpretations. The Company's policy is to recognize, when applicable, interest and penalties on uncertain tax positions as part of income tax expense.

As part of the Company's accounting for business combinations, some of the purchase price is allocated to goodwill and intangible assets. Impairment expenses associated with goodwill are generally not tax deductible and will result in an increased effective income tax rate in the fiscal period any impairment is recorded. The income tax benefit from future releases of the acquisition date valuation allowances or income tax contingencies, if any, are reflected in the income tax provision in the Consolidated Statements of Operations, rather than as an adjustment to the purchase price allocation.

Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period. Net income (loss) attributable to common stockholders is adjusted (increased) for preferred stock dividends earned during the period. Diluted income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding plus potentially dilutive common shares.

Deferred Financing Costs

Deferred financing costs are amortized using the effective interest method as interest expense over the contractual lives of the related credit facilities. Deferred financing costs related to a debt liability are presented on the balance sheet as a reduction of the carrying amount of that debt liability and deferred financing costs related to revolving credit facilities are included within other assets.

Since the Company was in violation of certain covenants identified in the Notice of Default, all debt outstanding under the credit facilities and the indentures governing the senior secured notes and unamortized deferred financing costs have been classified as liabilities subject to compromise. Any unamortized deferred financing costs related to revolving credit facilities are included within other current assets.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where the local currency is the functional currency, are translated from foreign currencies into U.S. dollars at period-end exchange rates, while income and expenses are translated at the spot rate. Translation gains or losses related to net assets located outside the U.S. are shown as a component of accumulated other comprehensive loss in the Consolidated Statements of Changes in Stockholders' Deficiency.

Gains and losses resulting from foreign currency transactions, which are denominated in currencies other than functional currency, are included in other income (expense), net in the Consolidated Statements of Operations.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) is recorded in accumulated other comprehensive loss within the stockholders' deficiency on the consolidated Balance Sheet and primarily includes unrealized gains and losses excluded from the Consolidated Statements of Operations. These unrealized gains and losses consist of changes in foreign currency translation, and changes in unamortized pension, postretirement and postemployment actuarial gains and losses.

3. Recent Accounting Pronouncements

New Standards Recently Adopted

In August 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-15 "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The standard requires management to evaluate, at each annual and interim reporting period, a company's ability to continue as a going concern within one year of the date the financial statements are issued and provide related disclosures. This guidance became effective for the Company on a prospective basis beginning with the fiscal 2017 annual financial statements. See discussion in Note 1, "Background and Basis of Presentation—Going Concern," for the Company's assessment of its ability to continue as a going concern. The adoption of the new standard did not have a material impact to the Company's Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-04, "Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). This standard removes Step 2 of the goodwill impairment test, which requires the assessment of fair value of individual assets and liabilities of a reporting unit to measure goodwill impairments. Goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value. The Company early adopted this standard beginning in fiscal 2017. See discussion in Note 7, "Goodwill," for a description of how this accounting standard impacted the Company's Consolidated Financial Statements.

In April 2015, the FASB issued ASU No. 2015-05, "Intangibles-Goodwill and Other-Internal-Use Software". The standard amends the existing accounting standards for intangible assets and provides explicit

guidance to customers in determining the accounting for fees paid in a cloud computing arrangement, wherein the arrangements that do not convey a software license to the customer are accounted for as service contracts. The Company adopted this standard in the first quarter of fiscal 2017 on a prospective basis, and it did not have a material impact to its Consolidated Financial Statements.

In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations Simplifying the Accounting for Measurement-Period Adjustments." This standard simplifies the accounting for adjustments made to provisional amounts recognized in a business combination and eliminates the requirement to retrospectively account for those adjustments. The Company adopted this standard in the first quarter of fiscal 2017 and it did not have a material impact to its Consolidated Financial Statements.

Recent Standards Not Yet Effective

In August 2017, the FASB issued ASU No. 2017-12 "Derivatives and Hedging (Topic 815)." This new standard sets forth targeted improvements to accounting for hedging activities and will make more financial and non-financial hedging strategies eligible for hedge accounting. It also modifies the presentation and disclosure requirements and changes how companies assess effectiveness. This standard is effective for the Company beginning in the first quarter of fiscal 2020. The Company is currently evaluating the impact that the adoption of this new standard may have on its Consolidated Financial Statements.

In March 2017, the FASB issued ASU No. 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." This standard improves the presentation of net periodic pension cost and net periodic postretirement benefit cost. This standard will change how employers that sponsor defined benefit pension and other postretirement benefit plans present net periodic benefit cost in the income statement. This standard is effective for the Company beginning in the first quarter of fiscal 2019. The Company is currently evaluating the impact that the adoption of this new standard may have on its Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations Clarifying the Definition of a Business." This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This standard is effective for the Company beginning in the first quarter of fiscal 2019. The Company is currently evaluating the impact that the adoption of this standard may have on its Consolidated Financial Statements.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows: Restricted Cash." This standard requires the statement of cash flows to explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This standard is effective for the Company beginning in the first quarter of fiscal 2019, early adoption is permitted. This standard is to be applied through a retrospective transition method to each period presented. The Company is currently evaluating the impact that the adoption of this standard may have on its Consolidated Financial Statements.

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments." This standard addressed the appropriate classification of certain cash flows as operating, investing, or financing. This standard is effective for the Company in the first quarter of fiscal 2019 and must be applied retrospectively to each accounting period presented and is not expected to have a material effect on its Consolidated Financial Statements.

In June 2016, the FASB issued ASU No. 2016-13, "Measurement of Credit Losses on Financial Instruments." This standard, which requires entities to estimate all expected credit losses for certain types of

financial instruments, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models and methods for estimating expected credit losses. This standard is effective for the Company in the first quarter of fiscal 2021 on a prospective basis. The Company is currently evaluating the impact that the adoption of this standard may have on its Consolidated Financial Statements.

In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting." This standard simplifies the accounting for share-based payments and their presentation in the statement of cash flows. This standard is effective for the Company in the first quarter of fiscal 2018 and must be applied retrospectively to each accounting period presented. The guidance pertaining to the statement of cash flows may be applied retrospectively or prospectively in the year of adoption. The Company is currently evaluating the method of adoption and the effect that the adoption of this standard may have on its Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases." The standard requires the recognition of assets and liabilities for all leases with lease terms of more than 12 months. This standard is effective for the Company in the first quarter of fiscal 2020 by means of a modified retrospective approach with early adoption permitted. The Company is currently evaluating the method of adoption and the effect that the adoption of this standard may have on its Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." The standard supersedes most of the current revenue recognition guidance under GAAP and is intended to improve and converge with international standards the financial reporting requirements for revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. New disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers are also required. Subsequently, the FASB issued several standards that clarified certain aspects of the standard but did not change the original standard. This new guidance is effective for the Company beginning in the first quarter of fiscal 2019. Early adoption is permitted in the first quarter of fiscal 2018. The ASU may be applied retrospectively (a) to each reporting period presented or (b) with the cumulative effect in retained earnings at the beginning of the adoption period.

We currently anticipate adoption of the new standard effective October 1, 2018 using the modified retrospective method where the cumulative effect is recorded to retained earnings at the beginning of the adoption period. Adoption of the standard is dependent on completion of a detailed accounting assessment, the success of the design and implementation phase for changes to the Company's processes, internal controls, system functionality and the completion of our analysis of information necessary to assess the overall impact of adoption of this guidance on our Consolidated Financial Statements.

We continue to make progress on detailed contract reviews within the accounting assessment phase to identify the required changes to accounting policy, disclosures and the impact of the ASU, including any recently issued amendments, on our consolidated financial statements. We have reached preliminary conclusions on certain accounting assessments and we will continue to monitor and assess the impact of changes to the standard and interpretations as they become available. We expect revenue recognition related to our stand-alone product shipments and maintenance services to remain substantially unchanged. However, we continue to evaluate our preliminary conclusion and we are currently assessing the impact on our other sources of revenue recognition.

4. Liabilities Subject to Compromise

On March 22, 2017, the Debtors filed schedules of assets and liabilities and statements of financial affairs with the Bankruptcy Court. The Bankruptcy Court will ultimately determine the liability amounts, if any, that

will be allowed for all claims. The resolution of such claims could result in material adjustments to the Company's Consolidated Financial Statements.

Holders of pre-petition claims were required to file proofs of claims by the "bar dates" established by the Bankruptcy Court. A bar date is the date by which certain claims against the Debtors must be filed if the claimants wish to receive any distribution in the chapter 11 proceedings. The Bankruptcy Court established May 8, 2017 as the bar date for all general claims and July 18, 2017 for all governmental units holding claims. Differences between liability amounts estimated by the Company and claims filed by creditors are being investigated and, if necessary, the Bankruptcy Court will make a final determination of the allowable claim.

As of December 13, 2017, the Debtors have received approximately 3,600 proofs of claim, for an amount of $20 billion. These claims have been materially reconciled to amounts recorded in liabilities subject to compromise in the Consolidated Balance Sheet. Differences in amounts recorded and claims filed by creditors are being investigated and resolved, including through the filing of objections with the Bankruptcy Court, where appropriate. Approximately 1,130 claims totaling approximately $8,595 million have been expunged and the Debtors anticipate filing, by the end of December 2017, additional claim objections with the Bankruptcy Court for approximately 328 claims totaling approximately $56 million in additional reductions. The Company may ask the Bankruptcy Court to disallow claims that the Company believes are duplicative, have been later amended or superseded, are without merit, are overstated or should be disallowed for other reasons. In addition, as a result of this process, the Company may identify additional liabilities that will need to be recorded or reclassified to liabilities subject to compromise. In light of the substantial number of claims filed, and expected to be filed, the claims resolution process may take considerable time to complete.

As of September 30, 2017, liabilities subject to compromise consisted of the following:

(In millions)	
Accounts payable	$ 40
Debt subject to compromise including accrued interest (1)	5,832
Pension obligations	1,012
Payroll and benefit obligations	45
Other postretirement obligations	211
Deferred revenue	95
Deferred income taxes	113
Other liabilities	357
Consolidated liabilities subject to compromise	7,705
Payables to non-debtor subsidiaries	100
Debtors' liabilities subject to compromise	**$7,805**

(1) Reduced by the adequate protection payments.

5. Business Combinations

During fiscal 2016 and 2015, the Company completed several acquisitions primarily to enhance the Company's technology portfolio, which had an aggregate purchase price of $3 million and $37 million, respectively.

Acquired intangible assets among these acquisitions were $5 million and $13 million during fiscal 2016 and 2015, respectively. The acquired intangible assets are being amortized over a weighted average useful life of 3 years, on a straight-line basis. No in-process research and development was acquired in the acquisitions.

The excess of the purchase price over the assessment of the net tangible and intangible assets acquired in connection with these acquisitions resulted in no goodwill in fiscal 2016 and $30 million of goodwill in fiscal

2015, respectively. The premiums paid by the Company in the transactions are largely attributable to the acquisition of assembled workforces and the synergies and economies of scale provided to a market participant, particularly as it pertains to marketing efforts and customer base. None of the goodwill is deductible for tax purposes.

These Consolidated Financial Statements include the operating results of the acquired entities since their respective acquisition dates. The revenues and expenses specific to these businesses and their pro forma results are not material to these Consolidated Financial Statements.

6. Divestitures

Networking business

In July 2017, the sale of the Company's Networking business to Extreme was completed and Extreme paid the Company $70 million, deposited $10 million in an indemnity escrow account and assumed certain liabilities of $20 million, primarily lease obligations. A $2 million gain was recognized and included in other income, net in the Consolidated Statements of Operations during fiscal 2017. The (deficit) excess of revenues over direct expenses for the sold business was $4 million for the nine months ended June 30, 2017 and $(13) million and $13 million for fiscal 2016 and 2015, respectively. The Networking business sold provides wired, WLAN and Fabric technology, and includes the related customers, personnel, software and technology assets. The Networking business is comprised of certain assets of our Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment. Under a Transition Services Agreement ("TSA"), Avaya will provide administrative services to Extreme for process support services and maintenance and product logistics services on a fee basis. While TSA services can expire sooner, the agreement terminates after two years.

7. Goodwill

The changes in the carrying amount of goodwill by operating segment are as follows:

(In millions)	Global Communications Solutions	Networking	Avaya Global Services	Total
Balance as of October 1, 2015	$ 1,536	$ —	$ 2,538	$ 4,074
Impairment	(442)	—	—	(442)
Adjustments	(2)	—	(1)	(3)
Balance as of September 30, 2016	**1,092**	**—**	**2,537**	**3,629**
Sale of Networking business	—	—	(36)	(36)
Impairment	—	—	(52)	(52)
Adjustments	1	—	—	1
Balance as of September 30, 2017	**$ 1,093**	**$ —**	**$ 2,449**	**$ 3,542**
Balance as of September 30, 2017				
Goodwill	$ 2,669	$ —	$ 2,501	$ 5,170
Accumulated Impairment	(1,576)	—	(52)	(1,628)
	$ 1,093	**$ —**	**$ 2,449**	**$ 3,542**

"Adjustments" substantially pertain to the reversal of business restructuring reserves, tax valuation allowances and the impact of foreign currency fluctuations.

With the adoption of ASU 2017-04 in fiscal 2017, the impairment test for goodwill consists of a one-step process. This process consists of a comparison of the fair value of a reporting unit with its carrying amount, including the goodwill allocated to that reporting unit. The Company estimates the fair value of each reporting

unit using an income approach, which values the reporting unit based on the future cash flows expected from that reporting unit. Future cash flows are based on forward-looking information regarding market share and costs for each reporting unit and are discounted using an appropriate discount rate in a discounted cash flows model. If the carrying value of a reporting unit exceeds its fair value, the Company will recognize an impairment loss equal to the amount of that excess.

The discounted cash flows model relies on assumptions regarding revenue growth rates, gross profit, projected working capital needs, selling, general and administrative expenses, research and development expenses, business restructuring costs, capital expenditures, income tax rates, discount rates and terminal growth rates. The discount rate Avaya uses represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return an outside investor would expect to earn. To estimate cash flows beyond the final year of its model, Avaya uses a terminal value approach. Under this approach, Avaya applies a perpetuity growth assumption and discounts by a perpetuity discount factor to determine the terminal value. Avaya incorporates the present value of the resulting terminal value into its estimate of fair value.

Forecasted cash flows for each reporting unit considers current economic conditions and trends, estimated future operating results, Avaya's view of growth rates and anticipated future economic conditions. Revenue growth rates inherent in this forecast are based on input from internal and external market intelligence research sources that compare factors such as growth in global economies, regional trends in the telecommunications industry and product evolution from a technological segment basis. Macroeconomic factors such as changes in economies, product evolutions, industry consolidations, and other changes beyond Avaya's control including the rate or extent to which anticipated synergies or cost savings are realized with newly acquired entities could have a positive or negative impact on achieving its targets.

Prior to adoption of ASU 2017-04, the impairment test for goodwill consisted of a two-step process. Under this method if the carrying value of a reporting unit exceeded its fair value (as described above) a second step of the goodwill impairment test was performed to measure the amount of impairment, if any. The second step compared the implied fair value of the reporting unit's goodwill to the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeded the implied fair value of the goodwill, an impairment loss was recognized in an amount equal to that excess. The implied fair value was determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit was allocated to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit. This allocation was performed only for the purpose of assessing goodwill for impairment.

Fiscal 2017

At July 1, 2017, the Company performed its annual goodwill impairment test and determined that the respective carrying amounts of the Company's reporting units did not exceed their estimated fair values and therefore no impairment existed.

The Company determined that no other events occurred or circumstances changed during the three months ended September 30, 2017 that would more likely than not reduce the fair value of its other reporting units below their respective carrying amounts. However, if market conditions deteriorate, it may be necessary to record impairment charges in the future.

As a result of the sale of certain assets and liabilities of the Company's Networking segment in July 2017 to Extreme, the Company reclassified $134 million of assets and $54 million of liabilities to held for sale as of June 30, 2017. It was determined that the fair value of the Networking services component of the Global Support Services reporting unit was less than its carrying value. As a result, the Company recorded a goodwill impairment charge of $52 million associated with the Networking services component of the Global Support Services reporting unit during fiscal 2017.

In addition to the goodwill impairment charge associated with the sale of the Company's Networking business, during the nine months ended June 30, 2017, the Company filed for bankruptcy and updated its five-year forecast during the quarter ended June 30, 2017. As a result of the decline in revenue and the updated forecast, the Company determined that an interim impairment test of its goodwill and long-lived assets should be performed as of June 30, 2017. Using the revised five-year forecast and the one-step valuation approach described above, the results of the goodwill impairment test indicated that the respective book values of each reporting unit did not exceed their respective fair values and therefore, no impairment existed. In order to evaluate the sensitivity of the fair value calculations in the goodwill impairment test the Company applied a hypothetical 10% decrease to the fair value of each reporting unit. This hypothetical 10% decrease in the fair value of each reporting unit as of June 30, 2017 would not result in an impairment of goodwill for any reporting unit.

Fiscal 2016

At July 1, 2016, the Company performed its annual goodwill impairment test for all of its reporting units. The results of step one of the goodwill impairment test indicated that the estimated fair value of the Unified Communication ("UC") reporting unit, which provides specialized real-time collaboration and communication products to companies globally was less than the carrying amount of its net assets (including goodwill) and as such, the Company performed step two of the impairment test for the UC reporting unit. All of the Company's other reporting units passed step one of the goodwill impairment test.

Step two of the impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value is determined in the same manner as the amount of goodwill is recognized in a business combination. That is, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit. This allocation is performed only for purposes of assessing goodwill for impairment; accordingly Avaya did not adjust the net book value of the assets and liabilities on its Consolidated Balance Sheets other than goodwill as a result of this process.

In the application of step two of the goodwill impairment test performed on the UC reporting unit, the Company estimated the implied fair value of the goodwill to be $504 million as compared to a carrying amount of $946 million and recorded an impairment to goodwill of $442 million associated with the UC reporting unit within the Global Communications Solutions segment.

The impairment was primarily the result of continued customer cutbacks in investments in unified communication products in excess of the declines forecasted in previous periods. The reduced valuation of the reporting unit reflects additional market risks and lower sales forecasts for the reporting unit, which is consistent with the lack of customers' willingness to spend on unified communication products.

Due to a decline in revenue, the Company revised its forecasted cash flows and as a result, the Company determined that an interim impairment test of its long-lived assets and goodwill should be performed as of March 1, 2016. Using the revised forecast and the valuation approach described above, the results of step one of the goodwill impairment test indicated that the respective carrying amounts of each reporting unit did not exceed their estimated fair values and therefore no impairment existed.

Fiscal 2015

At July 1, 2015, the Company performed its annual goodwill impairment test and determined that the respective carrying amounts of the Company's reporting units did not exceed their estimated fair values and therefore no impairment existed.

8. Acquired Intangible Assets

The Company's acquired intangible assets consist of:

(In millions)	Acquired technology and patents	Customer relationships and other intangibles	Trademarks and trade names	Total
Balance as of September 30, 2017				
Gross Carrying Amount	$ 1,427	$ 2,196	$ 545	$ 4,168
Accumulated Amortization	(1,411)	(2,091)	—	(3,502)
Accumulated Impairment	—	—	(355)	(355)
	$ 16	**$ 105**	**$ 190**	**$ 311**
Balance as of September 30, 2016				
Gross Carrying Amount	$ 1,424	$ 2,307	$ 545	$ 4,276
Accumulated Amortization	(1,389)	(1,980)	—	(3,369)
Accumulated Impairment	—	—	(290)	(290)
	$ 35	**$ 327**	**$ 255**	**$ 617**

The acquired technology and patents have a useful life that ranges between six months and fifteen years. Customer relationships and other intangibles have a useful life that ranges between five years and thirteen years.

Future amortization expense of acquired intangible assets for the fiscal years ending September 30 is as follows:

(In millions)	
2018	$ 38
2019	26
2020	23
2021	22
2022	11
2023 and thereafter	1
Total	**$121**

The Company's trademarks and trade names are expected to generate cash flows indefinitely. Consequently, these assets are classified as indefinite-lived intangibles. Prior to testing goodwill, the Company tests its intangible assets with indefinite lives for impairment. The test for impairment requires the Company to compare the fair value of its indefinite-lived intangible assets to the carrying amount of those assets. In situations where the carrying amount exceeds the fair value of the intangible asset, an impairment loss equal to the difference is recognized. The Company estimates the fair value of its indefinite-lived intangible assets using an income approach; specifically, based on discounted cash flows.

Fiscal 2017

At July 1, 2017, the Company performed its annual test of impairment of indefinite-lived intangible assets. The Company determined that the respective carrying amounts of the Company's indefinite-lived intangible assets did not exceed their estimated fair values and therefore no impairment existed.

Prior to the goodwill testing on June 30, 2017, the Company performed an impairment test of indefinite-lived intangible assets and other long-lived assets as of June 30, 2017. The Company estimated the fair values of its indefinite-lived intangible assets using the royalty savings method, which values an asset by estimating the

royalties saved through ownership of the asset. As a result of the impairment test, the Company estimated the fair value of its trademarks and trade names to be $190 million as compared to a carrying amount of $255 million and recorded an impairment charge of $65 million. As a result of the impairment test, there were no indications that its other long-lived assets were impaired.

Fiscal 2016

Prior to the annual goodwill impairment testing, the Company performed its annual test of impairment of indefinite-lived intangible assets at July 1, 2016. Using the Company forecasts, the Company estimated the fair values of its indefinite-lived intangible assets using the royalty savings method, which values an asset by estimating the royalties saved through ownership of the asset.

As a result of the impairment test, the Company estimated the fair value of the indefinite-lived intangible assets to be $255 million as compared to a carrying amount of $355 million and recorded an impairment charge of $100 million related to trademark and trade name indefinite-lived intangible assets during the year ended September 30, 2016.

The impairment was primarily the result of continued customer cutbacks in current and expected future investments in products, specifically relating to unified communications. The reduced valuation reflects additional market risks and lower sales forecasts for the Company, which is consistent with the lack of customers' willingness to spend on products.

Prior to the annual goodwill testing, as of March 1, 2016, the Company tested its intangible assets with indefinite lives and other long-lived assets. The respective carrying amounts of the Company's indefinite-lived intangible assets did not exceed their estimated fair values and therefore no impairment existed.

Fiscal 2015

At July 1, 2015, the Company performed its annual test of impairment of indefinite-lived intangible assets. The Company determined that the respective carrying amounts of the Company's indefinite-lived intangible assets did not exceed their estimated fair values and therefore no impairment existed.

9. Supplementary Financial Information

Consolidated Statements of Operations Information

(In millions)	Fiscal years ended September 30, 2017	2016	2015
DEPRECIATION AND AMORTIZATION			
Amortization of software development costs included in costs	$ 1	$ 1	$ 7
Amortization of acquired intangible assets	224	256	261
Depreciation and amortization of property, plant and equipment and internal use software included in costs and operating expenses	101	117	103
Total depreciation and amortization	**$ 326**	**$ 374**	**$ 371**
OTHER INCOME (EXPENSE), NET			
Interest income	$ 4	$ 1	$ 1
Foreign currency gains, net	2	10	14
Gain on sale of Networking business	2	—	—
Income from transition services agreement, net	3	—	—
Loss on investment	—	(11)	—
Third party fees incurred in connection with debt modification	—	—	(8)
Change in fair value of Preferred B embedded derivative	—	73	(24)
Change in certain tax indemnifications	—	—	9
Other, net	(2)	(5)	(3)
Total other income (expense), net	**$ 9**	**$ 68**	**$ (11)**

Reorganization items, net represent amounts incurred subsequent to the Bankruptcy Filing which were a direct result of the Bankruptcy Filing and comprised of the following for the fiscal year ended September 30, 2017:

REORGANIZATION ITEMS, NET	
Professional fees	$66
DIP Credit Agreement financing costs	14
Contract rejection fees / lease terminations	18
Total reorganization items, net	**$98**

Cash paid for reorganization items was $47 million for the fiscal year ended September 30, 2017. In addition, there was $13 million of non-cash DIP Credit Agreement financing costs for the fiscal year ended September 30, 2017.

Consolidated Balance Sheet Information

(In millions)	Fiscal years ended September 30, 2017	2016	2015
VALUATION AND QUALIFYING ACCOUNTS			
Allowance for Accounts Receivable:			
Balance at beginning of year	$ 25	$ 26	$ 31
Reduction of expense	(2)	—	(3)
Deductions	(3)	(1)	(2)
Balance at end of year	**$ 20**	**$ 25**	**$ 26**
Deferred Tax Asset Valuation Allowance:			
Balance at beginning of year	$2,256	$1,976	$1,639
Charged to expense	(65)	203	289
(Reductions) additions	(39)	77	48
Balance at end of year	**$2,152**	**$2,256**	**$1,976**

(In millions)	September 30, 2017	2016
PROPERTY, PLANT AND EQUIPMENT, NET		
Buildings and improvements	142	180
Machinery and equipment	173	231
Rental equipment	241	231
Assets under construction	13	9
Internal use software	240	230
Total property, plant and equipment	809	881
Less: Accumulated depreciation and amortization	(609)	(628)
Property, plant and equipment, net	**$ 200**	**$ 253**

Included in machinery and equipment is $9 million related to equipment acquired under capital leases.

Supplemental Cash Flow Information

(In millions)	Fiscal years ended September 30, 2017	2016	2015
OTHER PAYMENTS			
Interest payments	$ 138	$ 425	$ 417
Income tax payments	$ 33	$ 51	$ 56
NON-CASH INVESTING ACTIVITIES			
Acquisition of equipment under capital lease	$ —	$ 4	$ —

10. Business Restructuring Reserves and Programs

During fiscal 2017, the Company recognized restructuring charges of $30 million, net of adjustments to the restructuring programs of prior fiscal years and includes a $3 million adjustment related to asset retirement obligations.

Fiscal 2017 Restructuring Program

During fiscal 2017, the Company continued to identify opportunities to streamline operations and generate costs savings, which included eliminating employee positions. These restructuring charges are primarily for employee separation costs associated with fiscal 2017 employee severance actions in the U.S. and Europe, Middle East and Africa ("EMEA"), for which the related payments are expected to be completed in fiscal 2023, as the Company continues its transformation to a software and service-led organization. The separation charges include, but are not limited to, social pension fund payments and health care and unemployment insurance costs to be paid to or on behalf of the affected employees. As the Company continues to evaluate opportunities to streamline its operations, it may identify cost savings globally and take additional restructuring actions in the future and the costs of those actions could be material.

The following table summarizes the components of the fiscal 2017 restructuring program liability:

(In millions)	Employee Separation Costs	Lease Obligations	Total
2017 restructuring charges	$ 18	$ 1	$ 19
Cash payments	(14)	—	(14)
Balance as of September 30, 2017	**$ 4**	**$ 1**	**$ 5**

Fiscal 2016 Restructuring Program

During fiscal 2016, the Company continued to identify opportunities to streamline operations and generate costs savings. Restructuring charges recorded during fiscal 2016 associated with these initiatives, net of adjustments to previous periods, were $105 million, net of adjustments to the restructuring programs of prior fiscal years. These charges included employee separation costs of $101 million primarily associated with employee severance actions in EMEA and Canada for which the related payments are expected to be completed in fiscal 2023, and a voluntary headcount reduction plan initiated in the U.S. as the Company continues its transformation to a software and service-led organization, as well as lease obligations of $4 million. The separation charges include, but are not limited to, social pension fund payments and health care and unemployment insurance costs to be paid to or on behalf of the affected employees.

The following table summarizes the components of the fiscal 2016 restructuring program liability:

(In millions)	Employee Separation Costs	Lease Obligations	Total
2016 restructuring charges	$ 98	$ —	$ 98
Cash payments	(47)	—	(47)
Balance as of September 30, 2016	**51**	**—**	**51**
Cash payments	(25)	—	(25)
Adjustments (1)	2	—	2
Impact of foreign currency fluctuations	2	—	2
Balance as of September 30, 2017	**$ 30**	**$ —**	**$ 30**

(1) Included in adjustments are changes in estimates, whereby all increases and decreases in costs related to the fiscal 2015 restructuring program are recorded to the restructuring charges line item in operating expenses in the period of the adjustment.

Fiscal 2015 Restructuring Program

Restructuring charges recorded during fiscal 2015 net of adjustments to previous periods were $62 million. These charges included employee separation costs of $52 million primarily associated with employee severance

actions in the U.S. and EMEA, for which the related payments are expected to be completed in fiscal 2019. The separation charges include, but are not limited to, social pension fund payments and health care and unemployment insurance costs to be paid to or on behalf of the affected employees.

The following table summarizes the components of the fiscal 2015 restructuring program liability:

(In millions)	Employee Separation Costs	Lease Obligations	Total
2015 restructuring charges	$ 52	$ 2	$ 54
Cash payments	(20)	—	(20)
Impact of foreign currency fluctuations	(1)	—	(1)
Balance as of September 30, 2015	**31**	**2**	**33**
Cash payments	(19)	(1)	(20)
Adjustments (1)	2	—	2
Balance as of September 30, 2016	**14**	**1**	**15**
Cash payments	(6)	—	(6)
Adjustments (2)	—	(1)	(1)
Balance as of September 30, 2017	**$ 8**	**$ —**	**$ 8**

(1) Included in adjustments are changes in estimates, whereby all increases and decreases in costs related to the fiscal 2015 restructuring program are recorded to the restructuring charges line item in operating expenses in the period of the adjustment.

(2) Includes a transfer of reserve of $1 million associated with the sale of our Networking business in July 2017 related to lease obligations.

Fiscal 2008 through 2014 Restructuring Programs

During fiscal 2008 through 2014, the Company identified opportunities to streamline operations and generate cost savings, which included exiting facilities and eliminating employee positions. The remaining obligation for employee separation costs are primarily associated with EMEA plans approved in the third and fourth quarters of fiscal 2014 for which payments are expected to be completed by fiscal 2019. The EMEA plans include, but are not limited to, social pension funds payments and healthcare and unemployment insurance costs to be paid to or on behalf of the affected employees.

Future rental payments, net of estimated sublease income, related to operating lease obligations for unused space in connection with the closing or consolidation of facilities are expected to continue through fiscal 2022. These remaining obligations are primarily associated with the Frankfurt, Germany facility vacated during fiscal 2014 and facilities vacated in the United Kingdom and the U.S.

The following table aggregates the remaining components of the fiscal 2008 through 2014 restructuring programs liability:

(In millions)	Employee Separation Costs	Lease Obligations	Total
Balance as of October 1, 2014	**$ 124**	**$ 81**	**$205**
Cash payments	(47)	(23)	(70)
Adjustments (1)	—	8	8
Impact of foreign currency fluctuations	(13)	(6)	(19)
Balance as of September 30, 2015	**64**	**60**	**124**
Cash payments	(36)	(19)	(55)
Adjustments (1)	1	2	3
Impact of foreign currency fluctuations	(1)	(3)	(4)
Balance as of September 30, 2016	**28**	**40**	**68**
Cash payments	(16)	(16)	(32)
Adjustments (1)(2)	1	—	1
Balance as of September 30, 2017	**$ 13**	**$ 24**	**$ 37**

(1) Included in adjustments are changes in estimates, whereby all increases and decreases in costs related to the fiscal 2009 through 2014 restructuring programs are recorded to the restructuring charges in operating expenses in the period of the adjustment. Also included in adjustments are changes in estimates whereby all increases in costs related to the fiscal 2008 restructuring reserve are recorded in the restructuring charges in operating expenses in the period of the adjustment and decreases in costs are recorded as adjustments to goodwill.

(2) Includes a transfer of reserve of $5 million associated with the sale of our Networking business in July 2017 related to lease obligations.

11. Financing Arrangements

Emergence Financing

On December 15, 2017, the Company entered into (i) a term loan credit agreement between Avaya Inc., as borrower, Avaya Holdings, the lending institutions from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent and collateral agent, which provided a $2,925 million term loan facility due December 15, 2024 (the "Term Loan Credit Agreement") and (ii) an ABL credit agreement among Avaya Holdings, Avaya Inc., as borrower, the several borrowers party thereto, the several lenders from time to time party thereto, and Citibank, N.A., as administrative agent and collateral agent, which provided a revolving credit facility consisting of a U.S. tranche and a foreign tranche in an aggregate principal amount of $300 million, subject to borrowing base availability (the "ABL Credit Agreement", and together with the Term Loan Credit Agreement, the "Credit Agreements"). The Term Loan Credit Agreement, in the case of ABR Loans, bears interest at a rate per annum equal to 3.75% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced in the Wall Street Journal and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor and in the case of LIBOR Loans, bears interest at a rate per annum equal to 4.75% plus the applicable LIBOR Rate, subject to a 1% floor. The ABL Credit Agreement bears interest:

1. In the case of Base Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the U.S. prime rate as publicly announced by Citibank, N.A. and (iii) the LIBOR Rate for an interest period of one month, subject to a 1% floor;

2. In the case of Canadian Prime Rate Loans, at a rate per annum equal to 0.75% (subject to a step-up or step-down based on availability) plus the highest of (i) the "Base Rate" as publicly announced by

Citibank, N.A., Canadian branch and (ii) the CDOR Rate for an interest period of 30 days, subject to a 1% floor;

3. In the case of LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable LIBOR Rate, subject to a 0% floor;

4. In the case of CDOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable CDOR Rate, subject to a 0% floor; and

5. In the case of Overnight LIBOR Rate Loans, at a rate per annum equal to 1.75% (subject to a step-up or step-down based on availability) plus the applicable Overnight LIBOR Rate.

The Credit Agreements limit, among other things, Avaya Inc.'s ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of Avaya Inc.

The Term Loan Credit Agreement does not contain any financial covenants. The ABL Credit Agreement does not contain any financial covenants other than a minimum fixed charge coverage ratio of 1:1 that becomes applicable only in the event that the net borrowing availability under the loan facility reaches certain minimum levels.

Debt Maturity

The stated annual maturity of debt for the fiscal years ended September 30, consist of:

(In millions)	
2018	$ 22
2019	29
2020	30
2021	29
2022	30
2023 and thereafter	2,785
Total	**$2,925**

Pre-emergence Financing

Debt Covenants and Default

The Company's credit facilities and the indentures governing the senior secured notes contained a number of covenants that, among other things and subject to certain exceptions, restricted the ability of the Company and certain of its subsidiaries to (a) incur or guarantee additional debt and issue or sell certain preferred stock, (b) pay dividends on, redeem or repurchase capital stock, (c) make certain acquisitions or investments, (d) incur or assume certain liens, (e) enter into transactions with affiliates, (f) merge or consolidate with another company, (g) transfer or otherwise dispose of assets, (h) redeem subordinated debt, (i) incur obligations that restrict the ability of the Company's subsidiaries to make dividends or other payments to the Company, and (j) create or designate unrestricted subsidiaries. They also contained customary affirmative covenants and events of default.

Subsequent to the end of fiscal 2016, on December 29, 2016, the Company issued a Notice of Default under its Senior Secured Credit Agreement, Domestic ABL, and Foreign ABL. The Notice of Default was issued as a result of the Company's failure to deliver audited financial statements, other financial reports, and compliance certifications as required by the aforementioned credit agreements. As a result of the Notice of Default, the Company's ability to obtain additional borrowings under the Company's Domestic ABL and Foreign ABL was suspended by the lenders.

The Company's credit facilities required the Company to deliver timely audited financial statements, which could not be subject to any "going concern" qualification. Because the Company had not delivered timely audited financial statements and the Report of Independent Auditors with respect to these consolidated financial statements included an explanatory paragraph expressing uncertainty as to the Company's ability to continue as a going concern, the Company was in violation of this and the other covenants identified in the Notice of Default. Consequently, all debt outstanding under the credit facilities and the indentures governing the senior secured notes was classified as current liabilities.

On the Petition Date the Company and certain of its affiliates filed the Bankruptcy Filing. The Debtors continued to operate their business as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The Bankruptcy Filing constituted an event of default that accelerated the Company's payment obligations under (i) the Senior Secured Credit Agreement, (ii) the Domestic ABL, (iii) the Foreign ABL, and (iv) the senior secured notes. As a result of the Bankruptcy Filing, the principal and interest due under the Company's debt agreements became due and payable, except as agreed in the Forbearance Agreement described below. However, any efforts to enforce such payment obligations are automatically stayed as a result of the Bankruptcy Filing, and the creditors' rights of enforcement are subject to the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Consequently, all debt outstanding under the credit facilities and senior secured notes have been classified as liabilities subject to compromise and all unamortized debt issuance costs and unaccreted debt discounts were expensed.

Senior Secured Credit Agreement

As of October 1, 2013, the Senior Secured Credit Agreement consisted of (a) a senior secured multi-currency revolver allowing for borrowings of up to $200 million, (b) senior secured term B-3 loans ("term B-3 loans") with an outstanding principal amount of $2,127 million, (c) senior secured term B-4 loans ("term B-4 loans") with an outstanding principal amount of $1 million, and (d) senior secured term B-5 loans ("term B-5 loans") with an outstanding principal amount of $1,141 million.

On February 5, 2014, Avaya Inc. entered into Amendment No. 8 to the Senior Secured Credit Agreement pursuant to which the Company refinanced all of the term B-5 loans with the cash proceeds from the issuance of $1,136 million aggregate principal amount of senior secured term B-6 loans ("term B-6 loans").

On May 15, 2014, the Company borrowed $100 million under the senior secured multi-currency revolver, the proceeds of which were used to fund the partial redemption of the 9.75% senior unsecured notes (the "cash-pay notes") due 2015 and 10.125%/10.875% senior unsecured paid-in-kind ("PIK") toggle notes due 2015 (collectively, the "Old Notes").

On May 29, 2015, Avaya Inc. entered into Amendment No. 9 to the Senior Secured Credit Agreement pursuant to which the Company refinanced a portion of the term B-3, term B-4 and term B-6 loans in exchange for and with the proceeds from the issuance of $2,125 million in principal amount of senior secured term B-7 loans ("term B-7 loans") maturing May 29, 2020.

On June 5, 2015, the Company permanently reduced the senior secured multi-currency revolver from $200 million to $18 million and all letters of credit under the Senior Secured Credit Agreement were transferred to the Domestic ABL, as discussed below. The outstanding balance of $18 million was subsequently paid when it became due on October 26, 2016.

Borrowings under the Senior Secured Credit Agreement were guaranteed by the Company and substantially all of the Company's U.S. subsidiaries. The Senior Secured Credit Agreement was secured by substantially all assets of the Company and the subsidiary guarantors.

The term B-3 loans, term B-4 loans, term B-6 loans and term B-7 loans each bore interest at a rate per annum equal to either a base rate (subject to a floor of 2.25% in the case of the term B-4 loans and 2.00% in the case of the term B-6 loans and term B-7 loans) or a LIBOR rate (subject to a floor of 1.25% in the case of the term B-4 loans and 1.00% in the case of the term B-6 loans and term B-7 loans), in each case plus an applicable margin. Subject to the floor described in the immediately preceding sentence the base rate is determined by reference to the higher of (1) the prime rate of Citibank, N.A. and (2) the federal funds effective rate plus 1/2 of 1%. The applicable margin for borrowings of term B-3 loans, term B-4 loans, term B-6 loans and term B-7 loans is 3.50%, 5.25%, 4.50% and 4.25% per annum, respectively, with respect to base rate borrowings and 4.50%, 6.25%, 5.50% and 5.25%, per annum, respectively, with respect to LIBOR borrowings. The applicable margin on the term B-4 loans, term B-6 loans and term B-7 loans was subject to increase pursuant to the Senior Secured Credit Agreement in connection with the making of certain refinancing, extended or replacement term loans under the Senior Secured Credit Agreement with an Effective Yield (as defined in the Senior Secured Credit Agreement) greater than the applicable Effective Yield payable in respect of the applicable loans at such time plus 50 basis points.

During fiscal 2017, 2016 and 2015, the Company paid $6 million, $25 million and $32 million, respectively in aggregate quarterly principal payments on the senior secured term loans under the Senior Secured Credit Agreement. The Company also paid $217 million in adequate protection payments during fiscal 2017 that were applied to the principal of the senior secured term loans, which included $200 million of scheduled interest payments and $17 million of professional fees. In addition, the Company was required to prepay outstanding term loans based on its annual excess cash flow, as defined in the Senior Secured Credit Agreement. No such excess cash payments were required in fiscal 2017, 2016 and 2015, based on the Company's cash flows. In addition to paying interest on outstanding principal, the Company was required to pay a commitment fee of 0.50% per annum in respect of unutilized commitments under the senior secured multi-currency revolver.

As discussed above, the Bankruptcy Filing constituted an event of default under the Senior Secured Credit Agreement. The creditors were, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

Domestic ABL

Avaya Inc.'s Domestic ABL allowed for borrowings of up to $335 million, subject to availability under a borrowing base. The borrowing base at any time equaled the sum of 85% of eligible accounts receivable plus 85% of the net orderly liquidation value of eligible inventory, subject to certain reserves and other adjustments. The Company and substantially all of its U.S. subsidiaries were borrowers under this facility, and borrowings were guaranteed by the Company and substantially all of the Company's U.S. subsidiaries. The facility was secured by substantially all assets of the Company and the subsidiary guarantors.

On May 15, 2014, Avaya Inc. borrowed $40 million under the Domestic ABL, the proceeds of which were used to fund, in part, the redemption of the Old Notes.

On June 4, 2015, Avaya Inc. entered into Amendment No. 4 to the Domestic ABL, which, among other things (i) extended the stated maturity of the facility from October 26, 2016 to June 4, 2020 (subject to certain conditions specified in the Domestic ABL), (ii) increased the sublimit for letter of credit issuances under the Domestic ABL from $150 million to $200 million, and (iii) amended certain covenants and other provisions of the existing agreement.

Borrowings under the Domestic ABL bore interest at a rate per annum equal to, at the Company's option, either (a) a LIBOR rate plus a margin of 1.75% or (b) a base rate plus a margin of 0.75%. At September 30, 2016, the Company had aggregate outstanding borrowings of $77 million, issued and outstanding letters of credit of $114 million with aggregate remaining revolver availability of $35 million.

In addition to paying interest on outstanding principal under the Domestic ABL, the borrowers were required to pay a commitment fee of 0.25% per annum in respect of the unutilized commitments thereunder.

As discussed above, the Bankruptcy Filing constituted an event of default under the Domestic ABL. The creditors were, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code. The Domestic ABL was paid in full on January 24, 2017.

Foreign ABL

On June 4, 2015, Avaya Inc. and certain foreign subsidiaries of the Company (the "Foreign Borrowers"), entered into the Foreign ABL, which would have matured June 4, 2020 (subject to certain conditions specified in the Foreign ABL).

The Foreign ABL allowed senior secured financing of up to $150 million, subject to availability under the respective borrowing bases of the Foreign Borrowers. The total borrowing base for all Foreign Borrowers at any time equals the sum of (i) 85% of eligible accounts receivable of the Foreign Borrowers, plus (ii) 85% of the net orderly liquidation value of eligible inventory of the Canadian Foreign Borrower and Irish Foreign Borrower, subject to certain reserves and other adjustments. The Foreign ABL included borrowing capacity available for letters of credit and for Canadian or European swingline loans, and was available in Euros, Canadian dollars and British pound sterling in addition to U.S. dollars.

Under the Foreign ABL the Foreign Borrowers had the right to request up to $30 million of additional commitments. The lenders under the Foreign ABL were not under any obligation to provide any such additional commitments. Any increase in commitments was subject to certain conditions precedent and any borrowing in respect of such increased commitments would be subject to the borrowing base under the Foreign ABL at such time. At September 30, 2016, the Company had aggregate outstanding borrowings of $55 million, outstanding letters of credit of $24 million and remaining availability of $20 million under the Foreign ABL.

Borrowings under the Foreign ABL were guaranteed by the Company, substantially all of the Company's U.S. subsidiaries and certain foreign subsidiaries.

Borrowings under the Foreign ABL bore interest at a rate per annum equal to, at the Foreign Borrowers' option depending upon the currency and type of the applicable borrowing, (a) a base rate determined by reference to the highest of (1) the prime rate of Citibank, N.A., (2) the federal funds effective rate plus 0.50%, and (3) the sum of 1.00% plus the LIBOR rate for a thirty day interest period as determined on such day, (b) a Canadian prime rate determined by reference to the higher of (1) the base rate of Citibank, N.A., Canadian branch, and (2) the sum of 1.00% plus the CDOR rate for a thirty day interest period as determined on such day, (c) a LIBOR rate, (d) a CDOR Rate, (e) a EURIBOR rate or (f) an overnight LIBOR rate, in each case plus an applicable margin. The initial applicable margin for borrowings under the Foreign ABL on June 4, 2015 was equal to (1) 0.75% per annum with respect to base rate and Canadian prime rate borrowings and (2) 1.75% per annum with respect to LIBOR, CDOR or EURIBOR borrowings. The applicable margin for borrowings under the Foreign ABL was subject to a step down based on average historical excess availability under the Foreign ABL. As of September 30, 2016, the applicable margin with respect to LIBOR, CDOR or EURIBOR borrowings was 1.75%. Swingline loans bore interest at a rate per annum equal to, in the case of swingline loans to the Canadian Foreign Borrower, the base rate if denominated in U.S. Dollars or the Canadian prime rate if denominated in Canadian dollars and, in the case of swingline loans to the UK Foreign Borrower, the Irish Foreign Borrower or the German Foreign Borrowers, the base rate if denominated in U.S. Dollars or the overnight LIBOR rate if denominated in Euros or British pound sterling. In addition to paying interest on outstanding principal under the Foreign ABL, the Foreign Borrowers were required to pay a commitment fee of 0.25% per annum in respect of the unutilized commitments thereunder. The Foreign Borrowers were also required to pay customary letter of credit fees equal to the applicable margin on LIBOR, CDOR and EURIBOR loans and agency fees.

Contemporaneously with the Bankruptcy Filing, certain affiliates of the Company, namely Avaya Canada Corp., Avaya UK, Avaya International Sales Limited, Avaya Deutschland GmbH and Avaya GmbH & Co. KG, Avaya UK Holdings Limited, Avaya Holdings Limited, Avaya Germany GmbH, Tenovis Telecom Frankfurt GmbH & Co. KG, and Avaya Verwaltungs GmbH (collectively the "Foreign ABL Borrowers") entered into a Forbearance Agreement (the "Forbearance Agreement") pursuant to which, among other things, the Foreign ABL lenders agreed to forbear from exercising certain rights as a result of the occurrence of certain events of default under the Foreign ABL. The events of default for which the Foreign ABL lenders agreed to forbear relate to the Company and certain of its affiliates filing voluntary petitions for relief under the Bankruptcy Code. The Forbearance Agreement also provided for, among other things, entry into a payoff letter, which contemplated that all loans and other obligations that were accrued and payable under the Foreign ABL and the corresponding loan documents would be paid in full within eight business days after January 19, 2017, which was paid on January 24, 2017.

As discussed above the Bankruptcy Filing constituted an event of default under the Foreign ABL. The creditors were, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

7% Senior Secured Notes

On February 11, 2011, the Company completed a private placement of $1,009 million of senior secured notes (the "7% Senior Secured Notes"). The 7% Senior Secured Notes bore interest at a rate of 7% per annum, mature on April 1, 2019, the proceeds from which were used to repay in full the senior secured incremental term B-2 loans outstanding under the Company's Senior Secured Credit agreement and to pay related fees and expenses.

The 7% Senior Secured Notes were redeemable at 101.75% of the principal amount redeemed, which decreased to 100% on or after April 1, 2017. Upon the occurrence of specific kinds of changes of control, the Company would have been required to make an offer to purchase the 7% Senior Secured Notes at 101% of their principal amount. If the Company or any of its restricted subsidiaries engaged in certain asset sales, under certain circumstances the Company would have been required to use the net proceeds to make an offer to purchase the 7% Senior Secured Notes at 100% of their principal amount.

Substantially all of the Company's U.S. subsidiaries were guarantors of the 7% Senior Secured Notes. The 7% Senior Secured Notes were secured by substantially all of the assets of the Company and the subsidiary guarantors (other than with respect to real estate). The notes and the guarantees were secured equally and ratably with the Senior Secured Credit Agreement and any future first lien obligations by (i) a first-priority lien on substantially all of the Company's and the guarantors' assets, other than (x) any real estate and (y) collateral that secures the Domestic ABL on a first-priority basis (the "ABL Priority Collateral"), and (ii) a second-priority lien on the ABL Priority Collateral, in each case, subject to certain customary exceptions.

As discussed above the Bankruptcy Filing constituted an event of default under the 7% Senior Secured Notes. The creditors were, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

9% Senior Secured Notes

On December 21, 2012, the Company completed a private placement of $290 million of the 9% senior secured notes (the "9% Senior Secured Notes"). The 9% Senior Secured Notes bore interest at a rate of 9% per annum, mature on April 1, 2019, the proceeds from which were used to repay $284 million aggregate principal amount of term B-5 loans and to pay related fees and expenses.

The 9% Senior Secured Notes were redeemable at 102.25% of the principal amount redeemed, which decreased to 100% on or after April 1, 2017. Upon the occurrence of specific kinds of changes of control, the

Company would have been required to make an offer to purchase the 9% Senior Secured Notes at 101% of their principal amount. If the Company or any of its restricted subsidiaries engaged in certain asset sales, under certain circumstances the Company would have been required to use the net proceeds to make an offer to purchase the 9% Senior Secured Notes at 100% of their principal amount.

Substantially all of the Company's U.S. subsidiaries were guarantors of the 9% Senior Secured Notes. The 9% Senior Secured Notes were secured by substantially all of the assets of the Company and the subsidiary guarantors (other than with respect to real estate). The notes and the guarantees were secured equally and ratably with the Senior Secured Credit Agreement, the 7% Senior Secured Notes due 2019 and any future first lien obligations by (i) a first-priority lien on substantially all of the Company's and the guarantors' assets, other than (x) any real estate and (y) collateral that secures the Domestic ABL on a first-priority basis (the "ABL Priority Collateral"), and (ii) a second-priority lien on the ABL Priority Collateral, in each case, subject to certain customary exceptions.

As discussed above the Bankruptcy Filing constituted an event of default under the 9% Senior Secured Notes. The creditors were, however, stayed from taking any action as a result of the default under Section 362 of the Bankruptcy Code.

10.50% Senior Secured Notes

On March 7, 2013, the Company completed an Exchange Offer in which $1,384 million of Old Notes were exchanged for $1,384 million of senior secured notes (the "10.50% Senior Secured Notes"). The 10.50% Senior Secured Notes bore interest at a rate of 10.50% per annum and mature on March 1, 2021.

The 10.50% Senior Secured Notes were redeemable at 107.875% of the principal amount redeemed commencing March 1, 2017, which decreased to 105.250% on March 1, 2018, to 102.625% on March 1, 2019 and to 100% on or after March 1, 2020. The Company could have redeemed all or part of the notes at any time prior to March 1, 2017 at 100% of the principal amount redeemed plus a "make-whole" premium. Upon the occurrence of specific kinds of changes of control, the Company would have been required to make an offer to purchase the 10.50% Senior Secured Notes at 101% of their principal amount. If the Company or any of its restricted subsidiaries engaged in certain asset sales, under certain circumstances the Company would have been required to use the net proceeds to make an offer to purchase the 10.50% Senior Secured Notes at 100% of their principal amount.

Substantially all of the Company's U.S. subsidiaries were guarantors of the 10.50% Senior Secured Notes. The 10.50% Senior Secured Notes were secured by substantially all of the assets of the Company and substantially all of the assets of the Company and the subsidiary guarantors (other than with respect to real estate). The notes and the corresponding guarantees were secured on a junior priority basis to the Company's Domestic ABL, the Company's Senior Secured Credit Agreement, the Company's existing 7% Senior Secured Notes due 2019, the Company's existing 9% Senior Secured Notes due 2019 and any future senior obligations by a junior priority lien on substantially all of the Company's and the guarantors' assets, other than any real estate.

The 7% Senior Secured Notes, the 9% Senior Secured Notes, and the 10.50% Senior Secured Notes (collectively, the "Senior Secured Notes") were sold at par through a private placement to qualified institutional buyers pursuant to Rule 144A (and outside the United States in reliance on Regulation S) under the Securities Act of 1933, as amended and had not been, and would not be, registered under the Securities Act or applicable state or foreign securities laws and could not be offered or sold absent such registration.

Debtor-in-Possession Credit Agreement

In connection with the Bankruptcy Filing, on January 19, 2017, the Company entered into the DIP Credit Agreement, which provided a $725 million term loan facility due January 2018, and a cash collateralized letter of

credit facility in an aggregate amount equal to $150 million. All letters of credit were cash collateralized in an amount equal to 101.5% of the face amount of such letters of credit denominated in U.S. dollars and 103% of the face amount of letters of credit denominated in alternative currencies. The DIP Credit Agreement, in the case of the Base Rate Loans, bore interest at a rate per annum equal to 6.5% plus the highest of (i) Citibank, N.A.'s prime rate, (ii) the Federal Funds Rate plus 0.5% and (iii) the Eurocurrency Rate for an interest period of one month, subject to a 2% floor and in the case of the Eurocurrency Loans, bore interest at a rate per annum equal to 7.5% plus the applicable Eurocurrency Rate, subject to a 1% floor. As of September 30, 2017, the weighted average interest rate for the $725 million term loan facility was 8.7%.

The DIP Credit Agreement limited, among other things, the Company's ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) prepay subordinated indebtedness and make other restricted payments, (v) enter into sale and leaseback transactions, (vi) make dividends, redemptions and repurchases of capital stock, (vii) enter into transactions with affiliates and (viii) modify the terms of any organizational documents and certain material contracts of the Company. In addition to standard obligations, the DIP order provided for specific milestones that the Company had to achieve by specific target dates. In addition, the Company and its subsidiaries were required to maintain minimum cumulative consolidated EBITDA (as defined in the DIP Credit Agreement) of not less than specified levels for certain periods, with the specified levels ranging from $133 million to $386 million, depending on the applicable period referenced in the DIP Credit Agreement. The Debtors were also required to maintain minimum Consolidated Liquidity (as defined in the DIP Credit Agreement) ranging from $20 million to $100 million depending on the applicable period referenced in the DIP Credit Agreement.

The Company drew $425 million in term loans under the DIP Credit Agreement on January 24, 2017 upon the Bankruptcy Court's issuance of the interim order. The proceeds were used to repay the outstanding balance of $55 million under the Domestic ABL, to repay the outstanding balance of $50 million under the Foreign ABL, to cash collateralize $69 million of existing letters of credit and for general working capital needs.

On March 10, 2017, the Bankruptcy Court approved the final order authorizing the Debtors to access the full amount under the DIP Credit Agreement. The Company drew the remaining $300 million upon approval of the final order. The proceeds were used for general working capital needs.

At September 30, 2017, the Company had issued and outstanding letters of credit and guarantees of $74 million, which were fully cash collateralized pursuant to the terms of the DIP Credit Agreement, and aggregate remaining availability of $76 million.

Debt Financing

On June 5, 2015, the Company permanently reduced the senior secured multi-currency revolver from $200 million to $18 million and all letters of credit under the Senior Secured Credit Agreement were transferred to the Domestic ABL. At September 30, 2016, the Company had aggregate outstanding borrowings of $18 million under the senior secured multi-currency revolver, which was paid in full when such debt became due.

For the fiscal year ended September 30, 2017, the Company paid $223 million in aggregate quarterly principal payments on the term loans issued under the Senior Secured Credit Agreement. In addition, the Company was required to prepay outstanding term loans based on its annual excess cash flow, as defined in the Senior Secured Credit Agreement. No such excess cash payments were required.

On March 10, 2017, the Bankruptcy Court approved the final order granting adequate protection to the secured lenders and first lien primed parties in consideration for (i) diminution in value of pre-petition collateral resulting from depreciation, sale, lease or use by the Debtors, (ii) the granting of pari passu liens in the collateral in connection with the DIP Credit Agreement and (ii) the imposition of the automatic stay. The Debtors and certain other parties in interest preserved the right to challenge the amount, extent, type or characterization of any adequate protection payments or any other costs, fees or expenses, including the right to seek re-characterization

of any such payments as payments on the pre-petition principal amounts outstanding under the term loan agreements. Adequate protection payments disbursed during the fiscal year ended September 30, 2017 amounted to $217 million and such amounts were classified as reductions in outstanding principal.

The weighted average contractual interest rate of the Company's outstanding debt as of September 30, 2017 and September 30, 2016 was 7.7% and 7.3%, respectively. The effective interest rate of each obligation was not materially different than its contractual interest rate.

Effective January 19, 2017, the Company ceased recording interest expense on outstanding pre-petition debt classified as liabilities subject to compromise. Contractual interest expense represented amounts due under the contractual terms of outstanding debt, including debt subject to compromise. For the period from January 19, 2017 through September 30, 2017, contractual interest expense related to debt subject to compromise of $316 million was not recorded, as it was not expected to be an allowed claim under the Bankruptcy Filing.

The following table reflects principal amounts of debt and debt net of discounts and issuance costs as of September 30, 2017, which includes the impact of adequate protection payments and accrued interest as of January 19, 2017 (with the exception of the DIP Credit Agreement) and principal amounts of debt and debt net of discounts and issuance costs as of September 30, 2016:

	September 30, 2017		September 30, 2016	
(In millions)	Principal Amount	Net of Discounts and Issuance Costs	Principal Amount	Net of Discounts and Issuance Costs
DIP Credit Agreement due January 19, 2018	$ 725	$ 725	$ —	$ —
Variable rate revolving loans under the Senior Secured Credit Agreement due October 26, 2016	—	—	18	18
Variable rate revolving loans under the Domestic ABL due June 4, 2020	—	—	77	77
Variable rate revolving loans under the Foreign ABL due June 4, 2020	—	—	55	55
Variable rate term B-3 Loans due October 26, 2017	594	594	616	614
Variable rate term B-4 Loans due October 26, 2017	1	1	1	1
Variable rate term B-6 Loans due March 31, 2018	519	519	537	534
Variable rate term B-7 Loans due May 29, 2020	2,012	2,012	2,087	2,059
7% Senior Secured Notes due April 1, 2019	982	982	1,009	1,002
9% Senior Secured Notes due April 1, 2019	284	284	290	287
10.50% Senior Secured Notes due March 1, 2021	1,440	1,440	1,384	1,371
Total debt	**$ 6,557**	6,557	**$ 6,074**	6,018
Debt maturing within one year		(725)		(6,018)
Debt subject to compromise		**$ 5,832**		**$ —**

As discussed above, the Bankruptcy Filing constituted an event of default that accelerated the Company's payment obligations under (i) the Senior Secured Credit Agreement, (ii) the Domestic ABL, (iii) the Foreign ABL, (iv) the Senior Secured Notes. Consequently, all debt outstanding under the credit facilities and Senior Secured Notes have been classified as debt subject to compromise and related unamortized deferred financing costs and debt discounts in the amount of $61 million were expensed.

Capital Lease Obligations

Included in other liabilities is $14 million and $56 million of capital lease obligations as of September 30, 2017 and 2016, respectively, and excluded amounts included in liabilities subject to compromise of $12 million as of September 30, 2017.

The Company entered into an agreement to outsource certain delivery services associated with the Avaya Private Cloud Services business. That agreement also included the sale of specified assets owned by the Company, which are being leased-back by the Company and accounted for as a capital lease. As of September 30, 2017 and 2016, capital lease obligations on equipment associated with this agreement were $24 million and $43 million, respectively, and include $10 million within liabilities subject to compromise as of September 30, 2017.

12. Foreign Currency Forward Contracts and Embedded Derivative

Foreign Currency Forward Contracts

The Company, from time to time, utilizes foreign currency forward contracts primarily to hedge fluctuations associated with certain monetary assets and liabilities including receivables, payables and certain intercompany obligations. These foreign currency forward contracts are not designated for hedge accounting treatment. Changes in fair value of these contracts are recorded as a component of other income (expense), net to offset the change in the value of the underlying assets and liabilities.

There were no gains or (losses) from foreign currency forward contracts included in other income (expense), net for fiscal 2017. The gains and (losses) from foreign currency forward contracts included in other income (expense), net were $1 million and $(5) million for fiscal 2016 and 2015, respectively.

Preferred Series B Embedded Derivative

The Company had issued preferred series B stock containing certain features, which were considered an embedded derivative. This embedded derivative was separated from the host contract (i.e. the preferred stock) and recognized as a current liability on the Consolidated Balance Sheets at fair value. When the embedded derivative was revalued at each balance sheet date, the changes in the fair value were recognized in the Consolidated Statement of Operations as other income (expense), net. In fiscal 2017, 2016 and 2015, the gain (loss) on the preferred series B embedded derivative included in other income (expense), net was $0 million, $73 million and $(24) million, respectively. With the Bankruptcy Filing on January 19, 2017, the series B embedded derivative had no value since the Company did not have sufficient resources to satisfy its debt obligations.

13. Fair Value Measures

Pursuant to the accounting guidance for fair value measurements, fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

The accounting guidance for fair value measurements also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is

significant to the fair value measurement. The inputs are prioritized into three levels that may be used to measure fair value:

Level 1: Inputs that reflect quoted prices for identical assets or liabilities in active markets that are observable.

Level 2: Inputs that reflect quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Inputs that are unobservable to the extent that observable inputs are not available for the asset or liability at the measurement date.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis as of September 30, 2017 and 2016 were as follows:

	September 30, 2017				September 30, 2016			
	Fair Value Measurements Using				Fair Value Measurements Using			
(In millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Other Non-Current Assets:								
Investments	$ 1	$ 1	$ —	$ —	$ 1	$ 1	$ —	$ —

Preferred Series B Embedded Derivative

The preferred series B embedded derivative is classified as a Level 3 liability and is priced by calculating the difference in the fair value of the preferred series B stock with and without the aggregated embedded features. To estimate the fair value of the preferred series B stock, a Binomial Lattice model was used. Significant inputs into the binomial lattice model include the total equity value of the Company, risk-free rate, volatility, and expected term.

The following table presents the changes in the fair value of the preferred series B embedded derivative for fiscal 2016 and 2017:

In millions	Preferred Series B Embedded Derivative
Balance as of October 1, 2015	**$ 73**
Change in fair value	(73)
Balance as of September 30, 2016	**—**
Change in fair value	—
Balance as of September 30, 2017	**$ —**

Fair Value of Financial Instruments

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, to the extent the underlying liability will be settled in cash, approximate carrying values because of the short-term nature of these instruments.

The estimated fair values of all other amounts borrowed under the Company's financing arrangements at September 30, 2017 and 2016 were estimated based on a Level 2 input using quoted market prices for the Company's debt, which is subject to infrequent transactions (i.e. a less active market).

The estimated fair values of the Company's debt, including the impact of adequate protection payments and accrued interest as of January 19, 2017 (with the exception of the DIP Credit Agreement), at September 30, 2017 and the estimated fair values of the Company's debt at September 30, 2016 were as follows:

	September 30, 2017		September 30, 2016	
(In millions)	Principal Amount	Fair Value	Principal Amount	Fair Value
DIP Credit Agreement due January 19, 2018	$ 725	$ 732	$ —	$ —
Variable rate revolving loans under the Senior Secured Credit Agreement due October 26, 2016	—	—	18	18
Variable rate revolving loans under the Domestic ABL due June 4, 2020	—	—	77	75
Variable rate revolving loans under the Foreign ABL due June 4, 2020	—	—	55	53
Variable rate term B-3 Loans due October 26, 2017	594	503	616	489
Variable rate term B-4 Loans due October 26, 2017	1	1	1	1
Variable rate term B-6 Loans due March 31, 2018	519	440	537	415
Variable rate term B-7 Loans due May 29, 2020	2,012	1,709	2,087	1,551
7% Senior Secured Notes due April 1, 2019	982	832	1,009	746
9% Senior Secured Notes due April 1, 2019	284	241	290	220
10.50% Senior Secured Notes due March 1, 2021	1,440	67	1,384	330
Total	**$ 6,557**	**$4,525**	**$ 6,074**	**$3,898**

14. Income Taxes

The provision for income taxes is comprised of U.S. federal, state and foreign income taxes. The following table presents the U.S. and foreign components of loss before income taxes and the provision for income taxes:

	Fiscal years ended September 30,		
(In millions)	2017	2016	2015
LOSS BEFORE INCOME TAXES:			
U.S.	$(275)	$(769)	$ (65)
Foreign	77	50	(33)
Loss before income taxes	**$(198)**	**$(719)**	**$ (98)**
BENEFIT FROM (PROVISION FOR) INCOME TAXES:			
CURRENT			
Federal	$ 2	$ 3	$—
State and local	1	(1)	1
Foreign	(27)	(65)	(42)
	(24)	**(63)**	**(41)**
DEFERRED			
Federal	34	72	(13)
State and local	5	7	—
Foreign	1	(27)	(16)
	40	**52**	**(29)**
Benefit from (provision for) income taxes	**$ 16**	**$ (11)**	**$ (70)**

Deferred income taxes are provided for the effects of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and the amounts recognized for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of September 30, 2017 and 2016 are as follows:

(In millions)	September 30, 2017	2016
DEFERRED INCOME TAX ASSETS:		
Benefit obligations	$ 624	$ 751
Net operating losses / credit carryforwards	1,452	1,417
Property, plant and equipment	43	43
Goodwill and intangible assets	73	75
Other	35	84
Valuation allowance	(2,152)	(2,256)
Deferred income tax assets	75	114
DEFERRED INCOME TAX LIABILITIES:		
Goodwill and intangible assets	(102)	(167)
Accrued liabilities	(118)	(114)
Deferred income tax liabilities	(220)	(281)
Net deferred income tax liabilities	**$ (145)**	**$ (167)**

A reconciliation of the Company's loss before income taxes at the U.S. federal statutory rate to the benefit/(provision) for income taxes is as follows:

(In millions)	Fiscal years ended September 30, 2017	2016	2015
Income tax benefit computed at the U.S. federal statutory rate of 35%	$ 69	$ 252	$ 35
State and local income taxes, net of federal income tax effect	6	8	1
Tax differentials on foreign earnings	12	(15)	(18)
Loss on foreign subsidiaries	7	24	303
Taxes on unremitted foreign earnings and profits	7	12	3
Non-deductible portion of goodwill impairment	(17)	(100)	—
Non-deductible loss on sale of Networking business	(12)	—	—
Non-deductible reorganization items	(18)	—	—
Adjustment to deferred taxes	5	39	(20)
Audit settlements and accruals	(5)	(7)	(6)
Credits and other taxes	(11)	(24)	(9)
Rate changes	(68)	(2)	2
U.S. tax on foreign source income	(2)	(34)	(42)
Other differences, net	(2)	(3)	(5)
Non-taxable income (non-deductible expense) on derivative	—	26	(9)
Valuation allowance	45	(187)	(305)
Benefit from (provision for) income taxes	**$ 16**	**$ (11)**	**$ (70)**

In fiscal 2017 and 2016, the Company recognized impairment charges of $52 million and $442 million, respectively, to goodwill, see Note 7, "Goodwill," for further discussion. A portion of the impairment charges were allocated to tax jurisdictions where there would not be any taxable benefit and therefore non-deductible.

In assessing the realization of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Primarily as a result of significant book taxable losses incurred subsequent to the Merger, the Company's deferred tax assets exceed its deferred tax liabilities, exclusive of the U.S. deferred tax liabilities associated with indefinite-lived intangible assets. The Company considered the scheduled reversal of deferred tax assets and liabilities, projected future taxable income, and certain tax planning strategies in assessing the realization of its deferred tax assets. Based on this assessment, the Company determined that it is more likely than not that the deferred tax assets will not be realized to the extent they exceed the scheduled reversal of deferred tax liabilities. The Company recognizes a U.S. deferred tax liability with respect to indefinite-lived assets, as the associated taxable temporary differences do not provide a source of taxable income to support the realization of U.S. deferred tax assets.

In fiscal 2017, the Company's valuation allowance decreased by $104 million, whereas in fiscal 2016 and 2015, the valuation allowance increased by $280 million and $337 million, respectively. These changes are primarily due to valuation allowances established for additional net operating losses ("NOLs") and the tax effects related to other comprehensive income and tax rate changes. In fiscal 2017, as a result of tax charges to other comprehensive income, the Company recognized an income tax benefit to the Consolidated Statement of Operations as less valuation allowance was required against the Company's deferred tax assets. At September 30, 2017, the valuation allowance of $2,152 million is comprised of $1,266 million, $299 million, $496 million and $91 million related to the U.S., Germany, Luxembourg, and other foreign entities, respectively. The recognition of valuation allowances will affect the Company's effective income tax rate.

In fiscal 2015, the Company recorded for statutory purposes only in Luxembourg, impairments related to its wholly owned subsidiaries. Pursuant to Luxembourg tax law, the impairment charge resulted in a tax effected NOL of $370 million, offset by $67 million of a deferred tax liability, subject to a valuation allowance of $303 million.

As of September 30, 2017 and 2016, the Company had a deferred tax liability of $45 million and $49 million, respectively, with respect to foreign undistributed earnings.

As of September 30, 2017, the Company had tax-effected NOLs and credits of $1,452 million comprised of $543 million for U.S. federal, state and local taxes and $909 million, for foreign taxes, including $218 million and $632 million in Germany and Luxembourg, respectively. There are $503 million of tax-effected NOLs in Luxembourg associated with impairment of intercompany balances in wholly owned subsidiaries. These NOLs, under the current operating structure of the Company, can only be utilized against future increases in value of the aforementioned intercompany balances. The U.S. federal and state NOLs and tax credit carryforwards are subject to reduction under IRC Section 108 due to the cancellation of the Company's debt upon emergence from bankruptcy. The Company estimates that the reduction will be a material amount of these tax attributes.

The U.S. federal and state NOLs expire through the year 2037, with the majority expiring in excess of 10 years. The majority of foreign NOLs have no expiration. Additionally, the Company has various other tax credit carry-forwards totaling $64 million, of which $5 million expire in under 5 years and $35 million expire within 5 to 20 years, while the remaining have no expiration.

As a result of the Merger in October 2007, a significant change in the ownership of the Company occurred which, pursuant to Section 382 of the Internal Revenue Code, will limit, on an annual basis, the Company's ability to utilize its pre-Merger U.S. federal NOLs and U.S. federal tax credits. The Company's NOLs and credits will continue to be available to offset taxable income and tax liabilities (until such NOLs and credits are either used or expire) subject to the Section 382 annual limitation. If the annual limitation amount is not fully utilized in a particular tax year, then the unused portion from that particular tax year will be added to the annual limitation in subsequent years.

As of September 30, 2017 there were $268 million of unrecognized tax benefits ("UTBs") associated with uncertain tax positions and an additional $19 million of accrued interest and penalties related to these amounts.

The Company estimates $90 million of UTBs would affect the effective tax rate if recognized. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments in connection with these tax liabilities. The Company's policy is to include interest and penalties related to its uncertain tax positions within the benefit from (provision for) income taxes. Included in the benefit from (provision for) income taxes in fiscal 2017, 2016 and 2015 is interest (benefit) expense of $2 million, $1 million and $(4) million, respectively. The Company files corporate income tax returns with the federal government in the U.S. and with multiple U.S. state and local jurisdictions and foreign tax jurisdictions. In the ordinary course of business these income tax returns will be examined by the tax authorities. Various state, local, and foreign income tax returns, such as Australia, Brazil, Italy, Germany, India, Ireland, Israel and China are under examination by taxing authorities for tax years ranging from 2001 through 2016. It is reasonably possible that the total amount of UTB will decrease in the next 12 months as a result of the expiration of the statute of limitations by an estimated $5 million, for which an income tax benefit would be recognized.

The following table summarizes the changes in the gross UTB liability for fiscal 2017, 2016 and 2015:

(In millions)	
Gross UTB balance at October 1, 2014	**$257**
Additions based on tax positions relating to the period	24
Change to tax positions relating to prior periods	(16)
Statute of limitations expirations	(13)
Gross UTB balance at September 30, 2015	**252**
Additions based on tax positions relating to the period	24
Change to tax positions relating to prior periods	(3)
Statute of limitations expirations	(10)
Gross UTB balance at September 30, 2016	**263**
Additions based on tax positions relating to the period	23
Change to tax positions relating to prior periods	(10)
Statute of limitations expirations	(8)
Gross UTB balance at September 30, 2017	**$268**

15. Benefit Obligations

Pension, Postretirement and Postemployment Benefits

The Company sponsors non-contributory defined benefit pension plans covering a portion of its U.S. employees and retirees, and postretirement benefit plans covering a portion of its U.S. retirees that include healthcare benefits and life insurance coverage. Certain non-U.S. operations have various retirement benefit programs covering substantially all of their employees. Some of these programs are considered to be defined benefit pension plans for accounting purposes. Upon emergence from bankruptcy, Avaya pension plan for salaried employees was transferred to the PBGC and the Avaya supplemental pension plan was terminated.

The Company froze benefit accruals and additional participation in the pension and postretirement benefit plans for its U.S. management employees effective December 31, 2003. The Company also subsequently amended the postretirement benefit plan for its U.S. management employees as follows: (i) effective January 1, 2013, to terminate retiree dental coverage, and to cease providing medical and prescription drug coverage to a retiree, dependent, or lawful spouse who has attained age 65; (ii) effective January 1, 2015, to reduce the Company's maximum contribution toward the cost of providing benefits under the plan; and (iii) effective January 1, 2016, to replace coverage through the Company's group plan, with subsidized coverage through the private insurance marketplace.

Effective February 12, 2016 and April 26, 2016, respectively, the Company and the Communications Workers of America ("CWA") and the International Brotherhood of Electrical Workers ("IBEW"), agreed to

extend the 2009 Collective Bargaining Agreement ("CBA"), previously extended through June 13, 2016, until June 14, 2018. The contract extensions did not affect the Company's obligation for pension and postretirement benefits available to U.S. employees of the Company who are represented by the CWA or IBEW ("represented employees").

In September 2015, the Company amended the postretirement medical plan for represented retirees effective January 1, 2017, to replace medical coverage through the Company's group plan for represented retirees who are retired as of October 15, 2015, and their eligible dependents, with medical coverage through the private and public insurance marketplace. The change allows the existing retirees to choose insurance from the marketplace and receive financial support from the Company toward the cost of coverage through a Health Reimbursement Arrangement.

The Company's general funding policy with respect to the qualified pension plans is to contribute amounts at least sufficient to satisfy the minimum amount required by applicable law and regulations, or to directly pay benefits where appropriate. As a result of the Bankruptcy Filing in January 2017, there was an automatic stay on the Company's contributions to the U.S. pension plans during fiscal 2017, therefore, the minimum funding requirements for the U.S. pension plans were not met, and contributions to the U.S. pension plans totaled $23 million in fiscal 2017 compared to $96 million and $95 million in fiscal 2016 and 2015, respectively. The contributions to the U.S. pension plans included $3 million, $7 million and $6 million for certain pension benefits that were not pre-funded, and cash contributions of $20 million in fiscal 2017, which due to the stay, did not meet minimum statutory requirements, and $89 million and $89 million to satisfy the minimum statutory funding requirements in fiscal 2016 and 2015, respectively. Contributions to the non-U.S. pension plans were $25 million, $24 million and $25 million in fiscal 2017, 2016 and 2015, respectively. In fiscal 2018, the Company estimates that it will make payments totaling $10 million for certain U.S. pension benefits that are not pre-funded, contributions totaling $145 million to satisfy the minimum statutory funding requirements in the U.S. and contributions totaling $27 million for non-U.S. plans.

The Plan of Reorganization included a settlement of the APPSE with the Pension Benefit Guaranty Corporation (the "PBGC"). A cash and equity contribution was made by the Company, and the Company and the PBGC executed a termination and trusteeship agreement to terminate the APPSE and to appoint the PBGC as the statutory trustee of the plan.

Most post-retirement medical benefits are not pre-funded. Consequently, the Company makes payments directly to the claims administrator as retiree medical benefit claims are disbursed. These payments are funded by the Company up to the maximum contribution amounts specified in the plan documents and contract with the CWA and IBEW, and contributions from the participants, if required. As a result, payments for retiree medical and dental benefits were $15 million, $41 million and $28 million in fiscal 2017, 2016 and 2015 respectively. The Company estimates it will make payments for retiree medical and dental benefits totaling $15 million during fiscal 2018.

A reconciliation of the changes in the benefit obligations and fair value of assets of the defined benefit pension and postretirement plans, the funded status of the plans, and the amounts recognized in the Consolidated Balance Sheets is provided in the table below:

	Pension Benefits U.S.		Pension Benefits Non-U.S.		Postretirement Benefits	
	September 30,		September 30,		September 30,	
(In millions)	2017	2016	2017	2016	2017	2016
CHANGE IN BENEFIT OBLIGATION						
Benefit obligation as of beginning of year	$ 3,558	$ 3,444	$ 651	$ 554	$ 436	$ 388
Service cost	4	4	7	6	2	2
Interest cost	98	110	8	14	13	13
Employee contributions	—	—	—	—	7	4
Amendments	—	—	—	—	—	—
Actuarial (gain) loss	(18)	228	(67)	103	(26)	78
Benefits paid	(227)	(231)	(23)	(24)	(28)	(49)
Exchange rate movements	—	—	28	(3)	—	—
Curtailments, settlements and other	—	3	(51)	1	—	—
Projected benefit obligation as of end of year	**$ 3,415**	**$ 3,558**	**$ 553**	**$ 651**	**$ 404**	**$ 436**
CHANGE IN PLAN ASSETS						
Fair value of plan assets as of beginning of year	$ 2,370	$ 2,218	$ 67	$ 59	$ 172	$ 159
Actual return on plan assets	229	287	—	10	12	17
Employer contributions	23	96	25	24	15	41
Employee contributions	—	—	—	—	7	4
Benefits paid	(227)	(231)	(23)	(24)	(28)	(49)
Exchange rate movements	—	—	—	(1)	—	—
Curtailments, settlements and other	—	—	(54)	(1)	—	—
Fair value of plan assets as of end of year	**$ 2,395**	**$ 2,370**	**$ 15**	**$ 67**	**$ 178**	**$ 172**
AMOUNT RECOGNIZED IN THE CONSOLIDATED BALANCE SHEETS CONSISTS OF:						
Non-current assets	$ —	$ —	$ 1	$ —	$ —	$ —
Accrued benefit liability, current	(10)	(7)	(22)	(22)	(15)	(19)
Accrued benefit liability, non-current	(1,010)	(1,181)	(515)	(562)	(211)	(245)
Net amount recognized	**$(1,020)**	**$(1,188)**	**$(536)**	**$(584)**	**$(226)**	**$(264)**
AMOUNT RECOGNIZED IN ACCUMULATED OTHER COMPREHENSIVE LOSS (PRE-TAX) CONSISTS OF:						
Net prior service cost (credit)	$ 1	$ 2	$ —	$ —	$ (58)	$ (80)
Net actuarial loss	1,166	1,337	143	223	97	137
Net amount recognized	**$ 1,167**	**$ 1,339**	**$ 143**	**$ 223**	**$ 39**	**$ 57**

Effective September 30, 2017, to reflect its best estimate of future mortality for its U.S. pension and postretirement benefit plans, the Company updated its mortality rate assumptions to use the projected mortality improvement scale, *Mortality Projection-2017* , as published by the Society of Actuaries. The change resulted in a $21 million decrease in the Company's U.S. pension obligation and less than $1 million decrease in the Company's U.S. postretirement benefit obligation as of September 30, 2017.

The following table provides the accumulated benefit obligation for all defined benefit pension plans and information for pension plans with an accumulated benefit obligation in excess of plan assets:

(In millions)	U.S. Plans September 30, 2017	U.S. Plans September 30, 2016	Non-U.S. Plans September 30, 2017	Non-U.S. Plans September 30, 2016
Accumulated benefit obligation for all plans	$3,415	$3,558	$ 536	$ 634
Plans with accumulated benefit obligation in excess of plan assets				
Projected benefit obligation	$3,415	$3,558	$ 546	$ 651
Accumulated benefit obligation	$3,415	$3,558	$ 531	$ 634
Fair value of plan assets	$2,395	$2,370	$ 9	$ 67

Estimated future benefits expected to be paid in each of the next five fiscal years, and in aggregate for the five fiscal years thereafter, are presented below:

(In millions)	Pension Benefits U.S.	Pension Benefits Non-U.S.	Other Benefits
2018	$ 218	$ 27	$ 21
2019	216	25	21
2020	216	24	21
2021	215	24	22
2022	215	26	22
2023 and thereafter	1,056	138	112
Total	**$2,136**	**$ 264**	**$ 219**

The components of net periodic benefit cost for the pension plans are provided in the table below:

(In millions)	Pension Benefits—U.S. Year ended September 30, 2017	2016	2015	Pension Benefits—Non-U.S. Year ended September 30, 2017	2016	2015
Components of net periodic benefit cost						
Service cost	$ 4	$ 4	$ 5	$ 7	$ 6	$ 7
Interest cost	98	110	136	8	14	15
Expected return on plan assets	(179)	(183)	(179)	(1)	(2)	(2)
Amortization of prior service cost	1	1	1	—	—	—
Amortization of actuarial loss	102	91	97	16	7	7
Curtailment, settlement loss (gain)	—	3	—	(4)	—	—
Net periodic benefit cost	**$ 26**	**$ 26**	**$ 60**	**$ 26**	**$ 25**	**$ 27**

The components of net periodic benefit (credit) cost for the postretirement benefit plans are provided in the table below:

(In millions)	Postretirement Benefits—U.S. Year ended September 30, 2017	2016	2015
Components of net periodic benefit (credit) cost			
Service cost	$ 2	$ 2	$ 2
Interest cost	13	13	19
Expected return on plan assets	(10)	(10)	(10)
Amortization of prior service cost	(18)	(19)	(13)
Amortization of actuarial loss	12	4	5
Curtailment, settlement gain	(4)	(2)	—
Net periodic benefit (credit) cost	**$ (5)**	**$ (12)**	**$ 3**

In fiscal 2017, the Company terminated its contract with Nationale Nederlanden, which insured pension benefits for the Company's defined benefit pension plan in the Netherlands. In compliance with the termination clause in the contract, Nationale Nederlanden assumed responsibility for the pension benefit obligation accrued under the plan and the assets set aside for the plan. As a result of the settlement, the Company recognized a $4 million gain.

As a result of restructuring initiatives during fiscal 2016, the U.S. pension and postretirement plans for salaried employees experienced a curtailment. The curtailment of the pension plan resulted in a $3 million loss, which was recognized in fiscal 2016. The curtailment of the postretirement plan resulted in a $6 million gain, of which $2 million was recognized in fiscal 2016 associated with terminations that occurred as of September 30, 2016. The remaining $4 million curtailment gain was recognized in fiscal 2017 when the remaining terminations occurred.

Effective for fiscal 2016, the Company changed its estimate of the service and interest cost components of net periodic benefit cost for its U.S. pension and other postretirement benefit plans. Previously, the Company estimated the service and interest cost components utilizing a single weighted average discount rate derived from the yield curve used to measure the benefit obligation. The new estimate utilizes a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their underlying projected cash flows. The new estimate provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates. The change did not affect the measurement of the Company's U.S. pension and postretirement benefit obligations, and it was accounted for as a change in accounting estimate, which is applied prospectively. For fiscal 2016, the change in estimate reduced the U.S. pension and postretirement benefit plan cost by $30 million to $35 million when compared to the prior estimate.

Other changes in plan assets and benefit obligations recognized in other comprehensive loss are provided in the table below:

(In millions)	Pension Benefits—U.S. Year ended September 30, 2017	2016	Pension Benefits—Non-U.S. Year ended September 30, 2017	2016	Postretirement Benefits Year ended September 30, 2017	2016
Net (gain) loss	$ (68)	$ 124	$ (68)	$ 95	$ (28)	$ 71
Prior service cost (credit)	—	—	—	—	—	—
Amortization of prior service (credit) cost	(1)	(1)	—	—	18	19
Amortization of actuarial gain	(102)	(91)	(16)	(7)	(12)	(4)
Prior service (credit) cost and net (gain) loss recognition due to curtailment	—	—	4	—	4	2
Total recognized in other comprehensive income (loss)	**$ (171)**	**$ 32**	**$ (80)**	**$ 88**	**$ (18)**	**$ 88**
Total recognized in net periodic benefit cost and other comprehensive income (loss)	**$ (145)**	**$ 58**	**$ (54)**	**$ 113**	**$ (23)**	**$ 76**

The estimated amounts to be amortized from accumulated other comprehensive loss into net periodic benefit cost during fiscal 2018 are provided in the table below:

(In millions)	Pension Benefits —U.S.	Pension Benefits — Non-U.S.	Postretirement Benefits
Amortization of prior service cost (credit)	$ 1	$ —	$ (15)
Recognized net actuarial loss	100	9	8
	$ 101	**$ 9**	**$ (7)**

The weighted average assumptions used to determine the benefit obligation for the pension and postretirement plans are provided in the table below:

	Pension Benefits—U.S. September 30, 2017	2016	Pension Benefits—Non-U.S. September 30, 2017	2016	Postretirement Benefits September 30, 2017	2016
Discount rate	3.73%	3.55%	1.92%	1.22%	3.83%	3.67%
Rate of compensation increase	4.00%	4.00%	3.66%	3.45%	4.00%	4.00%

The weighted average assumptions used to determine the net periodic benefit cost for the pension and postretirement plans are provided in the tables below:

	Pension Benefits—U.S. Year ended September 30,			Pension Benefits—Non-U.S. Year ended September 30,		
	2017	2016	2015	2017	2016	2015
Discount rate	2.86%	4.23%	4.21%	1.22%	2.53%	2.63%
Expected return on plan assets	7.75%	8.00%	8.00%	1.82%	3.09%	3.49%
Rate of compensation increase	4.00%	4.00%	4.00%	3.45%	3.11%	2.96%

	Postretirement Benefits Year ended September 30,		
	2017	2016	2015
Discount rate	3.11%	4.35%	4.17%
Expected return on plan assets	5.90%	5.90%	5.90%
Rate of compensation increase	4.00%	4.00%	4.00%

The discount rate is subject to change each year, consistent with changes in rates of return on high-quality fixed-income investments currently available and expected to be available during the expected benefit payment period. The Company selects the assumed discount rate for its U.S. pension and postretirement benefit plans by applying the rates from the Aon Hewitt AA Only and Aon Hewitt AA Only Above Median yield curves to the expected benefit payment streams and develops a rate at which it is believed the benefit obligations could be effectively settled. The Company follows a similar process for its non-U.S. pension plans by applying the Aon Hewitt Euro AA corporate bond yield curve. Based on the published rates as of September 30, 2017, the Company used a weighted average discount rate of 3.73% for the U.S. pension plans, 1.92% for the non-U.S. pension plans, and 3.83% for the postretirement benefit plans, an increase from the prior year of 18 basis points for the U.S. pension plans, 16 basis points for the postretirement benefit plans and 70 basis points for the non-U.S. pension plans. As of September 30, 2017, this had the effect of decreasing the projected U.S. pension benefit obligation $72 million, the postretirement benefit obligation $8 million and the non-U.S. pension benefit obligation $59 million. For fiscal 2018, this has the effect of decreasing the U.S. pension and postretirement service cost by less than $1 million.

The expected long-term rate of return on U.S. pension and postretirement benefit plan assets is selected by applying forward-looking capital market assumptions to the strategic asset allocation approved by the governing body for each plan. The forward-looking capital market assumptions are developed by an investment adviser and reviewed by the Company for reasonableness. The return and risk assumptions consider such factors as anticipated long-term performance of individual asset classes, risk premium for active management based on qualitative and quantitative analysis, and correlations of the asset classes that comprise the asset portfolio.

Based on an analysis of the U.S. qualified pension plans completed in fiscal 2017, the expected long-term rate of return for fiscal 2018 was changed to 7.65%, a reduction of 10 basis points from fiscal 2017. A 25 basis point change in the expected long-term rate of return will result in a change in pension expense of approximately $6 million.

Based on an analysis of the postretirement benefit plans completed in fiscal 2017, the expected long-term rate of return for fiscal 2018 was changed to 5.5%, a reduction of 40 basis points from fiscal 2017. A 25 basis point change in the expected long-term rate of return will result in a change in postretirement expense of less than $1 million.

The assumed health care cost trend rates for postretirement benefit plans were as follows:

	September 30,	
	2017	2016
Health care cost trend rate assumed for next year	7.7%	7.9%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2025	2025

The Company's cost for postretirement healthcare claims is capped and the projected postretirement healthcare claims exceed the cap. Therefore, a one-percentage-point increase or decrease in the Company's healthcare cost trend rates will not impact the postretirement benefit obligation and the service and interest cost components of net periodic benefit cost.

The weighted average asset allocation of the pension and postretirement plans by asset category and target allocation is as follows:

	Pension Plan Assets—U.S.			Pension Plan Assets—Non-U.S.		Postretirement Plan Assets		
	September 30,			September 30,		September 30,		
Asset Category	2017	2016	Long-term Target	2017	2016	2017	2016	Long-term Target
Equity Securities	44%	43%	44%	5%	1%	40%	40%	40%
Debt Securities	37%	40%	39%	28%	85%	60%	60%	60%
Hedge Funds	8%	7%	8%	— %	— %	— %	— %	— %
Private Equity	1%	2%	— %	— %	— %	— %	— %	— %
Real Estate	5%	4%	7%	— %	— %	— %	— %	— %
Commodities	2%	2%	2%	— %	— %	— %	— %	— %
Other (1)	3%	2%	— %	67%	14%	— %	— %	— %
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) The Other category includes cash/cash equivalents, derivative financial instruments and payables/receivables for pending transactions. The Other category for non-U.S. pension assets also includes insurance contracts with a guaranteed interest credit for which the underlying asset allocation is not available.

The Company's asset management strategy focuses on the dual objectives of improving the funded status of the pension plans and reducing the impact of changes in interest rates on the funded status. To improve the funded status of the pension plans, assets are invested in a diversified mix of asset classes designed to generate higher returns over time than the pension benefit obligation discount rate assumption. To reduce the impact of interest rate changes on the funded status of the pension plans, assets are invested in a mix of fixed income investments (including long-term debt) that are selected based on the characteristics of the benefit obligation of the pension plans. Strategic asset allocation is the principal method for achieving the Company's investment objectives, which are determined in the course of periodic asset-liability studies. The most recent asset-liability study was completed in fiscal 2017 for the pension plans.

As part of the Company's asset management strategy, investments are professionally managed and diversified across multiple asset classes and investment styles to minimize exposure to any one specific investment. Derivative instruments (such as forwards, futures, swaptions and swaps) may be held as part of the Company's asset management strategy. However, the use of derivative financial instruments for speculative purposes is prohibited by the Company's investment policy.

Also, as part of the Company's investment strategy, the U.S. pension plans invest in hedge funds, real estate funds, private equity and commodities to provide additional uncorrelated returns. All funds are broadly diversified to minimize exposure to any one specific investment.

The fair value of plan assets is determined by the trustee, and reviewed by the Company, following the accounting guidance for fair value measurements and the fair value hierarchy discussed in Note 13, "Fair Value Measures." Because of the inherent uncertainty of valuation, estimated fair values may differ significantly from the fair values that would have been used had quoted prices in an active market existed.

The following tables summarize the fair value of the U.S. pension plans assets by asset class:

	As of September 30, 2017				As of September 30, 2016			
(In millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. Government debt securities [a]	$ —	$ 159	$ —	$ 159	$ —	$ 207	$ —	$ 207
Derivative instruments [b]	(4)	—	—	(4)	—	—	—	—
Total assets in the fair value hierarchy	(4)	159	—	155	—	207	—	207
Investments measured at net value [c]:								
Real estate [d]				112				102
Private equity [e]				23				32
Multi-strategy hedge funds [f]				190				177
Investment funds [g]:								
Cash equivalents				63				39
Long duration fixed income				636				648
High-yield debt				97				103
U.S. equity				541				527
Non-U.S. equity				395				370
Emerging market equity				127				116
Commodities				41				41
Total investment measured at net asset value				2,225				2,155
Cash and other plan assets, net				15				8
Total plan assets at fair value	**$ (4)**	**$ 159**	**$ —**	**$2,395**	**$ —**	**$ 207**	**$ —**	**$2,370**

(a) Includes U.S. Treasury STRIPS, which are generally valued using institutional bid evaluations from various contracted pricing vendors. Institutional bid evaluations are estimated prices that represent the price a dealer would pay for a security. Pricing inputs to the institutional bid evaluation vary by security, and include benchmark yields, reported trades, unadjusted broker/dealer quotes, issuer spreads, bids, offers or other observable market data.

(b) Includes future contracts that are generally valued using the last trade price at which a specific contract/security was last traded on the primary exchange, which is provided by a contracted vendor. If pricing is not available from the contracted vendor, then pricing is obtained from other sources such as Bloomberg, broker bid, ask/offer quotes or the investment manager.

(c) Certain investments that are measured at fair value using the net asset value per share or its equivalent ("NAV") have not been classified in the fair value hierarchy.

(d) Includes open ended real estate commingled funds, close ended real estate limited partnerships, and insurance company separate accounts that invest primarily in U.S. office, lodging, retail and residential real estate. The insurance company separate accounts and the commingled funds account for their portfolio of assets at fair value and calculate the NAV on either a monthly or quarterly basis. Shares can be redeemed at the NAV on a quarterly basis, provided a written redemption request is received in advance (generally 45—91 days) of the redemption date. Therefore, the undiscounted NAV is used as the fair value measurement. For limited partnerships, the fair value of the underlying assets and the capital account for each investor is determined by the General Partner ("GP"). The valuation techniques used by the GP generally consist of unobservable inputs such as discounted cash flow analysis, analysis of recent comparable sales transactions, actual sale negotiations and bona fide purchase offers received from third parties. The partnerships are

typically funded over time as capital is needed to fund asset purchases, and distributions from the partnerships are received as the partnerships liquidate their underlying asset holdings. Therefore, the life cycle for a typical investment in a real estate limited partnership is expected to be approximately 10 years from initial funding.

(e) Includes limited partner interests in various limited partnerships ("LP"s) that invest primarily in U.S. and non-U.S. investments either directly, or through other partnerships or funds with a focus on venture capital, buyouts, expansion capital, or companies undergoing financial distress or significant restructuring. The NAV of the LPs and of the capital account of each investor is determined by the GP of each LP. Marketable securities held by the LPs are valued based on the closing price on the valuation date on the exchange where they are principally traded and may be adjusted for legal restrictions, if any. Investments without a public market are valued based on assumptions made and valuation techniques used by the GP, which consist of unobservable inputs. Such valuation techniques may include discounted cash flow analysis, analysis of recent comparable sales transactions, actual sale negotiations and bona fide purchase offers received from third parties. The LPs are typically funded over time as capital is needed to fund purchases and distributions are received as the partnerships liquidate their underlying asset holdings.

(f) Includes hedge fund of funds and hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The funds account for their portfolio of assets at fair value and calculate the NAV of their fund on a monthly basis. The funds limit the frequency of redemptions to manage liquidity and protect the interests of the funds and its shareholders. Several of the funds, with a fair value totaling $3 million as of September 30, 2017, are in the process of liquidation and cannot provide an estimate as to when the liquidation will be completed. However, since trades (purchases and redemptions) are executed using the NAV as calculated on the trade date, the undiscounted NAV as reported by the fund is used as the fair value measurement.

(g) Includes open-end funds and unit investment trusts that invest in various asset classes including: U.S. and non-U.S. corporate debt, U.S. government debt, municipal bonds, U.S. equity, non-U.S developed and emerging markets equity, and commodities. The funds account for their portfolio of assets at fair value and calculate the NAV of the funds on a daily basis, and shares can be redeemed at the NAV. Therefore, the undiscounted NAV as reported by the funds is used as the fair value measurement.

The following table summarizes the fair value of the non-U.S. pension plan assets by asset class:

	September 30,	
(In millions)	**2017**	**2016**
Investments measured at net asset value [a] :		
Investment funds [b] :		
Equity securities	$—	$—
Debt securities	4	4
Asset allocation	2	2
Insurance contracts [c]	9	61
Total plan assets at fair value	**$ 15**	**$ 67**

(a) Certain investments that are measured at fair value using the NAV have not been classified in the fair value hierarchy.

(b) Includes collective investment funds that invest in various asset classes including U.S. and non-U.S. corporate debt and equity, and derivatives. The funds account for their portfolio of assets at fair value and calculate the NAV of the funds on a daily basis, and shares can be redeemed at the NAV. Therefore, the undiscounted NAV as reported by the funds is used as the fair value measurement.

(c) Most non-U.S. pension plans are funded through insurance contracts, which provide for a guaranteed interest credit, and a profit-sharing adjustment based on the actual performance of the underlying investment assets of the insurer. The fair value of the contract is determined by the insurer based on the premiums paid by the Company plus interest credits plus the profit-sharing adjustment less benefit payments. The

underlying assets of the insurer are invested in compliance with local rules or law, which tend to require a high allocation to fixed income securities.

The following table summarizes the fair value of the postretirement benefit plans assets by asset class:

(In millions)	September 30, 2017	2016
Investments measured at net asset value (a)		
Group life insurance contract measured at net asset value (b)	$ 178	$ 172
Total plan assets at fair value	**$ 178**	**$ 172**

(a) Certain investments that are measured at fair value using the NAV have not been classified in the fair value hierarchy.

(b) The group life insurance contracts are held in a reserve of an insurance company that provides for investment of pre-funding amounts in a family of pooled separate accounts. The fair value of each group life insurance contract is primarily determined by the value of the units it owns in the pooled separate accounts that back the policy. Each of the pooled separate accounts provides a unit NAV on a daily basis, which is based on the fair value of the underlying assets owned by the account. The postretirement benefit plans can transact daily at the unit NAV without restriction. As of September 30, 2017, the asset allocation of the pooled separate accounts in which the contracts invest was approximately 60% fixed income securities, 22% U.S. equity securities and 18% non-U.S. equity securities.

Savings Plans

Substantially all of the Company's U.S. employees are eligible to participate in savings plans sponsored by the Company. The plans allow employees to contribute a portion of their compensation on a pre-tax and after-tax basis in accordance with specified guidelines. Avaya matches a percentage of employee contributions up to certain limits if certain criteria is met. The Company's expense related to these savings plans was $6 million, $4 million and $6 million in fiscal 2017, 2016 and 2015, respectively.

16. Share-based Compensation

The Avaya Holdings Corp.'s Second Amended and Restated 2007 Equity Incentive Plan (the "2007 Plan") governs the issuance of equity awards, including restricted stock units ("RSUs") and stock options, to eligible plan participants. Key employees, directors, and consultants of the Company may be eligible to receive awards under the 2007 Plan. Each stock option, when vested and exercised, and each RSU, when vested, entitles the holder to receive one share of common stock, subject to certain restrictions on their transfer and sale as defined in the 2007 Plan and related award agreements. On August 12, 2015, the Compensation Committee approved an amendment to the 2007 Plan, which was approved by the stockholders of the Company effective November 16, 2015, to make an additional 5,379,467 shares available for issuance, increasing the total amount of shares of common stock available for issuance under the 2007 Plan to 61,236,872.

Option Awards

Under the 2007 Plan, stock options may not be granted with an exercise price of less than the fair market value of the underlying stock on the date of grant. Share-based compensation expense recognized in the Consolidated Statements of Operations is based on awards ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates in accordance with the authoritative guidance. All options awarded under the 2007 Plan expire the earlier of ten years from the date of grant or upon cessation of employment, in which event there are limited exercise provisions allowed for vested options.

Subsequent to October 1, 2012, the Company granted time-based options to purchase common stock. As a result of the stock option exchange programs offered in November 2009 and February 2013, outstanding stock options at September 30, 2017 consist of time-based stock options and other types of fully vested options.

Time-based options vest over their performance periods and are payable in shares of common stock upon vesting and exercise. The performance period for time-based options is generally three to four years. Compensation expense equal to the fair value of the option measured on the grant date is recognized utilizing graded attribution over the requisite service period.

Fiscal 2016 Executive KEIP Award Exchange

On May 13, 2016, the Compensation Committee of the Board of Directors of Avaya Holdings Corp. approved changes to the Company's executive compensation program, which included revisions to the long-term incentive awards (the "LTIAs") granted to Company executives on November 17, 2015. The LTIAs consisted of RSUs and stock options granted under the 2007 Plan and cash awards (collectively, the "November 2015 Awards") that vest over a multi-year period. The November 2015 Awards were replaced by the Avaya Inc. 2016 Key Employee Incentive Plan (the "KEIP"), which is a single market-based performance cash incentive program tied to the Company's key operating metric. Executives' participation in the KEIP was conditioned upon the cancellation of their November 2015 Awards. In aggregate, November 2015 Awards consisting of 3,807,500 RSUs and 3,546,154 stock options were cancelled as a condition of each executives' participation in the KEIP. Although cancelled, the Company accelerated share-based compensation for the estimated fair value at the date of grant of these RSUs and stock options over a one-year vesting period. The effect of accelerating share-based compensation related to the exchange did not have a material impact on the Company's financial statements.

Fiscal 2016 Employee Replacement Cash Award Exchange Program

On May 19, 2016, the Compensation Committee of the Board of Directors of Avaya Holdings Corp. approved an exchange program through which individuals holding unvested RSUs, outstanding vested and unvested deferred RSUs and outstanding unvested multiple-of-money options could exchange such awards for time-based long-term incentive cash awards ("Replacement Cash Awards"). This exchange program closed on July 26, 2016. Although the stock awards were cancelled, the Company continues to recognize share-based compensation for the estimated fair value at the date of grant for unvested RSUs and unvested deferred RSUs over the original vesting period. The cash payments were recorded as share-based compensation expense. The effect of accelerating share-based compensation related to the exchange did not have a material impact on the Company's financial statements.

The following table summarizes option awards under the 2007 Plan (excluding the continuation options, as discussed below):

(Options in thousands)	Time-based	EBITDA	Multiple-of-Money	Total	Weighted Average Exercise Price	Fair Value at Date of Grant (in 000s)
Outstanding—October 1, 2016	22,977	14	280	23,271	$ 2.75	$ 38,895
Granted	—	—	—	—	$ —	—
Exercised	—	—	—	—	$ —	—
Forfeited	(3,377)	(4)	(48)	(3,429)	$ 2.73	(5,479)
Outstanding—September 30, 2017	**19,600**	**10**	**232**	**19,842**	**$ 2.76**	**$ 33,416**

There were no options granted in fiscal 2017. For fiscal 2016 and 2015, the weighted average grant-date fair value of options granted during the year was $1.20 and $1.55, respectively. The fair value of option awards is determined at the date of grant utilizing the Cox-Ross-Rubinstein ("CRR") binomial option pricing model, which

is affected by the fair value of Avaya Holdings' common stock as well as a number of complex and subjective assumptions. Expected volatility is based primarily on a combination of the historical volatility and estimates of implied volatility of the Company's peer group. The peer group is periodically reviewed by management and the Compensation Committee of Avaya Holdings' Board of Directors for consistency with the Company's business strategy, the businesses and markets in which the Company operates, and the Company's competitive landscape. The risk-free interest rate assumption was derived from reference to the U.S. Treasury Spot rates for the expected term of the stock options. The dividend yield assumption is based on the Company's current intent not to issue a dividend under its dividend policy. The expected holding period assumption was estimated based on the Company's historical experience.

The underlying weighted average assumptions used in the valuations were as follows:

	Fiscal years ended September 30,	
	2016	2015
Stock price	$ 1.83	$ 2.49
Expected term (in years)	5	5
Volatility	83.09%	76.16%
Risk-free rate	1.53%	1.62%
Dividend yield	— %	— %

For fiscal 2017, 2016 and 2015, the Company recognized share-based compensation associated with these options of $3 million, $6 million and $9 million, respectively, which is included in costs and operating expenses. At September 30, 2017, there was $1 million of unrecognized share-based compensation that was expensed upon emergence from bankruptcy. This expense does not include any compensation associated with the multiple-of-money and EBITDA awards. At September 30, 2017 there are 17,984,437 vested and exercisable options outstanding. These options have a weighted average exercise price of $2.81, had a fair value at the date of grant of $31 million, no intrinsic value and a weighted average remaining contractual term of 5 years. At September 30, 2017, there are 19,842,268 options that are vested and exercisable or expected to vest over the next four years. These options have a weighted average exercise price of $2.76, a fair value at the date of grant of $33 million, no intrinsic value and a weighted average remaining contractual term of 5 years.

During fiscal 2017, 2016 and 2015, no options were exercised.

Restricted Stock Units

Avaya Holdings has issued RSUs each of which represents the right to receive one share of its common stock when fully vested. The fair value of the common stock underlying the RSUs was estimated by the Compensation Committee of Avaya Holdings' Board of Directors at the date of grant.

During fiscal 2017, the Company did not award time-based RSUs. For fiscal 2017, 2016 and 2015, the Company recognized compensation expense associated with RSUs of $8 million, $10 million and $10 million, respectively. As of September 30, 2017, there was $3 million of unrecognized share-based compensation associated with RSUs that was subsequently expensed upon emergence from bankruptcy on December 15, 2017.

The following table summarizes the RSUs granted under the 2007 Plan:

Non-vested Shares	Shares
Non-vested shares at October 1, 2014	**6,773,132**
Granted	5,521,521
Forfeited	(858,710)
Vested	(3,714,069)
Non-vested shares at September 30, 2015	**7,721,874**
Granted	6,084,132
Forfeited	(1,552,542)
Exchanged	(4,149,576)
Cancelled	(3,807,500)
Vested	(3,306,272)
Non-vested shares at September 30, 2016	**990,116**
Forfeited	(323,087)
Vested	(297,445)
Non-vested shares at September 30, 2017	**369,584**

17. Capital Stock

The Company emerged from bankruptcy on December 15, 2017. The Bankruptcy Court confirmed the Debtors' Plan of Reorganization, which provided for the cancellation of all pre-emergence equity interests in Avaya Holdings, including preferred and common stock and any equity-based awards.

The following represents discussions regarding the Predecessor Company's capital stock, preferred stock and warrants.

Capital Stock

The certificate of incorporation, as amended and restated, authorized Avaya Holdings to issue up to 750,000,000 shares of common stock with a par value of $0.001 per share and 250,000 shares of Preferred Stock with a par value of $0.001 per share.

Preferred Stock

Preferred Series A Stock

On December 19, 2009, Avaya Holdings issued 125,000 shares of Series A preferred stock ("preferred series A") with detachable warrants to purchase up to 38.5 million common shares at a price of $3.25 per share, which would have expired December 19, 2019. The preferred series A shares were non-voting, redeemable at the Company's election and had a liquidation preference of $1,000 per share plus cumulative, compounded quarterly, accrued unpaid dividends at a rate of 5 percent per annum in cash.

Funds affiliated with Silver Lake and TPG provided an aggregate of $78 million of the cash proceeds from the issuance of the preferred series A shares and the warrants, with each sponsor-affiliated group providing $39 million of the cash proceeds. Based on their contributed cash, the Silver Lake and TPG funds each received 38,865 preferred series A shares and warrants to purchase up to 11,958,192 common shares. Under the terms of the preferred stock agreement, the preferred series A shares were redeemable at the Company's election only; however, because affiliates of Silver Lake and TPG controlled the board of directors and held a substantial portion of the preferred series A shares, they could have triggered a demand for redemption at their discretion and therefore, the preferred series A shares were classified in the mezzanine section between debt and stockholders' deficiency in the Consolidated Balance Sheets.

In accordance with GAAP, the Company allocated the aggregate proceeds received at closing between the preferred series A shares and warrants issued based on their relative fair values at December 19, 2009. The estimated fair value of the preferred series A shares on December 19, 2009 was $85 million, which was estimated using the discounted cash flow analysis based on the Company's current borrowing rates for similar types of borrowing arrangements (e.g. Level 2 Input). The warrants had a term of 10-years, had an exercise price of $3.25 per share and an aggregate estimated fair value of $71.5 million. The fair value of each warrant was determined utilizing the CRR binomial option model under the following assumptions: estimated fair value of underlying stock of $3.00; expected term to exercise of 10 years; expected volatility of 48.8%; risk-free interest rate of 3.6%; and no dividend yield. The Company allocated the cash proceeds of $125 million received to the preferred series A shares and warrants based on their relative fair values, or $68 million and $57 million, respectively. Contemporaneously, the Company recorded a discount accretion of $57 million to the carrying amount of the preferred series A at the date of issuance, so that the carrying amount would equal the original redemption amount of $125 million.

As of September 30, 2017, the carrying value of the preferred series A was $184 million, which included $59 million of accumulated and unpaid dividends as well as $57 million of discount accretion. As of September 30, 2016, the carrying value of the preferred series A was $175 million, which included $50 million of accumulated and unpaid dividends as well as $57 million of discount accretion.

Preferred Series B Stock

On May 29, 2012, Avaya Holdings issued 48,922 shares of preferred series B with detachable warrants to purchase up to 24.5 million common shares at a price of $4.00 per share, which would have expired May 29, 2022. The aggregate proceeds from the issuance of the preferred series B and associated warrants were $196 million and were used to partially fund the acquisition of RADVISION Ltd. The preferred series B shares were non-voting and earned cumulative dividends at a rate of 8 percent per annum, compounded annually, whether or not declared, and were payable in cash or additional shares of preferred series B at the Company's option. Preferred series B dividends had to be paid prior to dividends on any other series or classes of Avaya Holdings' stock. Additionally, holders of preferred series B participated in any dividends payable on shares of Avaya Holdings' common stock on an as converted basis.

The preferred series B were redeemable at the Company's election. The Redemption Price was equal to (1) 110% of the Original Purchase Price of $4,000 per share, which increased by 10% on each anniversary of the date of issuance up to 150% following the fourth anniversary of the date of issuance, plus (2) any accrued and unpaid dividends. Upon consummation of a Qualified Public Offering or, if so determined by the Required Holders, an Initial Public Offering (as each such term is defined in the agreement), the preferred series B would mandatorily convert into common stock at the Conversion Price as described below or would be redeemed for cash at the option of the holders at the Redemption Price in effect at such time. However, if the Total Leverage Ratio (as defined in the Cash Flow Credit Agreement), after giving effect to such Qualified Public Offering or Initial Public Offering and the application of the proceeds there from, would be greater than 5.0, the preferred series B would mandatorily convert into common stock. The preferred series B was convertible into common stock at a Conversion Price equal to the lesser of (1) $4.00 per share (subject to certain anti-dilution provisions) or (2) the offering price per share in a Qualified Public Offering or an Initial Public Offering.

If a Qualified Public Offering or an Initial Public Offering had not occurred, on or after 5 years from the date of issuance, the preferred series B were redeemable in cash at the option of the holders at the Redemption Price in effect at such time.

Upon liquidation, the holders of the preferred series B were entitled to the greater of (1) the amount, which would be receivable if such preferred series B was converted into common stock immediately prior to the liquidation event, or (2) the Redemption Price in effect at such time. Such payment was required to be made in preference to any other distribution to the holders of any other series and classes of Avaya Holdings' stock.

The preferred series B were issued to funds affiliated with Silver Lake and TPG. Because the preferred series B shares were redeemable at the Company's election at any time and affiliates of Silver Lake and TPG controlled the board of directors, the holders of the preferred series B could have triggered a demand for redemption. In addition, the preferred series B was redeemable at the option of the holders in certain cases. As a result, the preferred series B shares were classified in the mezzanine section between debt and stockholders' deficiency in the Consolidated Balance Sheets.

In accordance with GAAP, the Company allocated the aggregate proceeds received at closing between the preferred series B shares and the warrants. The estimated fair value of the preferred series B on May 29, 2012 was $210 million, which was estimated using a Binomial Lattice model. The warrants had an aggregate fair value of $27 million. The fair value of each warrant was $1.11 and was estimated utilizing the CRR binomial option under the following assumptions: estimated fair value of underlying stock of $1.75 per share; expected term to exercise of 10 years; expected volatility of 70%; risk-free interest rate of 1.7%; and no dividend yield. The Company allocated the cash proceeds of $196 million received to the preferred series B shares and warrants based on their relative fair values, or $173 million and $23 million, respectively.

Because the preferred series B shares contained certain features, which were required to be bifurcated and accounted for as a derivative instrument, a portion of the $173 million of cash proceeds allocated to the preferred series B shares was assigned to the embedded derivative and recognized as a liability in the Consolidated Balance Sheets. The amount assigned to the embedded derivative or $10 million, was equivalent to the fair value of such features, at the time of issuance, and was determined by estimating the fair value of the preferred series B with and without such features.

Contemporaneous to the allocation of the preferred series B proceeds, the Company recorded discount accretion of $33 million to the carrying amount of the preferred series B at the date of issuance. Additionally, the Company recorded periodic accretion to the Redemption Price until May 29, 2016, the fourth anniversary from the date of issuance.

As of September 30, 2017, the carrying value of the preferred series B was $393 million, which included $99 million of accumulated and unpaid dividends, $98 million of accretion to the Redemption Price, as well as $33 million of discount accretion at the date of issuance. As of September 30, 2016, the carrying value of the preferred series B was $371 million, which included $78 million of accumulated and unpaid dividends, $98 million of accretion to the Redemption Price, as well as $33 million of discount accretion at the date of issuance.

Warrants

The Company had outstanding warrants to purchase 124.5 million shares of its common stock, 100 million of the warrants had an exercise price of $3.25 per share and would have expired on December 18, 2019. The remaining 24.5 million warrants had an exercise price of $4.00 per share and would have expired on May 24, 2022.

All such warrants had a cashless exercise feature, contained customary adjustment provisions for stock splits, capital reorganizations and certain other distributions and were outstanding as of September 30, 2017.

18. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share of common stock:

(In millions, except per share amounts)	Fiscal years ended September 30, 2017	2016	2015
Numerator:			
Net loss	$ (182)	$ (730)	$ (168)
Dividends on Series A preferred stock	(9)	(8)	(8)
Dividends on Series B preferred stock	(22)	(20)	(19)
Accretion on Series B preferred stock	—	(13)	(19)
Net loss attributable to common stockholders	**$ (213)**	**$ (771)**	**$ (214)**
Denominator:			
Weighted average common shares—basic and diluted	**497.1**	**500.7**	**499.7**
Basic and diluted loss per share attributable to common stockholders:			
Net loss per share—basic and diluted	**$ (0.43)**	**$ (1.54)**	**$ (0.43)**

The Company's preferred stock and unvested restricted stock units are participating securities, which require the application of the two-class method to calculate basic and diluted earnings per share. Under the two-class method, undistributed earnings are allocated to common stock and the participating securities according to their respective participating rights in undistributed earnings, as if all the earnings for the period had been distributed. Basic net loss is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. Net loss attributable to common stockholders is increased for preferred stock dividends earned during the period. No allocation of undistributed earnings to participating securities was performed for periods with net losses as such securities do not have a contractual obligation to share in the losses of the Company.

Since the Company reported a net loss for all periods presented, all potentially dilutive common shares consisting of stock options, restricted stock units, convertible preferred stock and warrants were excluded from the diluted weighted average shares calculation as their effect would be antidilutive.

19. Reportable Segments

Avaya conducts its business operations in three segments. Two of those segments, GCS and Networking, make up Avaya's ECS product portfolio. The third segment, AGS, contains Avaya's services portfolio.

The GCS segment develops, markets, and sells unified communications and contact center software and hardware products by integrating multiple forms of communications, including telephony, e-mail, instant messaging and video. The Networking segment's portfolio of software and hardware products offers integrated networking products, which are scalable across customer enterprises. The AGS segment develops, markets and sells comprehensive end-to-end cloud and managed service offerings that allow customers to evaluate, plan, design, implement, monitor, manage and optimize complex enterprise communications networks.

On July 14, 2017, the Company sold its Networking business to Extreme. The Networking business was comprised of certain assets of the Networking segment, along with the maintenance and professional services of the Networking business, which are part of the AGS segment.

The Company's chief operating decision maker makes financial decisions and allocates resources based on segment profit information obtained from the Company's internal management systems. Management does not include in its segment measures of profitability selling, general, and administrative expenses, research and development expenses, amortization of intangible assets, and certain discrete items, such as charges relating to

restructuring actions, impairment charges, and merger-related costs as these costs are not core to the measurement of segment performance, but rather are controlled at the corporate level.

Summarized financial information relating to the Company's reportable segments is shown in the following tables:

(In millions)	Fiscal years ended September 30, 2017	2016	2015
REVENUE			
Global Communications Solutions	$1,297	$1,536	$1,796
Networking	140	219	233
Enterprise Collaboration Solutions	1,437	1,755	2,029
Avaya Global Services	1,835	1,947	2,052
	$3,272	**$3,702**	**$4,081**
GROSS PROFIT			
Global Communications Solutions	$ 889	$1,046	$1,189
Networking	48	80	97
Enterprise Collaboration Solutions	937	1,126	1,286
Avaya Global Services	1,083	1,148	1,180
Unallocated Amounts (1)	(21)	(29)	(36)
	1,999	2,245	2,430
OPERATING EXPENSES			
Selling, general and administrative	1,282	1,413	1,432
Research and development	229	275	338
Amortization of acquired intangible assets	204	226	226
Impairment of indefinite-lived intangible assets	65	100	—
Goodwill impairment	52	442	—
Restructuring charges, net	30	105	62
Acquisition-related costs	—	—	1
	1,862	2,561	2,059
OPERATING INCOME (LOSS)	137	(316)	371
INTEREST EXPENSE, LOSS ON EXTINGUISHMENT OF DEBT, OTHER INCOME (EXPENSE), NET AND REORGANIZATION ITEMS, NET	(335)	(403)	(469)
LOSS BEFORE INCOME TAXES	**$ (198)**	**$ (719)**	**$ (98)**

(1) Unallocated Amounts in Gross Profit include the effect of the amortization of acquired technology intangible assets, costs that are not core to the measurement of segment management's performance, but rather are controlled at the corporate level, and the impacts of certain fair value adjustments recorded in purchase accounting in connection with acquisitions.

(In millions)	September 30, 2017	2016
ASSETS:		
Global Communications Solutions	$1,133	$1,157
Networking	—	12
Enterprise Collaboration Solutions	1,133	1,169
Avaya Global Services	2,505	2,613
Unallocated Assets (1)	2,260	2,039
Total	**$5,898**	**$5,821**

(1) Unallocated Assets consist of cash and cash equivalents, accounts receivable, deferred income tax assets, property, plant and equipment, acquired intangible assets and other assets. Unallocated Assets are managed at the corporate level and are not identified with a specific segment.

Geographic Information

Financial information relating to the Company's revenue and long-lived assets by geographic area is as follows:

(In millions)	Revenue (1) Fiscal years ended September 30, 2017	2016	2015
U.S.	$ 1,798	$ 2,072	$ 2,203
International:			
EMEA	834	880	1,073
APAC—Asia Pacific	334	416	425
Americas International—Canada and Latin America	306	334	380
Total International	1,474	1,630	1,878
Total revenue	**$3,272**	**$3,702**	**$4,081**

(In millions)	Long-Lived Assets (2) September 30, 2017	2016
U.S.	$ 132	$ 173
International:		
EMEA	50	55
APAC—Asia Pacific	11	13
Americas International—Canada and Latin America	7	12
Total International	68	80
Total	**$ 200**	**$ 253**

(1) Revenue is attributed to geographic areas based on the location of customers.
(2) Represents property, plant and equipment, net.

20. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are summarized as follows:

(In millions)	Change in unamortized pension, postretirement and postemployment benefit-related items	Foreign Currency Translation	Other	Accumulated Other Comprehensive Loss
Balance as of October 1, 2014	**$ (1,150)**	**$ (49)**	**$ (1)**	**$ (1,200)**
Other comprehensive loss before reclassifications	(287)	46	—	(241)
Amounts reclassified to earnings	69	—	—	69
Provision for income taxes	—	(12)	—	(12)
Balance as of September 30, 2015	**(1,368)**	**(15)**	**(1)**	**(1,384)**
Other comprehensive loss before reclassifications	(319)	(18)	—	(337)
Amounts reclassified to earnings	60	—	—	60
Balance as of September 30, 2016	**(1,627)**	**(33)**	**(1)**	**(1,661)**
Other comprehensive loss before reclassifications	181	(39)	—	142
Amounts reclassified to earnings	90	—	—	90
Provision for income taxes	(19)	—	—	(19)
Balance as of September 30, 2017	**$ (1,375)**	**$ (72)**	**$ (1)**	**$ (1,448)**

The amounts reclassified out of accumulated other comprehensive loss into the Consolidated Statements of Operations prior to the impact of income taxes, with line item location, were as follows:

(In millions)	Fiscal years ended September 30, 2017	2016	2015	Line item in Statements of Operations
Change in unamortized pension, postretirement and postemployment benefit-related items	$ 12	$ 15	$ 18	Costs—Products
	12	15	18	Costs—Services
	56	25	28	Selling, general and administrative
	10	5	5	Research and development
Total amounts reclassified to operations	**$ 90**	**$ 60**	**$ 69**	

21. Related Party Transactions

Arrangements with Sponsors

In connection with the Sponsors' acquisition of Avaya Inc., through Avaya Holdings, in a transaction that was completed on October 26, 2007 (the "Merger"), Avaya Holdings entered into certain stockholder agreements and registration rights agreements with the Sponsors and various co-investors. In addition, Avaya Holdings, entered into a management services agreement with affiliates of the Sponsors and, from time to time, Avaya Holdings may enter into various other contracts with companies affiliated with the Sponsors. These arrangements terminated upon emergence from bankruptcy.

Stockholders' Agreement

In connection with the Merger, Avaya Holdings entered into a stockholders' agreement with the Sponsors and certain of their affiliates. This stockholders' agreement was amended and restated in connection with the

financing of certain acquisitions. The stockholders' agreement contains certain restrictions on the Sponsors' and their affiliates' transfer of Avaya Holdings' equity securities, contains provisions regarding participation rights, contains standard tag-along and drag-along provisions, provides for the election of Avaya Holdings' directors, mandates board of directors approval of certain matters to include the consent of each Sponsor and generally sets forth the respective rights and obligations of the stockholders who are parties to that agreement. None of Avaya Holdings' officers or directors are parties to this agreement, although certain of Avaya Holdings, non-employee directors may have an indirect interest in the agreement to the extent of their affiliations with the Sponsors.

Registration Rights Agreement

In addition, in connection with the Merger, Avaya Holdings entered into a registration rights agreement with the Sponsors and certain of their affiliates which was amended and restated in connection with the financing of certain acquisitions. Pursuant to the registration rights agreement, as amended, Avaya Holdings will provide the Sponsors and certain of their affiliates party thereto with certain demand registration rights. In addition, in the event that Avaya Holdings registers shares of common stock for sale to the public, Avaya Holdings will be required to give notice of such registration to the Sponsors and their affiliates party to the agreement of its intention to effect such a registration, and, subject to certain limitations, the Sponsors and such holders will have piggyback registration rights providing them with the right to require Avaya Holdings to include shares of common stock held by them in such registration. Avaya Holdings will be required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, if any, associated with any registration of shares by the Sponsors or other holders described above. Avaya Holdings has agreed to indemnify each holder of its common stock covered by the registration rights agreement for violations of federal or state securities laws by it in connection with any registration statement, prospectus or any preliminary prospectus. Each holder of such securities has in turn agreed to indemnify Avaya Holdings for federal or state securities law violations that occur in reliance upon written information the holder provides to Avaya Holdings in connection with any registration statement in which a holder of such securities is participating. None of Avaya Holdings' officers or directors is a party to this agreement, although certain of Avaya Holdings' non-employee directors may have an indirect interest in the agreement to the extent of their affiliations with the Sponsors.

Management Services Agreement and Consulting Services

Both Avaya Holdings and Avaya Inc. are party to a Management Services Agreement with Silver Lake Management Company, L.L.C., an affiliate of Silver Lake, and TPG Capital Management, L.P., an affiliate of TPG, collectively "the Managers," pursuant to which the Managers provide management and financial advisory services to the Company. Pursuant to the Management Services Agreement, the Managers receive a monitoring fee of $7 million per annum and reimbursement on demand for out-of-pocket expenses incurred in connection with the provision of such services. In the event of a financing, acquisition, disposition or change of control transaction involving the Company during the term of the Management Services Agreement, the Managers have the right to require the Company to pay a fee equal to customary fees charged by internationally-recognized investment banks for serving as a financial advisor in similar transactions. The Management Services Agreement may be terminated at any time by the Managers, but otherwise has an initial term ending on December 31, 2017 that automatically extends each December 31st for an additional year unless terminated earlier by the Company or the Managers. The term has been automatically extended nine times since the execution of the agreement such that the current term is December 31, 2026. In the event that the Management Services Agreement is terminated, the Company is required to pay a termination fee equal to the net present value of the monitoring fees that would have been payable during the remaining term of the Management Services Agreement. Therefore, if the Management Services Agreement were terminated at September 30, 2017, the termination fee would be calculated using the current term ending December 31, 2026. In accordance with the Management Services Agreement, the Company recorded $2 million, $7 million and $7 million of monitoring fees per year during fiscal 2017, 2016 and 2015, respectively.

In December 2013, the Company and TPG Capital Management, L.P. executed a letter agreement reducing the portion of the monitoring fees owed to TPG Capital Management, L.P. by $1,325,000 for fiscal 2014 and

thereafter on an annual basis by $800,000. The Company agreed to pay Messrs. Mohebbi and Rittenmeyer in aggregate $800,000 annually.

In fiscal 2016, the Company agreed to terms with Silver Lake and TPG to suspend payments under the management services agreement. Although the management services fees continued to accrue, payments to Messrs. Mohebbi and Rittenmeyer were made in fiscal 2016 and 2017.

Transactions with Other Sponsor Portfolio Companies

The Sponsors are private equity firms that have investments in companies that do business with Avaya. For fiscal 2017, 2016 and 2015, the Company recorded $29 million, $33 million and $30 million, respectively, associated with sales of the Company's products and services to companies in which one or both of the Sponsors have investments. For fiscal 2017, 2016 and 2015, the Company purchased goods and services of $10 million, $13 million and $11 million, respectively from companies in which one or both of the Sponsors have investments. In September 2015, a company in which a Sponsor has an investment merged with a commercial real estate services firm that began providing management services associated with the Company's leased properties during fiscal 2015. Included in the above purchased goods and services amounts is $5 million, $8 million and $4 million incurred by the Company for management services provided by this commercial real estate services firm during fiscal 2017, 2016 and 2015, respectively.

Preferred Stock Ownership by Sponsors

As of September 30, 2017 and 2016, affiliates of TPG owned 38,865 shares of Avaya Holdings' Series A Preferred Stock and affiliates of Silver Lake owned 38,865 shares of Avaya Holdings' Series A Preferred Stock.

As of September 30, 2017 and 2016, affiliates of TPG owned 16,273 shares of Avaya Holdings' Series B Preferred Stock and affiliates of Silver Lake owned 16,273 shares of Avaya Holdings' Series B Preferred Stock.

Arrangements Involving the Company's Directors and Executive Officers

Senior Manager Registration and Preemptive Rights Agreement and Management Stockholders' Agreement

In connection with the Merger, Avaya Holdings entered into a senior manager registration and preemptive rights agreement with certain current and former members of its senior management who own shares of Avaya Holdings' common stock and options and RSUs convertible into shares of Avaya Holdings' common stock. Pursuant to the senior manager registration and preemptive rights agreement, the senior managers party thereto that hold registrable securities thereunder are provided with certain registration rights upon either (a) the exercise of the Sponsors or their affiliates of demand registration rights under the Sponsors' registration rights agreement discussed above or (b) any request by the Sponsors to file a shelf registration statement for the resale of such shares, as well as certain notification and piggyback registration rights. Avaya Holdings is required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, if any, associated with any registration of stock by the senior managers as described above. Avaya Holdings has have agreed to indemnify each holder of registrable securities covered by this agreement for violations of federal or state securities laws by Avaya Holdings in connection with any registration statement, prospectus or any preliminary prospectus. Each holder of such registrable securities has in turn agreed to indemnify Avaya Holdings for federal or state securities law violations that occur in reliance upon written information the holder provides to Avaya Holdings in connection with any registration statement in which a holder of such registrable securities is participating.

In addition, pursuant to the senior manager registration and preemptive rights agreement, the Company agreed to provide each senior manager party thereto with certain preemptive rights to participate in any future issuance of shares of Avaya Holdings' common stock to the Sponsors or their affiliates.

In connection with the Merger, Avaya Holdings also entered into a management stockholders' agreement with certain management stockholders. The stockholders' agreement contains certain restrictions on such stockholders' transfer of Avaya Holdings equity securities, contains rights of first refusal upon disposition of shares, contains standard tag-along and drag-along provisions, and generally sets forth the respective rights and obligations of the stockholders who are parties to that agreement.

This senior manager registration and preemptive rights agreement and this management stockholders' agreement terminated upon emergence from bankruptcy.

Specific Arrangements Involving Certain Directors and Executive Officers

Gary E. Barnett is the Senior Vice President and General Manager of Engagement Solutions of Avaya Holdings and Avaya Inc. The Company also employs his son, Sean Barnett, whose salary and commissions were less than $1 million in each of fiscal 2017, 2016 and 2015.

Charles Giancarlo is a Director of Avaya Holdings and Avaya Inc. and serves in these capacities as a director designated by Silver Lake. He held the positions of Special Advisor and Managing Partner of Silver Lake until September 30, 2015 and December 31, 2013, respectively. Mr. Giancarlo also serves as a Director of Accenture, Plc ("Accenture"), a management consulting business. In each of fiscal 2017, 2016 and 2015 sales of the Company's products and services to Accenture were $1 million. In each of fiscal 2017, 2016 and 2015 the Company purchased goods and services from Accenture of less than $1 million.

John W. Marren is a Director of Avaya Holdings and Avaya Inc. and serves in these capacities as a director designated by TPG. He held the position of Partner of TPG until January 2016 and served on the Board of Directors of Sungard Data Systems, Inc. ("Sungard"), a software and technology services company until December 2015. During fiscal 2017, 2016 and 2015 sales of the Company's products and services to Sungard were $1 million, $1 million and $2 million, respectively. During fiscal 2016 and 2015 the Company purchased goods and services from Sungard of less than $1 million and $1 million, respectively.

Afshin Mohebbi is a Director of Avaya Holdings and Avaya Inc. and holds the position of Senior Advisor of TPG.

Greg Mondre is a Director of Avaya Holdings and Avaya Inc. and serves in these capacities as a director designated by Silver Lake. He holds the positions of Managing Partner and Managing Director of Silver Lake. Mr. Mondre serves on the Board of Directors of Sabre Holdings Corp. ("Sabre"), a software and technology services company. Mr. Mondre is related to the former Vice Chairman and Co-Chief Executive Officer of C3/Customer Contact Channels Holdings L.P. ("C3 Holdings"), a provider of outsourced customer management solutions. In each of fiscal 2017, 2016 and 2015 sales of the Company's products and services to Sabre were less than $1 million. During fiscal 2017, 2016 and 2015 sales of the Company's products and services to C3 Holdings were $1 million, $1 million and $1 million, respectively.

Laurent Philonenko is a Senior Vice President of Avaya Holdings and Avaya Inc. and became an Advisor to Koopid, Inc. in February 2017. During fiscal 2017 and 2016, the Company purchased goods and services from Koopid, Inc. of less than $1 million.

Marc Randall is the Senior Vice President and General Manager of Avaya Holdings and Avaya Inc. and until January 2016 served on the Board of Directors of Xirrus, Inc. ("Xirrus"), a provider of wireless access network solutions. In March 2014, the Company entered a strategic partnership with Xirrus whereby the Company owned less than 6% of the outstanding voting securities of Xirrus on a fully diluted basis. During fiscal 2016 and 2015 the Company made equity investments in Xirrus of $1 million and $1 million, respectively. During fiscal 2016, the Company recognized an $11 million loss included in other (expense) income, net associated with this investment. During fiscal 2017, 2016 and 2015, the Company purchased goods and services from Xirrus of $12 million, $14 million and $10 million, respectively.

Ronald A. Rittenmeyer is a Director of Avaya Holdings and Avaya Inc. and serves in these capacities as a director designated by TPG. Mr. Rittenmeyer serves on the Board of Directors of Tenet Healthcare Corporation ("Tenet Healthcare"), a healthcare services company, and serves on the Board of Directors of American International Group, Inc. ("AIG"), a global insurance organization. During fiscal 2017, 2016 and 2015 sales of the Company's products and services to Tenet Healthcare were less than $1 million, $2 million and $1 million, respectively. During fiscal 2017, 2016 and 2015 sales of the Company's products and services to AIG were $10 million, $14 million and $21 million, respectively.

Gary B. Smith serves on the Board of Directors of Avaya Holdings and Avaya Inc. and also currently serves as President, Chief Executive Officer and Director of Ciena Corporation ("Ciena") a network infrastructure company. In each of fiscal 2017, 2016 and 2015, sales of the Company's products and services to Ciena were less than $1 million. In fiscal 2015, the Company also purchased goods and services from Ciena of less than $1 million.

22. Commitments and Contingencies

General

The Company records accruals for legal contingencies to the extent that it has concluded it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. No estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made at this time regarding the matters specifically described below because the inherently unpredictable nature of legal proceedings may be exacerbated by various factors, including: (i) the damages sought in the proceedings are unsubstantiated or indeterminate; (ii) discovery is not complete; (iii) the proceeding is in its early stages; (iv) the matters present legal uncertainties; (v) there are significant facts in dispute; (vi) there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants); or (vii) there is a wide range of potential outcomes.

In the ordinary course of business, the Company is involved in litigation, claims, government inquiries, investigations and proceedings, including, but not limited to, those identified below, relating to intellectual property, commercial, employment, environmental and regulatory matters.

The Company believes that it has meritorious defenses in connection with its current lawsuits and material claims and disputes, and intends to vigorously contest each of them.

Based on the Company's experience, management believes that the damages amounts claimed in a case are not a meaningful indicator of the potential liability. Claims, suits, investigations and proceedings are inherently uncertain and it is not possible to predict the ultimate outcome of cases.

Other than as described below, in the opinion of the Company's management based upon information currently available to the Company, while the outcome of these lawsuits, claims and disputes is uncertain, the likely results of these lawsuits, claims and disputes are not expected, either individually or in the aggregate, to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, although the effect could be material to the Company's consolidated results of operations or consolidated cash flows for any interim reporting period.

During fiscal 2017 and 2016, the Company recognized $64 million and $106 million, respectively, of costs incurred in connection with the resolution of certain legal matters.

Antitrust Litigation

In 2006, the Company instituted an action in the U.S. District Court, District of New Jersey, against defendants Telecom Labs, Inc., TeamTLI.com Corp. and Continuant Technologies, Inc. ("TLI/Continuant") and

subsequently amended its complaint to include certain individual officers of these companies as defendants. Defendants purportedly provide maintenance services to customers who have purchased or leased the Company's communications equipment. The Company asserted in its amended complaint that, among other things, defendants, or each of them, engaged in tortious conduct by improperly accessing and utilizing the Company's proprietary software, including passwords, logins and maintenance service permissions, to perform certain maintenance services on the Company's customers' equipment. TLI/Continuant filed counterclaims against the Company alleging that the Company has violated the Sherman Act's prohibitions against anticompetitive conduct through the manner in which the Company sells its products and services. TLI/Continuant sought to recover the profits they claim they would have earned from maintaining Avaya's products, and asked for injunctive relief prohibiting the conduct they claim is anticompetitive.

The trial commenced on September 9, 2013. On January 7, 2014, the Court issued an order dismissing the Company's affirmative claims. With respect to TLI/Continuant's counterclaims, on March 27, 2014, a jury found against the Company on two of eight claims and awarded damages of $20 million. Under the federal antitrust laws, the jury's award is subject to automatic trebling, or $60 million.

Following the jury verdict, TLI/Continuant sought an injunction regarding the Company's ongoing business operations. On June 30, 2014, a federal judge rejected the demands of TLI/Continuant's proposed injunction and stated that "only a narrow injunction is appropriate." Instead, the judge issued an order relating to customers who purchased an Avaya PBX system between January 1, 1990 and April 30, 2008 only. Those customers and their agents will have free access to the on demand maintenance commands that were installed on their systems at the time of the purchase transaction. The court specified that this right "does not extend to access on a system purchased after April 30, 2008." Consequently, the injunction affected only systems sold prior to April 30, 2008. The judge denied all other requests TLI/Continuant made in its injunction filing. The Company complied with the injunction although it has now been vacated by the September 30, 2016 decision discussed below.

The Company and TLI/Continuant filed post-trial motions seeking to overturn the jury's verdict, which motions were denied. In September 2014, the Court entered judgment in the amount of $63 million, which included the jury's award of $20 million, subject to automatic trebling, or $60 million, plus prejudgment interest in the amount of $3 million. On October 10, 2014, the Company filed a Notice of Appeal, and on October 23, 2014, TLI/Continuant filed a Notice of Conditional Cross-Appeal. On October 23, 2014, the Company filed its supersedeas bond with the Court in the amount of $63 million. The Company secured posting of the bond through the issuance of a letter of credit under its then existing credit facilities.

On November 10, 2014, TLI/Continuant made an application for attorney's fees, expenses and costs, which the Company contested. TLI/Continuant's application for attorneys' fees, expenses and costs was approximately $71 million and represented activity through February 28, 2015. On February 22, 2016, the Company posted a bond in the amount of $8 million in connection with TLI/Continuant's attorneys' fees application.

In September 2016, a Special Master appointed by the trial court to assist in evaluating TLI/Continuant's application rendered a Recommendation, finding that TLI/Continuant should receive approximately $61 million in attorneys' fees, expenses and costs. Subsequently, the parties submitted letters to the Special Master seeking an Amended Recommendation. However, in light of the Third Circuit's favorable opinion, outlined below, the trial court proceedings relating to TLI/Continuant's application have not proceeded. TLI/Continuant is no longer entitled to attorneys' fees, expenses and costs, because it no longer is a prevailing party, subject to further proceedings on appeal or retrial.

On September 30, 2016, the Third Circuit issued a favorable ruling for the Company, which included: (1) reversing the mid-trial decision to dismiss four of the Company's affirmative claims and reinstated them; (2) vacating the jury verdict on the two claims decided in TLI/Continuant's favor; (3) entering judgment in the Company's favor on a portion of TLI/Continuant's claim relating to attempted monopolization; (4) dismissing TLI/Continuant's PDS patches claim as a matter of law; (5) vacating the damages award to TLI/Continuant;

(6) vacating the award of prejudgment interest to TLI/Continuant; and (7) vacating the injunction. On October 28, 2016, TLI/Continuant sought panel rehearing or rehearing en banc review of the opinion, which was denied on November 16, 2016. On November 22, 2016, TLI/Continuant filed a Motion for Stay of Mandate, which was denied. On December 5, 2016, the Third Circuit issued a certified judgment in lieu of a formal mandate, returning jurisdiction to the trial court.

As a result of the Third Circuit's opinion, on November 23, 2016, the Company filed a Notice of Motion to Release the Supersedeas Bonds, which the court granted on December 23, 2016. On December 12, 2016, the Court issued an Order Upon Mandate and For Status Conference, which i) vacated the Court's January 7, 2014 order dismissing Avaya's claims against TLI/Continuant and the order of judgment entered on September 17, 2014 and ii) scheduled a status conference for January 6, 2017 to discuss the Joint Plan for Retrial. On January 13, 2017, the Court entered an Order staying the matter pending mediation. On January 20, 2017, the Company filed a Notice of Suggestion on Pendency of Bankruptcy For Avaya Inc., et. al. and Automatic Stay of Proceedings. TLI/Continuant filed a proof of claim in the Bankruptcy Court. On November 30, 2017, the Company filed a motion in the Bankruptcy Court seeking to estimate TLI/Continuant's claim.

A loss reserve has been provided for this matter. The Company continues to believe that TLI/Continuant's claims are without merit and unsupported by the facts and law, and the Company continues to defend this matter. At this time an outcome cannot be predicted and, as a result, the Company cannot be assured that this case will not have a material adverse effect on the manner in which it does business, its financial position, results of operations, or cash flows.

Patent Infringement

In July 2016, BlackBerry Limited ("BlackBerry") filed a complaint for patent infringement against the Company in the Northern District of Texas, alleging infringement of multiple patents with respect to a variety of technologies including user interface design, encoding/decoding and call routing. In September 2016, the Company filed a motion to dismiss these claims and in October 2016, the Company also filed a motion to transfer this matter to the Northern District of California. In January 2017, the Company filed a notice of Suggestion of Pendency of Bankruptcy, which initially stayed the proceedings. The stay was partially lifted to allow the court in Texas to rule on the two pending motions. The Company's motion to transfer the case from Texas to California has been denied. The Company's motion to dismiss BlackBerry's indirect infringement and willfulness claims was granted, although BlackBerry was provided an opportunity to file an Amended Complaint to cure the deficiencies, which it did on October 19, 2017. BlackBerry filed a proof of claim in the Bankruptcy Court. A loss reserve has been established for this matter. At this time an outcome cannot be predicted and, as a result, the Company cannot be assured that this case will not have a material adverse effect on the manner in which it does business, its financial position, results of operations, or cash flows.

In September 2011, Network-1 Security Solutions, Inc. ("Network-1") filed a complaint for patent infringement against the Company and other corporations in the Eastern District of Texas (Tyler Division), alleging infringement of its patent with respect to power over Ethernet technology. Network-1 seeks to recover for alleged reasonable royalties, enhanced damages and attorneys' fees. In January 2017, the Company filed a Notice of Suggestion of Pendency of Bankruptcy, which informed the Court of the Company's voluntary bankruptcy petition filing and stay of proceedings. On October 16, 2017, the Bankruptcy Court entered an order approving a settlement agreement with Network-1. A loss reserve has been established for this matter.

Intellectual Property and Commercial Disputes

In January 2010, SAE Power Incorporated and SAE Power Company ("SAE") filed a complaint in the New Jersey Superior Court asserting various claims including breach of contract, unjust enrichment, promissory estoppel, and breach of the covenant of good faith and fair dealing arising out of Avaya's relationship with SAE as a supplier of various power supply products. SAE has since asserted additional claims against Avaya for fraud,

negligent misrepresentation, misappropriation of trade secrets, and civil conspiracy. SAE seeks to recover for alleged losses stemming from Avaya's termination of its power supply purchases from SAE, including for Avaya's alleged disclosure of SAE's alleged trade secret and/or confidential information to another power supply vendor. On July 19, 2016, the Court entered an order granting Avaya's motion for partial summary judgment, dismissing certain of SAE's claims regarding the alleged disclosure of trade secrets. In January 2017, the Company filed a Notice of Suggestion of Pendency of Bankruptcy, which informed the Court of the Company's voluntary bankruptcy petition filing and stay of proceedings. SAE filed a proof of claim in the Bankruptcy Court. On September 28, 2017, the Company filed a motion in the Bankruptcy Court seeking to estimate SAE's claim. A loss reserve has been established for this matter. At this time an outcome cannot be predicted and, as a result, the Company cannot be assured that this case will not have a material adverse effect on the manner in which it does business, its financial position, results of operations or cash flows.

In the ordinary course of business, the Company is involved in litigation alleging it has infringed upon third parties' intellectual property rights, including patents and copyrights; some litigation may involve claims for infringement against customers, distributors and resellers by third parties relating to the use of Avaya's products, as to which the Company may provide indemnifications of varying scope to certain parties. The Company is also involved in litigation pertaining to general commercial disputes with customers, suppliers, vendors and other third parties including royalty disputes. Much of the pending litigation against the Debtors has been stayed as a result of the chapter 11 filing and will be subject to resolution in accordance with the Bankruptcy Code and the orders of the Bankruptcy Court. Based on discussions with parties that have filed claims against the Debtors, the Company provided loss provisions for certain matters. However, these matters are ongoing and the outcomes are subject to inherent uncertainties. As a result, the Company cannot be assured that any such matter will not have a material adverse effect on its financial position, results of operations or cash flows.

Product Warranties

The Company recognizes a liability for the estimated costs that may be incurred to remedy certain deficiencies of quality or performance of the Company's products. These product warranties extend over a specified period of time generally ranging up to two years from the date of sale depending upon the product subject to the warranty. The Company accrues a provision for estimated future warranty costs based upon the historical relationship of warranty claims to sales. The Company periodically reviews the adequacy of its product warranties and adjusts, if necessary, the warranty percentage and accrued warranty reserve, which is included in other current and non-current liabilities in the Consolidated Balance Sheets, for actual experience.

(In millions)	
Balance as of October 1, 2015	**$ 9**
Reductions for payments and costs to satisfy claims	(9)
Accruals for warranties issued during the period	8
Balance as of September 30, 2016	**8**
Reductions for payments and costs to satisfy claims	(11)
Accruals for warranties issued during the period	5
Balance as of September 30, 2017	**$ 2**

Guarantees of Indebtedness and Other Off-Balance Sheet Arrangements

Letters of Credit and Guarantees

As of September 30, 2017, the maximum potential payment obligation with regards to letters of credit, guarantees and surety bonds was $79 million. The outstanding letters of credit are collateralized by restricted cash of $76 million included in other current assets and $3 million included in other assets on the Consolidated Balance Sheets as of September 30, 2017. In addition, from time to time and in the ordinary course of business,

the Company contractually guarantees the payment or performance obligations of its subsidiaries arising under certain contracts.

Purchase Commitments and Termination Fees

The Company purchases components from a variety of suppliers and uses several contract manufacturers to provide manufacturing services for its products. During the normal course of business, in order to manage manufacturing lead times and to help assure adequate component supply, the Company enters into agreements with contract manufacturers and suppliers that allow them to produce and procure inventory based upon forecasted requirements provided by the Company. If the Company does not meet these specified purchase commitments, it could be required to purchase the inventory, or in the case of certain agreements, pay an early termination fee. Historically, the Company has not been required to pay a charge for not meeting its designated purchase commitments with these suppliers, but has been obligated to purchase certain excess inventory levels from its outsourced manufacturers due to actual sales of product varying from forecast and due to transition of manufacturing from one vendor to another.

The Company's outsourcing agreements with its most significant contract manufacturers automatically renew in July and September for successive periods of twelve months each, subject to specific termination rights for the Company and the contract manufacturers. All manufacturing of the Company's products is performed in accordance with either detailed requirements or specifications and product designs furnished by the Company, and is subject to rigorous quality control standards.

Long-Term Cash Incentive Bonus Plan

The Company has established a long-term incentive cash bonus plan ("LTIP"). Under the LTIP, the Company will make cash awards available to compensate certain key employees upon the achievement of defined returns on the Sponsors' initial investment in the Company (a "triggering event"). The Company has authorized LTIP awards covering a total of $60 million, of which $4 million in awards were outstanding as of September 30, 2017. The Company will begin to recognize compensation expense relative to the LTIP awards upon the occurrence of a triggering event (e.g., a sale or initial public offering). As of September 30, 2017, no compensation expense associated with the LTIP has been recognized.

Credit Facility Indemnification

In connection with the Company's obligations under its post-emergence credit facilities, the Company has agreed to indemnify the third-party lending institutions for costs incurred by the institutions related to noncompliance with environmental law and other liabilities that may arise with respect to the execution, delivery, enforcement, performance and administration of the financing documentation.

In connection with the Company's obligations under its pre-emergence credit facilities, the Company had agreed to indemnify the third-party lending institutions for costs incurred by the institutions related to changes in tax law or other legal requirements. As of September 30, 2017, no amounts were paid or accrued pursuant to this indemnity.

Transactions with Nokia

Pursuant to the Contribution and Distribution Agreement effective October 1, 2000, Lucent Technologies, Inc. (now Nokia) contributed to the Company substantially all of the assets, liabilities and operations associated with its enterprise networking businesses (the "Company's Businesses") and distributed the Company's stock pro-rata to the shareholders of Lucent ("distribution"). The Contribution and Distribution Agreement, among other things, provides that, in general, the Company will indemnify Nokia for all liabilities including certain pre-distribution tax obligations of Nokia relating to the Company's Businesses and all contingent liabilities

primarily relating to the Company's Businesses or otherwise assigned to the Company. In addition, the Contribution and Distribution Agreement provides that certain contingent liabilities not allocated to one of the parties will be shared by Nokia and the Company in prescribed percentages. The Contribution and Distribution Agreement also provides that each party will share specified portions of contingent liabilities based upon agreed percentages related to the business of the other party that exceed $50 million. The Company is unable to determine the maximum potential amount of other future payments, if any, that it could be required to make under this agreement.

In addition, in connection with the distribution, the Company and Lucent entered into a Tax Sharing Agreement that governs Nokia's and the Company's respective rights, responsibilities and obligations after the distribution with respect to taxes for the periods ending on or before the distribution. Generally, pre-distribution taxes or benefits that are clearly attributable to the business of one party will be borne solely by that party and other pre-distribution taxes or benefits will be shared by the parties based on a formula set forth in the Tax Sharing Agreement. The Company may be subject to additional taxes or benefits pursuant to the Tax Sharing Agreement related to future settlements of audits by state and local and foreign taxing authorities for the periods prior to the Company's separation from Nokia.

Leases

The Company leases land, buildings and equipment under agreements that expire in various years through 2027. Rental expense under operating leases, excluding any lease termination costs incurred related to the Company's restructuring programs, was $84 million, $95 million and $99 million for fiscal 2017, 2016 and 2015, respectively.

The table below sets forth future minimum lease payments, net of sublease income of $37 million, due under non-cancelable operating leases, of which $25 million of such payments related to restructuring and exit activities have been accrued for as of September 30, 2017.

(In millions)	
2018	$ 71
2019	56
2020	41
2021	27
2022	24
2023 and thereafter	45
Future minimum lease payments	**$264**

The table below sets forth future minimum lease payments, due under non-cancelable capitalized leases as of September 30, 2017.

(In millions)	
2018	$15
2019	8
2020	3
Future minimum lease payments	26
Less: Imputed interest	(1)
Present value of net minimum lease payments	**$25**

23. Quarterly Information (Unaudited)

(In millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Fiscal Year Ended September 30, 2017					
Revenue	$ 875	$ 804	$ 803	$ 790	$3,272
Gross profit	533	481	490	495	1,999
Operating income (loss)	64	64	(55)	64	137
(Provision for) benefit from income taxes	(3)	19	6	(6)	16
Net (loss) income	(103)	(8)	(98)	27	(182)
Net (loss) income attributable to common stockholders	(111)	(15)	(106)	19	(213)
Net (loss) income per share—basic and diluted	$ (0.22)	$ (0.03)	$ (0.22)	$ 0.04	$ (0.43)
Fiscal Year Ended September 30, 2016					
Revenue	$ 958	$ 904	$ 882	$ 958	$3,702
Gross profit	577	542	543	583	2,245
Operating (loss) income	(15)	67	57	(425)	(316)
Benefit from (provision for) income taxes	2	(10)	(58)	55	(11)
Net loss	(130)	(52)	(65)	(483)	(730)
Net loss attributable to common stockholders	(142)	(64)	(75)	(490)	(771)
Net loss per share—basic and diluted	$ (0.28)	$ (0.13)	$ (0.15)	$ (0.98)	$ (1.54)

24. Condensed Financial Information of Parent Company

Avaya Holdings Corp. has no material assets or standalone operations other than its ownership in Avaya Inc. and its subsidiaries.

There are significant restrictions on the Company's ability to obtain funds from any of its subsidiaries through dividends, loans or advances. Accordingly, these condensed financial statements have been presented on a "Parent-only" basis. Under a Parent-only presentation, the Company's investments in its consolidated subsidiaries are presented under the equity method of accounting. These Parent-only financial statements should be read in conjunction with the Company's Consolidated Financial Statements.

The following tables present the financial position of the Company as of September 30, 2017 and 2016 and the results of its operations and cash flows for the fiscal years ended September 30, 2017, 2016 and 2015.

Avaya Holdings Corp.
(Debtor-in-possession)
Parent Company Only
Condensed Balance Sheets
(In millions)

	September 30, 2017	2016
DEFICIENCY IN EXCESS OF INVESTMENT IN AVAYA INC., PREFERRED STOCK AND STOCKHOLDERS' DEFICIENCY		
Deficiency in excess of investment in Avaya Inc.	$ 4,429	$ 4,471
Commitments and contingencies		
Equity awards on redeemable shares	7	6
Preferred stock, Series B	393	371
Preferred stock, Series A	184	175
Stockholders' deficiency	(5,013)	(5,023)
TOTAL	**$ —**	**$ —**

Avaya Holdings Corp.
(Debtor-in-possession)
Parent Company Only
Condensed Statements of Operations
(In millions)

	Fiscal years ended September 30,		
	2017	2016	2015
Equity in net loss of Avaya Inc.	$(182)	$(801)	$(144)
Other expense	—	(2)	—
Change in fair value of Preferred Series B derivative	—	73	(24)
LOSS BEFORE INCOME TAXES	(182)	(730)	(168)
Provision for income taxes	—	—	—
NET LOSS	(182)	(730)	(168)
Less: Accretion and accrued dividends on Series A and Series B preferred stock	(31)	(41)	(46)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$(213)	$(771)	$(214)

Avaya Holdings Corp.
(Debtor-in-possession)
Parent Company Only
Condensed Statements of Comprehensive Loss
(In millions)

	Fiscal years ended September 30,		
	2017	2016	2015
Net loss	$(182)	$ (730)	$(168)
Equity in other comprehensive income (loss) of Avaya Inc.	213	(277)	(184)
Comprehensive income (loss)	$ 31	$(1,007)	$(352)

Avaya Holdings Corp.
(Debtor-in-possession)
Parent Company Only
Condensed Statements of Cash Flows
(In millions)

	Fiscal years ended September 30,		
	2017	2016	2015
Net loss	$(182)	$(730)	$(168)
Adjustments to reconcile net loss to net cash used for operating activities:			
Equity in net loss of Avaya Inc.	182	801	144
Change in fair value of Preferred Series B derivative	—	(73)	24
Changes in operating assets and liabilities	—	2	—
Net cash used for operating activities	—	—	—
Net cash used for investing activities	—	—	—
Net cash used for financing activities	—	—	—
Net decrease in cash and cash equivalents	—	—	—
Cash and cash equivalents at beginning of period	—	—	—
Cash and cash equivalents at end of period	$ —	$ —	$ —

25. Condensed Combined Financial Statements of Debtor Subsidiaries

In accordance with ASC 852, the Debtors' condensed combined statement of operations, comprehensive loss and cash flow for the fiscal year ended September 30, 2017, and balance sheet as of September 30, 2017, for only those entities included in the Company's bankruptcy proceedings, is presented below. Intercompany transactions among the Debtors have been eliminated in these combined financial statements. Intercompany transactions among the Debtors and the Non-Debtors have not been eliminated in these combined financial statements.

Debtors' Statements of Operations (Unaudited)
(In millions)

	Fiscal Year Ended September 30, 2017
REVENUE	$ 2,109
COSTS	854
GROSS PROFIT	1,255
OPERATING EXPENSES	
Selling, general and administrative	733
Research and development	134
Amortization of acquired intangible assets	193
Impairment of indefinite-lived intangible assets	65
Goodwill impairment	52
Restructuring charges, net	15
	1,192
OPERATING INCOME	63
Interest expense	(244)
Other income, net	—
Reorganization items, net	(98)
LOSS BEFORE INCOME TAXES	(279)
Benefit from income taxes	40
Equity in net income of non-debtor subsidiaries	57
NET LOSS	(182)
Less: Accretion and accrued dividends on Series A and Series B preferred stock	(31)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (213)
Comprehensive income	$ 31
Basic and diluted earnings per share attributable to common shareholders:	
Net loss per share—basic and diluted	$ (0.43)
Weighted average shares outstanding—basic and diluted	497.1

Debtors' Balance Sheet (Unaudited)
(In millions)

	September 30, 2017
ASSETS	
Current assets:	
Cash and cash equivalents	$ 635
Accounts receivable, net, external	278
Accounts receivable, non-debtor subsidiaries	889
Inventory	53
Other current assets	208
Internal notes receivable	82
TOTAL CURRENT ASSETS	2,145
Property, plant and equipment, net	132
Acquired intangible assets, net	267
Goodwill	3,512
Other assets	36
TOTAL ASSETS	**$ 6,092**
LIABILITIES	
Current liabilities:	
Debt maturing within one year, external	$ 725
Debt maturing within one year, non-debtor subsidiaries	1
Accounts payable, external	164
Accounts payable, non-debtor subsidiaries	133
Payroll and benefit obligations	53
Deferred revenue	362
Business restructuring reserve, current portion	2
Other current liabilities	34
TOTAL CURRENT LIABILITIES	1,474
Non-current liabilities:	
Deferred income taxes, net	3
Other liabilities	66
Deficiency in consolidated subsidiaries	1,173
TOTAL NON-CURRENT LIABILITIES	1,242
LIABILITIES SUBJECT TO COMPROMISE	7,805
TOTAL LIABILITIES	10,521
Equity awards on redeemable shares	7
Preferred stock, par value $.001 per share, authorized 250,000 at September 30, 2017	
Convertible Series B, 48,922 shares issued and outstanding at September 30, 2017	184
Series A, 125,000 issued and outstanding at September 30, 2017	393
TOTAL DEFICIENCY	(5,013)
TOTAL LIABILITIES AND DEFICIENCY	**$ 6,092**

Debtors' Statement of Cash Flows (Unaudited)
(In millions)

	Fiscal Year Ended September 30, 2017
OPERATING ACTIVITIES:	
Net loss	$ (182)
Adjustments to reconcile net loss to net cash provided by operating activities	476
Changes in operating assets and liabilities	(117)
Equity in net income of non-debtor subsidiaries	(57)
NET CASH PROVIDED BY OPERATING ACTIVITIES	120
INVESTING ACTIVITIES:	
Capital expenditures	(37)
Capitalized software development costs	(2)
Acquisition of businesses, net of cash acquired	(4)
Proceeds from sale of Networking business	70
Restricted cash	(76)
NET CASH USED FOR INVESTING ACTIVITIES	(49)
FINANCING ACTIVITIES:	
Proceeds from DIP financing	712
Repayment of Domestic ABL	(77)
Repayment of borrowing on revolving loans under the Senior Secured Credit Agreement	(18)
Reorganization items	(1)
Repayment of long-term debt, including adequate protection payments	(223)
Net repayments to affiliates	(57)
Payments related to sale-leaseback transactions	(8)
Other financing activities, net	(5)
NET CASH PROVIDED BY FINANCING ACTIVITIES	323
Effect of exchange rate changes on cash and cash equivalents	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	394
Cash and cash equivalents at beginning of period	241
Cash and cash equivalents at end of period	$ 635

26. Subsequent Events

See Note 1, "Background and Basis of Presentation-Basis of Presentation" and Note 11, "Financing Arrangements" for further details regarding the Company's emergence from bankruptcy. The Company has reviewed and evaluated subsequent events that occurred through December 22, 2017, the date the financial statements were available to be issued.

Item 15. Financial Statements and Exhibits

(b) Exhibits

Number	Description
2.1*	Second Amended Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its Debtor Affiliates (previously filed as Exhibit 2.1 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
3.1*	Amended and Restated Certificate of Incorporation of Avaya Holdings Corp. (previously filed as Exhibit 3.1 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
3.2*	Amended and Restated Bylaws of Avaya Holdings Corp. (previously filed as Exhibit 3.2 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
4.1*	Form of Certificate of Common Stock of Avaya Holdings Corp. (previously filed as Exhibit 4.1 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
4.2*	Form of Registration Rights Agreement between Avaya Holdings Corp. and the stockholders party thereto (previously filed as Exhibit 4.2 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
4.3*	Amended and Restated Registration Rights Agreement dated as of December 18, 2009, by and among Avaya Holdings Corp. (f/k/a Sierra Holdings Corp.), TPG Partners V, L.P., TPG FOF V-A, L.P., TPG FOF V-B, L.P., Silver Lake Partners II, L.P., Silver Lake Technology Investors II, L.P., Silver Lake Partners III, L.P., Silver Lake Technology Investors III, L.P., Sierra Co-Invest, LLC and Sierra Co-Invest II, LLC (previously filed as Exhibit 4.11 to the Company's Registration Statement on Form S-1 filed with the SEC on June 9, 2011)
4.4*	Second Amended and Restated Registration Rights Agreement dated as of May 29, 2012, by and among Avaya Holdings Corp. (f/k/a Sierra Holdings Corp.), TPG Partners V, L.P., TPG FOF V-A, L.P., TPG FOF V-B, L.P., Silver Lake Partners II, L.P., Silver Lake Technology Investors II, L.P., Silver Lake Partners III, L.P., Silver Lake Technology Investors III, L.P., Sierra Co-Invest, LLC and Sierra Co-Invest II, LLC (previously filed as Exhibit 4.19 to the Company's Registration Statement on Form S-1 filed with the SEC on December 3, 2013)
4.5*	Senior Manager Registration and Preemptive Rights Agreement, dated as of October 26, 2007, by and among Avaya Holdings Corp. (f/k/a Sierra Holdings Corp.) and the individual members of management listed on Schedule A thereto (previously filed as Exhibit 4.12 to the Company's Registration Statement on Form S-1 filed with the SEC on June 9, 2011)
4.6*	Warrant Agreement between Avaya Holdings Corp. and American Stock Transfer & Trust Company, LLC (previously filed as Exhibit 4.6 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
4.7*	Form of Warrant Certificate (previously filed as Exhibit 4.7 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
10.1	Form of Director and Officer Indemnification Agreement
10.2*	Management Services Agreement, dated as of October 2, 2007, by and among Avaya Holdings Corp. (f/k/a Sierra Holdings Corp.), Avaya Inc. (as successor by merger to Sierra Merger Corp.), TPG Capital, L.P. and Silver Lake Management Company III, L.L.C. (Incorporated by reference to Exhibit 10.15 to Avaya Inc.'s Registration Statement on Form S-4 filed with the SEC on December 23, 2009)

Number	Description
10.3*	Management Stockholders' Agreement, dated as of October 26, 2007, by and among Avaya Holdings Corp. (f/k/a Sierra Holdings Corp.), the Majority Stockholders (as defined therein) and the individuals listed on Schedule A thereto (previously filed as Exhibit 10.25 to the Company's Registration Statement on Form S-1 filed with the SEC on June 9, 2011)
10.4*	Second Amended and Restated Stockholders' Agreement, by and among TPG Partners V, L.P., TPG FOF V-A, L.P., TPG FOF V-B, L.P., Silver Lake Partners II, L.P., Silver Lake Technology Investors II, L.P., Silver Lake Partners III, L.P., Silver Lake Technology Investors III, L.P., Sierra Co-Invest, LLC, Sierra Co-Invest II, LLC and Avaya Holdings Corp., dated as of May 29, 2012 (previously filed as Exhibit 10.86 to the Company's Registration Statement on Form S-1 filed with the SEC on December 22, 2015)
10.5	Term Loan Credit Agreement, dated as of December 15, 2017, by and among Avaya Inc., Avaya Holdings Corp., Goldman Sachs Bank USA, as administrative agent and collateral agent, the subsidiary guarantors party thereto and each lender from time to time party thereto.
10.6	ABL Credit Agreement, dated as of December 15, 2017, among Avaya Inc., Avaya Holdings Corp., Avaya Canada Corp., Avaya UK, Avaya International Sales Limited, Avaya Deutschland GmbH, Avaya GmbH & Co. KG, Citibank, N.A. as collateral agent and administrative agent, the lending institutions from time to time party thereto and the lending institutions named therein as letters of credit issuers and swing line lenders.
10.7*	Avaya Holdings Corp. 2017 Equity Incentive Plan (previously filed as Exhibit 10.7 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
10.8*	Executive Employment Agreement, dated November 13, 2017, between James M. Chirico, Jr. and Avaya Inc. (previously filed as Exhibit 10.8 to the Company's Registration Statement on Form 10 filed with the SEC on December 15, 2017)
10.9	Form of Restricted Stock Unit Emergence Award Agreement Pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan for James M. Chirico, Jr.
10.10	Form of Restricted Stock Unit Emergence Award Agreement Pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan for Senior Executives
10.11	Form of Restricted Stock Unit Emergence Award Agreement Pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan for Other Employees
10.12	Form of Nonqualifed Stock Option Emergence Award Agreement Pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan for James M. Chirico, Jr.
10.13	Form of Nonqualifed Stock Option Emergence Award Agreement Pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan for Senior Executives
10.14	Form of Nonqualifed Stock Option Emergence Award Agreement Pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan for Other Employees
21.1	List of subsidiaries of Avaya Holdings Corp.

* Previously filed.

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SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Avaya Holdings Corp.

By: /s/ David Vellequette
Name: David Vellequette
Title: Senior Vice President of Finance

Dated: December 22, 2017

Exhibit 10.1

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this " Agreement ") is made as of December [●], 2017 by and between Avaya Holdings Corp., a Delaware corporation (the " Corporation "), in its own name and on behalf of its direct and indirect subsidiaries, and _____, an individual (" Indemnitee ").

RECITALS:

WHEREAS, directors, officers, employees, controlling persons, fiduciaries and other agents (" Representatives ") in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the corporation or business enterprise itself;

WHEREAS, highly competent persons have become more reluctant to serve as Representatives unless they are provided with adequate protection through insurance and adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation or business enterprise;

WHEREAS, the Board of Directors of the Corporation (the " Board ") has determined that the increased difficulty in attracting and retaining highly competent persons is detrimental to the best interests of the Corporation and its stockholders and that the Corporation should act to assure such persons that there will be increased certainty of protection against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the Corporation;

WHEREAS, (a) the Amended and Restated Bylaws of the Corporation (the " Bylaws ") require indemnification of the officers and directors of the Corporation, (b) Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the " DGCL ") and (c) the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive and thereby contemplate that contracts may be entered into between the Corporation and its Representatives with respect to indemnification;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefore, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, (a) Indemnitee does not regard the protection available under the Bylaws and insurance as adequate in the present circumstances, (b) Indemnitee may not be willing to serve or continue to serve as a Representative without adequate protection, (c) the Corporation desires Indemnitee to serve in such capacity and (d) Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Corporation on the condition that he or she be so indemnified.

AGREEMENT :

NOW, THEREFORE , in consideration of the premises and the covenants contained herein, the Corporation and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions .

(a) As used in this Agreement:

" Agreement " shall have the meaning ascribed to such term in the Preamble hereto.

" Board " shall have the meaning ascribed to such term in the Recitals hereto.

" Bylaws " shall have the meaning ascribed to such term in the Recitals hereto.

" Certificate of Incorporation " shall mean the Amended and Restated Certificate of Incorporation of the Corporation.

" Corporate Status " describes the status of an individual who is or was a Representative of an Enterprise.

" Corporation " shall have the meaning ascribed to such term in the Preamble hereto.

" DGCL " shall have the meaning ascribed to such term in the Recitals hereto.

" Enterprise " shall mean the Corporation and any other Person, employee benefit plan, joint venture or other enterprise of which Indemnitee is or was serving at the request of the Corporation as a Representative.

" Exchange Act " shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

" Expenses " shall mean all reasonable costs, expenses, fees and charges, including, without limitation, attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include, without limitation, (i) expenses incurred in connection with any appeal resulting from, incurred by Indemnitee in connection with, arising out of, in respect of or relating to, any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent, (ii) for purposes of Section 11(d) only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation

or otherwise, (iii) any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement (on a grossed up basis) and (iv) any interest, assessments or other charges in respect of the foregoing.

" Indemnitee " shall have the meaning ascribed to such term in the Preamble hereto.

" Indemnity Obligations " shall mean all obligations of the Corporation to Indemnitee under this Agreement, including, without limitation, the Corporation's obligations to provide indemnification to Indemnitee and advance Expenses to Indemnitee under this Agreement.

" Independent Counsel " shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Corporation or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements) or (ii) any other party to the Proceeding giving rise to a claim for indemnification; provided , however , that the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Corporation or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

" Liabilities " shall mean all claims, liabilities, damages, losses, judgments, orders, fines, penalties and other amounts payable in connection with, arising out of, in respect of or relating to or occurring as a direct or indirect consequence of any Proceeding, including, without limitation, amounts paid in whole or partial settlement of any Proceeding, all Expenses in complying with any judgment, order or decree issued or entered in connection with any Proceeding or any settlement agreement, stipulation or consent decree entered into or issued in settlement of any Proceeding, and any consequential damages resulting from any Proceeding or the settlement, judgment, or result thereof.

" Person " shall mean any individual, corporation, partnership, limited partnership, limited liability company, trust, governmental agency or body or any other legal entity.

" Proceeding " shall mean any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, formal or informal hearing, inquiry or investigation, litigation, administrative hearing or any other actual, threatened or completed judicial, administrative or arbitration proceeding (including, without limitation, any such proceeding under the Securities Act of 1933, as amended, or the Exchange Act or any other federal law, state law, statute or regulation), whether brought in the right of the Corporation or otherwise, and whether of a civil, criminal, administrative or investigative nature, in which

Indemnitee was, is or will be, or is threatened to be, involved as a party or witness or otherwise involved, affected or injured (i) by reason of the fact that Indemnitee is or was a Representative of the Corporation, (ii) by reason of any actual or alleged action taken by Indemnitee or of any action on Indemnitee's part while acting as Representative of the Corporation or (iii) by reason of the fact that Indemnitee is or was serving at the request of the Corporation as a Representative of another Person, whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement.

" Representative " shall have the meaning ascribed to such term in the Recitals hereto.

" Submission Date " shall have the meaning ascribed to such term in Section 9(b).

(b) For the purpose hereof, references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include, without limitation, any service as a Representative of the Corporation which imposes duties on, or involves services by, such Representative with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner "not opposed to the best interests of the Corporation" as referred to in this Agreement.

Section 2. Indemnity in Third-Party Proceedings . The Corporation shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or incurred by Indemnitee or on Indemnitee's behalf in connection with or as a consequence of any Proceeding (other than any Proceeding brought by or in the right of the Corporation to procure a judgment in its favor which shall be governed by the provisions set forth in Section 3 below) or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe that his conduct was unlawful. For the avoidance of doubt, a finding, admission or stipulation that an Indemnitee has acted with gross negligence or recklessness shall not, of itself, create a presumption that such Indemnitee has failed to meet the standard or conduct required for indemnification in this Section 2.

Section 3. Indemnity in Proceedings by or in the Right of the Corporation . The Corporation shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or incurred by Indemnitee or on Indemnitee's behalf in connection with or as a consequence of any Proceeding brought by or in the right of the Corporation to procure a judgment in its favor, or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in, or not opposed, to the best interests of the Corporation. No indemnification for Liabilities and Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Corporation, unless and

only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification. For the avoidance of doubt, a finding, admission or stipulation that an Indemnitee has acted with gross negligence or recklessness shall not, of itself, create a presumption that such Indemnitee has failed to meet the standard or conduct required for indemnification in this Section 3.

Section 4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful . Notwithstanding any other provisions of this Agreement, and without limiting the rights of Indemnitee under any other provision hereof, to the extent that (a) Indemnitee is a party to (or a participant in) any Proceeding, (b) the Corporation is not permitted by applicable law to indemnify Indemnitee with respect to any claim brought in such Proceeding if such claim is asserted successfully against Indemnitee and (c) Indemnitee is not wholly successful in such Proceeding, but is successful, on the merits or otherwise (including, without limitation, settlement thereof), as to one or more but less than all claims, issues or matters in such Proceeding, then the Corporation shall indemnify Indemnitee, to the fullest extent permitted by applicable law, against all Liabilities and Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf, in connection with or as a consequence of each successfully resolved claim, issue or matter. For purposes of this Section 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by settlement, entry of a plea of *nolo contendere* or by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 5. Indemnification for Expenses of a Witness . Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Liabilities and Expenses suffered or incurred by him or on his behalf in connection therewith.

Section 6. Additional Indemnification . Notwithstanding any limitation in Sections 2, 3 or 4, the Corporation shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to, or threatened to be made a party to, any Proceeding (including, without limitation, a Proceeding by or in the right of the Corporation to procure a judgment in its favor), against all Liabilities and Expenses suffered or incurred by Indemnitee in connection with such Proceeding (other than on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Corporation or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law):

(a) to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to, or replacement of, the DGCL, and

(b) to the fullest extent authorized or permitted by any amendments to, or replacements of, the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 7. Advances of Expenses . In furtherance of the requirement of Article Eight of the Bylaws and notwithstanding any provision of this Agreement to the contrary, the Corporation shall advance, to the fullest extent permitted by law, Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within ten (10) days after the receipt by the Corporation of a statement or statements requesting such advances from time to time, whether prior to, or after, final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all Expenses incurred pursuing an action to enforce this right of advancement, including, without limitation, Expenses incurred preparing and forwarding statements to the Corporation to support the advances claimed. Indemnitee shall qualify for advances upon the execution and delivery to the Corporation of this Agreement, which shall constitute an undertaking, providing that Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Corporation.

Section 8. Procedure for Notification and Defense of Claim .

(a) Indemnitee shall notify the Corporation in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Corporation shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. Any delay or failure by Indemnitee to notify the Corporation hereunder will not relieve the Corporation from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay or failure in so notifying the Corporation shall not constitute a waiver by Indemnitee of any rights under this Agreement.

(b) In the event Indemnitee is entitled to indemnification and/or advancement of Expenses with respect to any Proceeding, Indemnitee may, at Indemnitee's option, (i) retain legal counsel selected by Indemnitee and approved by the Corporation (which approval shall not to be unreasonably withheld, conditioned or delayed) to defend Indemnitee in such Proceeding, at the sole expense of the Corporation or (ii) have the Corporation assume the defense of Indemnitee in the Proceeding, in which case the Corporation shall assume the defense of such Proceeding with legal counsel selected by the Corporation and approved by Indemnitee (which approval shall not be unreasonably withheld, conditioned or delayed) within ten (10) days of the Corporation's receipt of written notice of Indemnitee's election to cause the Corporation to do so. If the Corporation is required to assume the defense of any such Proceeding, it shall engage legal counsel for such defense, and shall be solely responsible for all Expenses of such legal counsel and otherwise of such defense. Such legal counsel may represent both Indemnitee and the Corporation (and/or any other party or parties entitled to be

indemnified by the Corporation with respect to such matter) unless, in the reasonable opinion of legal counsel to Indemnitee, there is a conflict of interest between Indemnitee and the Corporation (or any other such party or parties) or there are legal defenses available to Indemnitee that are not available to the Corporation (or any such other party or parties). Notwithstanding either party's assumption of responsibility for defense of a Proceeding, each party shall have the right to engage separate legal counsel at its own expense. The party having responsibility for defense of a Proceeding shall provide the other party and its legal counsel with all copies of pleadings and material correspondence relating to the Proceeding. Indemnitee and the Corporation shall reasonably cooperate in the defense of any Proceeding with respect to which indemnification is sought hereunder, regardless of whether the Corporation or Indemnitee assumes the defense thereof. Indemnitee may not settle or compromise any Proceeding without the prior written consent of the Corporation (which consent shall not be unreasonably withheld, conditioned or delayed). The Corporation may not settle or compromise any proceeding without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed).

Section 9. Procedure Upon Application for Indemnification .

(a) Upon written request by Indemnitee for indemnification pursuant to Section 8(a), the Corporation shall advance Expenses necessary to defend against a Claim pursuant to Section 7 hereof. If any determination by the Corporation is required by applicable law with respect to Indemnitee's ultimate entitlement to indemnification, such determination shall be made (i) if Indemnitee shall request such determination be made by the Independent Counsel, by the Independent Counsel and (ii) in all other circumstances in any manner permitted by the DGCL. Indemnitee shall cooperate with the Person(s) making such determination with respect to Indemnitee's entitlement to indemnification, including, without limitation, providing to such Person(s), upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses incurred by Indemnitee in so cooperating with the Person(s) making such determination shall be borne by the Corporation (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Corporation hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Corporation will not deny any written request for indemnification hereunder made in good faith by Indemnitee unless a determination as to Indemnitee's entitlement to such indemnification described in this Section 9(a) has been made. The Corporation agrees to pay Expenses of the Independent Counsel referred to above and to fully indemnify the Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(b) In the event that the determination of entitlement to indemnification is to be made by the Independent Counsel pursuant to Section 9(a) hereof, (i) the Independent Counsel shall be selected by the Corporation within ten (10) days of the Submission Date, (ii) the Corporation shall give written notice to Indemnitee advising it of the identity of the Independent Counsel so selected and (iii) Indemnitee may, within ten (10)

days after such written notice of selection shall have been given, deliver to the Corporation Indemnitee's written objection to such selection. Absent a timely objection, the Person so selected shall act as the Independent Counsel. If a timely objection is made by Indemnitee, the Person so selected may not serve as the Independent Counsel unless and until such objection is withdrawn. If no Independent Counsel shall have been selected (whether due to a failure of the Corporation to appoint such Independent Counsel, an un-withdrawn objection from Indemnitee with respect to the person so appointed or otherwise) before the later of (i) thirty (30) days after the submission by Indemnitee of a written request for indemnification pursuant to Section 9(a) hereof (the date of such submission, the " Submission Date ") and (ii) ten (10) days after the final disposition of the Proceeding for which indemnity is sought, then (x) each of the Corporation and Indemnitee shall select a Person meeting the qualifications to serve as the Independent Counsel and (y) such Persons shall (collectively) select the Independent Counsel. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 11(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 10. Presumptions and Effect of Certain Proceedings .

(a) In making a determination with respect to entitlement to indemnification hereunder, the Person(s) making such determination shall, to the fullest extent permitted by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 8(a) of this Agreement, and the Corporation shall, to the fullest extent permitted by law, have the burden of proof to overcome that presumption in connection with the making by any Person(s) of any determination contrary to that presumption. Neither the failure of the Corporation (including, without limitation, by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation (including, without limitation, by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 11(e), if the Person(s) empowered or selected under Section 9 hereof to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Corporation of the request therefore, the requisite determination of entitlement to indemnification shall, to the fullest extent permitted by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided , however , that such sixty (60) day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if (i) the determination is to be made by the Independent Counsel and Indemnitee objects to the Corporation's selection of the Independent Counsel and (ii) the Independent Counsel ultimately selected requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(d) Effect of Settlement . To the fullest extent permitted by law, settlement of any Proceeding without any finding of responsibility, wrongdoing or guilt on the part of Indemnitee with respect to claims asserted in such Proceeding shall constitute a conclusive determination that Indemnitee is entitled to indemnification hereunder with respect to such Proceeding.

(e) Reliance as Safe Harbor . For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. The provisions of this Section 10(e) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(f) Actions of Others . The knowledge and/or actions, or failure to act, of any Representative (other than Indemnitee) of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 11. Remedies of Indemnitee .

(a) Subject to Section 11(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 7 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 9(a) of this Agreement within ninety (90) days after the Submission Date, (iv) payment of indemnification is not made pursuant to Section 4, 5 or 9(a) of this Agreement within ten (10) days after receipt by the Corporation of a written request therefore, (v) payment of indemnification pursuant to Section 2, 3 or 6 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or (vi) in the event that the Corporation or any other person takes or threatens to take any action to declare this

Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, Indemnitee, the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of Indemnitee's entitlement to such indemnification and/or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Corporation shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 9(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 11 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 11, the Corporation shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 9(a) of this Agreement that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 11, absent (i) a misstatement by the Indemnitee of a material fact, or an omission by the Indemnitee of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Corporation shall, to the fullest extent permitted by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 11 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Agreement. It is the intent of the Corporation that Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. In addition, the Corporation shall indemnify Indemnitee against any and all such Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Corporation of a written request therefore) advance, to the fullest extent permitted by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Corporation under this Agreement or under any directors' and officers' liability insurance policies maintained by the Corporation, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required

to be made prior to the final disposition of the Proceeding; provided that , in absence of any such determination with respect to such Proceeding, the Corporation shall pay Liabilities and advance Expenses with respect to such Proceeding as if Indemnitee had been determined to be entitled to indemnification and advancement of Expenses with respect to such Proceeding.

Section 12. Exclusions . Notwithstanding any provision in this Agreement, the Corporation shall not be obligated under this Agreement to make any indemnification, advance expenses, hold harmless or exoneration payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnity or advancement provision, except with respect to any excess beyond the amount actually received under any insurance policy, contract, agreement, other indemnity or advancement provision or otherwise;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Corporation within the meaning of Section 16(b) of the Exchange Act (or any successor rule) or similar provisions of state statutory law or common law; or

(c) except as otherwise provided in Section 11 hereof, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Corporation or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Corporation provides the indemnification, hold harmless or exoneration payment, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law.

Section 13. Non-Exclusivity; Survival of Rights; Insurance; Subrogation .

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation, the Bylaws and/or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every

other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Corporation hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of Expenses and/or insurance provided by one or more Persons with whom or which Indemnitee may be associated. The Corporation hereby acknowledges and agrees that (i) the Corporation shall be the indemnitor of first resort with respect to any Proceeding, Expense, Liability or matter that is the subject of the Indemnity Obligations, (ii) the Corporation shall be primarily liable for all Indemnity Obligations and any indemnification afforded to Indemnitee in respect of any Proceeding, Expense, Liability or matter that is the subject of Indemnity Obligations, whether created by law, organizational or constituent documents, contract (including, without limitation, this Agreement) or otherwise, (iii) any obligation of any other Persons with whom or which Indemnitee may be associated to indemnify Indemnitee and/or advance Expenses to Indemnitee in respect of any proceeding shall be secondary to the obligations of the Corporation hereunder, (iv) the Corporation shall be required to indemnify Indemnitee and advance Expenses to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated or insurer of any such Person and (v) the Corporation irrevocably waives, relinquishes and releases any other Person with whom or which Indemnitee may be associated from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Corporation hereunder. In the event that any other Person with whom or which Indemnitee may be associated or their insurers advances or extinguishes any liability or loss which is the subject of any Indemnity Obligation owed by the Corporation or payable under any insurance policy provided under this Agreement, the payor shall have a right of subrogation against the Corporation or its insurer or insurers for all amounts so paid which would otherwise be payable by the Corporation or its insurer or insurers under this Agreement. In no event will payment of an Indemnity Obligation of the Corporation under this Agreement by any other Person with whom or which Indemnitee may be associated or their insurers, affect the obligations of the Corporation hereunder or shift primary liability for any Indemnity Obligation to any other Person with whom or which Indemnitee may be associated. Any indemnification and/or insurance or advancement of Expenses provided by any other Person with whom or which Indemnitee may be associated, with respect to any liability arising as a result of Indemnitee's Corporate Status or capacity as an officer or director of any Person, is specifically in excess of any Indemnity Obligation of the Corporation or valid and any collectible insurance (including, without limitation, any malpractice insurance or professional errors and omissions insurance) provided by the Corporation under this Agreement, and any obligation to provide indemnification and/or insurance or advance Expenses provided by any other Person with whom or which Indemnitee may be associated shall be reduced by any amount that Indemnitee collects from the Corporation as an indemnification payment or advancement of Expenses pursuant to this Agreement.

(c) The Corporation shall use its best efforts to obtain and maintain in full force and effect an insurance policy or policies providing liability insurance for Representatives of the Corporation or of any other Enterprise, and Indemnitee shall be

covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such Representative under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Corporation maintains an insurance policy or policies providing liability insurance for Representatives of the Corporation or of any other Enterprise, the Corporation shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policy or policies. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Corporation shall not be subrogated to, and hereby waives any rights to be subrogated to, any rights of recovery of Indemnitee, including, without limitation, rights of indemnification provided to Indemnitee from any other Person or entity with whom Indemnitee may be associated as well as any rights to contribution that might otherwise exist; provided , however , that the Corporation shall be subrogated to the extent of any such payment of all rights of recovery of Indemnitee under insurance policies of the Corporation or any of its subsidiaries.

(e) The indemnification and contribution provided for in this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of Indemnitee.

Section 14. Duration of Agreement; Not Employment Contract . This Agreement shall continue until and terminate upon the latest of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a Representative of the Corporation or any other Enterprise and (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 11 of this Agreement relating thereto. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement, expressly or to assume and agree to perform this agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. This Agreement shall not be deemed an employment contract between the Corporation (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Corporation (or any of its subsidiaries or any Enterprise), if any, is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Corporation (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a Representative of the Corporation, by the Certificate of Incorporation, Bylaws and the DGCL.

Section 15. Severability . If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement .

(a) The Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a Representative of the Corporation, and the Corporation acknowledges that Indemnitee is relying upon this Agreement in serving as a Representative of the Corporation.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided , however , that this Agreement is a supplement to and in furtherance of the Bylaws and applicable law, and shall not be deemed a substitute therefore, nor to diminish or abrogate any rights of Indemnitee thereunder.

(c) The Corporation shall not seek from a court, or agree to, a “bar order” which would have the effect of prohibiting or limiting the Indemnitee’s right to receive advancement of expenses under this Agrrement.

Section 17. Modification and Waiver . No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 18. Notices . All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Corporation.

(b) If to the Corporation to:

Avaya Holdings Corp.
Attn: Patrick O'Malley
Address: 4655 Great America Parkway
Santa Clara, CA 95054-1233
Facsimile: (408) 496-3600
Email: pomalley@avaya.com

with copies to (which shall not constitute notice to the Corporation):

Kirkland & Ellis LLP
Attn: Michael Kim
Address: 601 Lexington Avenue
New York, NY 11201
Facsimile: (212) 446-6460
Email: michael.kim@kirkland.com

or to any other address as may have been furnished to Indemnitee by the Corporation.

Section 19. Contribution . To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Corporation, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of the Proceeding in order to reflect (a) the relative benefits received by the Corporation and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (b) the relative fault of the Corporation (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 20. Applicable Law and Consent to Jurisdiction . This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Corporation and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

Section 21. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Section 22. [Reserved]

Section 23. Miscellaneous . Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

AVAYA HOLDINGS CORP.

_____

Name:
Title:

[Signature Page to Indemnification Agreement]

INDEMNITEE:

[Signature Page to Indemnification Agreement]

Exhibit 10.5

EXECUTION VERSION

TERM LOAN CREDIT AGREEMENT

Dated as of December 15, 2017

among

AVAYA HOLDINGS CORP.,
as Holdings,

AVAYA INC.,
as the Borrower,

The Several Lenders
from Time to Time Parties Hereto,

GOLDMAN SACHS BANK USA,
as Administrative Agent and Collateral Agent,

GOLDMAN SACHS BANK USA
CITIGROUP GLOBAL MARKETS INC.
BARCLAYS BANK PLC
CREDIT SUISSE SECURITIES (USA) LLC
and
DEUTSCHE BANK SECURITIES INC.,
as Joint Lead Arrangers and Joint Bookrunners,

and

BLACKSTONE HOLDINGS FINANCE CO. L.L.C.
and
BENEFIT STREET PARTNERS LLC
as Co-Managers

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SCHEDULES

EXHIBITS

TERM LOAN CREDIT AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, the " **Agreement** "), dated as of December 15, 2017, among AVAYA HOLDINGS CORP., a Delaware corporation (" **Avaya Holdings** "), in its capacity as Holdings, AVAYA INC., a Delaware corporation (the " **Borrower** "), the lending institutions from time to time parties hereto (each a " **Lender** " and, collectively, the " **Lenders** ") and GOLDMAN SACHS BANK USA, as Administrative Agent and Collateral Agent.

RECITALS:

WHEREAS, capitalized terms used and not defined in the preamble and these recitals shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, on January 19, 2017, Avaya Holdings, the Borrower and certain of the Borrower's Domestic Subsidiaries (collectively, the " **Avaya Debtors** ") filed voluntary petitions for relief under Chapter 11 in the United States Bankruptcy Court for the Southern District of New York (such court, together with any other court having exclusive jurisdiction over the Case from time to time and any Federal appellate court thereof, the " **Bankruptcy Court** ") and commenced cases, jointly administered under Case No. 17-10089 (collectively, the " **Case** "), and have continued in the possession and operation of their assets and in the management of their businesses pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Avaya Debtors are parties to the certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of January 24, 2017 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the **"Existing DIP Agreement** "), by and among the Avaya Debtors, Citibank N.A., as administrative agent and collateral agent and the lending institutions from time to time parties thereto;

WHEREAS, the Avaya Debtors filed the Second Amended Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its Debtor Affiliates in the Bankruptcy Court on October 24, 2017 [Docket No. 1372] (together with all schedules, documents and exhibits contained therein, as amended, supplemented, modified or waived from time to time, the " **Plan** ");

WHEREAS, on November 28, 2017, the Bankruptcy Court entered an order confirming the Plan with respect to the Avaya Debtors (the " **Confirmation Order** ") [Docket No. 1579];

WHEREAS, the Lenders agree, upon the satisfaction (or waiver) of certain conditions precedent set forth in Section 6, to extend credit to the Borrower in the form of term loans in an aggregate principal amount of $2,925,000,000, on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1 Definitions

1.1 Defined Terms

As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires:

" **ABL Administrative Agent** " shall mean Citibank, N.A. in its capacity as the administrative agent under the ABL Credit Agreement and/or any successor agent under the ABL Credit Documents.

" **ABL Credit Agreement** " shall mean the ABL Credit Agreement dated as of December 15, 2017 among Holdings, the Borrower, the other borrowers party thereto, the ABL Administrative Agent and the several banks and other financial institutions from time to time parties thereto, as such agreement may be amended, modified, supplemented, substituted, replaced, restated or refinanced, in whole or in part, from time to time, in each case to the extent permitted hereunder and under the Applicable Intercreditor Agreements (unless such agreement, instrument or document expressly provides that it is not intended to be and is not an ABL Credit Agreement).

" **ABL Collateral Agent** " shall mean Citibank, N.A. in its capacity as the collateral agent under the ABL Credit Agreement and/or any successor agent under the ABL Credit Documents.

" **ABL Credit Documents** " shall mean, collectively, (a) the ABL Credit Agreement and (b) the security documents, intercreditor agreements (including the ABL Intercreditor Agreement and the Junior Lien Intercreditor Agreement), guarantees, joinders and other agreements or instruments executed in connection therewith or such other agreements, in each case to the extent permitted hereunder and under the Applicable Intercreditor Agreements, as amended, modified, supplemented, substituted, replaced, restated or refinanced, in whole or in part, from time to time.

" **ABL Financial Covenant** " shall mean the financial covenant set forth in Section 10.11 of the ABL Credit Agreement.

" **ABL Intercreditor Agreement** " shall mean the ABL Intercreditor Agreement substantially in the form of Exhibit F, among the Collateral Agent, the ABL Collateral Agent and the representatives for holders of one or more other classes of Indebtedness, the Borrower and the other parties thereto, as amended, restated, supplemented or otherwise modified from time to time in accordance with the requirements thereof and of this Agreement, and which shall also include any replacement intercreditor agreement entered into in accordance with the terms hereof.

" **ABL Loans** " shall mean "ABL Loans" under and as defined in the ABL Credit Agreement.

" **ABL Obligations** " shall mean "Obligations" under and as defined in the ABL Credit Agreement.

" **ABL Priority Collateral** " shall mean the "ABL Priority Collateral" under and as defined in the ABL Intercreditor Agreement.

" **ABR** " shall mean for any day a fluctuating rate per annum equal to the greatest of (a) the Federal Funds Effective Rate *plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Wall Street Journal as the "U.S. prime rate" and (c) the LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) *plus* 1.00%; *provided* that, for the avoidance of doubt, for purposes of calculating the LIBOR Rate pursuant to clause (c), the LIBOR Rate for any day shall be based on the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on such day by reference to the ICE Benchmark Administration (or any successor organization) LIBOR Rate (the " **Relevant LIBOR Rate** ") for deposits in Dollars (as published by Reuters or any other commonly available source providing quotations of the Relevant LIBOR Rate as designated by the Administrative Agent) for a period equal to one month. If the Administrative Agent is unable to ascertain the Federal Funds Effective Rate due to its inability to obtain sufficient quotations in accordance with the definition thereof, after notice is provided to the Borrower, the ABR shall be determined without regard to clause (a) above until the circumstances giving rise to such inability no longer exist. Any change in the ABR due to a change in such rate announced by the Administrative Agent or in the Federal Funds Effective Rate shall take effect at the opening of business on the day specified in the public announcement of such change or on the effective date of such change in the Federal Funds Effective Rate or the Relevant LIBOR Rate, as applicable.

" **ABR Loan** " shall mean each Term Loan bearing interest based on the ABR.

" **Acceptable Reinvestment Commitment** " shall mean a binding commitment of the Borrower or any Restricted Subsidiary entered into at any time prior to the end of the Reinvestment Period to reinvest the proceeds of an Asset Sale Prepayment Event or a Recovery Prepayment Event.

" **Acquired EBITDA** " shall mean, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary (any of the foregoing, a " **Pro Forma Entity** ") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Borrower and the Restricted Subsidiaries therein were to such Pro Forma Entity and its Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in a manner not inconsistent with GAAP.

" **Acquired Entity or Business** " shall have the meaning provided in the definition of the term "Consolidated EBITDA".

" **Additional Lender** " shall mean any Person (other than (x) a natural person, (y) any investment vehicle established primarily for the benefit of a natural person or (z) a Disqualified Institution) that is not an existing Lender and that has agreed to provide Incremental Commitments pursuant to Section 2.14 or Refinancing Commitments pursuant to Section 2.15(b).

" **Administrative Agent** " shall mean Goldman Sachs Bank USA, as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9.

“ **Administrative Agent’s Office** ” shall mean the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 13.2, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“ **Administrative Questionnaire** ” shall mean an administrative questionnaire in a form supplied by the Administrative Agent.

“ **Advisors** ” shall mean legal counsel, financial advisors and third-party appraisers and consultants advising the Agents, the Lenders and their Related Parties in connection with this Agreement, the other Credit Documents and the consummation of the Transactions, limited in the case of legal counsel to one primary counsel for the Agents (as of the Closing Date, Davis Polk & Wardwell LLP) and, if necessary, one firm of local counsel in each appropriate jurisdiction (and, in the case of an actual or perceived conflict of interest where the Person affected by such conflict informs the Borrower of such conflict and thereafter, retains its own counsel, of another firm of counsel for all such affected Persons (taken as a whole)).

“ **Affiliate** ” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities or by contract. The terms “controlling” and “controlled” shall have meanings correlative thereto.

“ **Affiliated Lender** ” shall mean any Affiliated Parent Company or Subsidiary of Holdings or the Borrower that purchases or acquires Term Loans pursuant to Section 13.6(g).

“ **Affiliated Parent Company** ” shall mean a direct or indirect parent entity of Holdings and the Borrower that (a) owns, directly or indirectly, 100% of the Stock of the Borrower, and (b) operates as a “passive holding company”, subject to customary exceptions of the type described in Section 10.10.

“ **Agent Parties** ” shall have the meaning provided in Section 13.17(d).

“ **Agents** ” shall mean the Administrative Agent, the Collateral Agent, each Joint Lead Arranger and each Co-Manager.

“ **Agreement** ” shall have the meaning provided in the introductory paragraph hereto.

“ **Agreement Currency** ” shall have the meaning provided in Section 13.20.

“ **AHYDO Catch-Up Payment** ” shall mean any payment or redemption of Indebtedness, including any Junior Indebtedness, to avoid the application of Code Section 163(e)(5) thereto or that are necessary to prevent any such Indebtedness from being treated as an “applicable high yield discount obligation” within the meaning of Section 163(i)(1) of the Code.

“ **Anti-Corruption Laws** ” shall have the meaning provided in Section 8.19.

" **Applicable ABR Margin** " shall mean at any date, with respect to each ABR Loan, 3.75% *per annum* .

" **Applicable Intercreditor Agreements** " shall mean (a) to the extent executed in connection with the incurrence of any Indebtedness secured by Liens on the Collateral that (i) are intended to rank senior in priority to the Liens on the ABL Priority Collateral securing the Obligations and (ii) are intended to rank junior in priority to the Liens on the Term Priority Collateral securing the Obligations, the ABL Intercreditor Agreement and the Junior Lien Intercreditor Agreement, (b) to the extent executed in connection with the incurrence of any Indebtedness secured by Liens on the Collateral that are intended to rank equal in priority to the Liens on the Collateral securing the Obligations (but without regard to control of remedies), each of the ABL Intercreditor Agreement, the First Lien Intercreditor Agreement and the Junior Lien Intercreditor Agreement, (c) to the extent executed in connection with the incurrence of any Indebtedness secured by Liens on the Collateral which are intended to rank junior in priority to the Liens on the Collateral securing the Obligations and the ABL Obligations, an intercreditor agreement substantially consistent with the form of the Junior Lien Intercreditor Agreement and otherwise in form and substance reasonably acceptable to the Borrower and the Collateral Agent and (d) any other intercreditor agreement entered into to implement the intercreditor arrangements set forth in Section 10.2 in form and substance reasonably acceptable to the Borrower and the Collateral Agent.

" **Applicable Laws** " shall mean, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

" **Applicable LIBOR Margin** " shall mean at any date, with respect to each LIBOR Loan, 4.75% *per annum* .

" **Approval Order** " shall mean the Order (I) Authorizing (A) Entry into the Exit Financing Letters and Related Exit ABL/Term Loan Fee Letter and (B) Payment of Associated Fees and Expenses and (II) Granting Related Relief entered by the Bankruptcy Court on November 1, 2017 [Docket No. 1430].

" **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 Prepayment Event** " shall mean any Disposition under and pursuant to Section 10.4(b).

" **Assignment and Assumption** " shall mean (a) an assignment and assumption substantially in the form of Exhibit I, or such other form as may be approved by the Administrative Agent and the Borrower and (b) in the case of any assignment of Term Loans in connection with a Permitted Debt Exchange conducted in accordance with Section 2.17, such form of assignment (if any) as may have been requested by the Administrative Agent in accordance with Section 2.17(a).

" **Auction Agent** " shall mean (a) the Administrative Agent or (b) any other financial institution or advisor designated by Holdings, the Borrower or any Subsidiary thereof (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Permitted Debt Exchange pursuant to Section 2.17 or a Dutch auction pursuant to Section 13.6(g); *provided* that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent).

" **Authorized Officer** " shall mean the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Treasurer, any Assistant Treasurer, the Controller, any Senior Vice President, with respect to certain limited liability companies or partnerships that do not have officers, any manager, managing member or general partner thereof, any other senior officer of Holdings, the Borrower or any other Credit Party designated as such in writing to the Administrative Agent by Holdings, the Borrower or such other Credit Party, as applicable from time to time, and, with respect to any document delivered on the Closing Date, the Secretary or any Assistant Secretary of any Credit Party. Any document delivered hereunder that is signed by an Authorized Officer shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, partnership and/or other action on the part of Holdings, the Borrower or any other Credit Party and such Authorized Officer shall be conclusively presumed to have acted on behalf of such Person. Notwithstanding the foregoing, the solvency certificate required to be delivered on the Closing Date shall be delivered by the Chief Financial Officer of Holdings.

" **Available Amount** " shall mean, at any time (the " **Available Amount Reference Time** "), an amount equal to (a) the sum, without duplication, of:

(i) the greater of (x) $240,000,000 and (y) 30% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(ii) 50% of Cumulative Consolidated Net Income (which amount, if less than zero, shall be deemed to be zero for such period) of the Borrower and the Restricted Subsidiaries for the period from the first day of the first fiscal quarter commencing after the Closing Date until the last day of the then-most recent fiscal quarter or Fiscal Year, as applicable, for which Section 9.1 Financials have been delivered;

(iii) all cash repayments of principal received by the Borrower or any Restricted Subsidiary from any Minority Investments or Unrestricted Subsidiaries on account of loans made by the Borrower or any Restricted Subsidiary pursuant to Section 10.5(v)(y) to such Minority Investments or Unrestricted Subsidiaries during the period from and including the Business Day immediately following the Closing Date through and including the Available Amount Reference Time;

(iv) 100% of the aggregate amount received by the Borrower or any Restricted Subsidiary in cash and the fair market value of marketable securities or other property received by the Borrower or any Restricted Subsidiary by means of (A) the sale or other Disposition (other than to the Borrower or a Restricted Subsidiary) of Investments made pursuant to Section 10.5(v)(y) by the Borrower or any Restricted Subsidiary and repurchases and redemptions (other than by the Borrower or any Restricted Subsidiary) of such Investments from the Borrower or any Restricted Subsidiary and repayments of loans or advances, and releases of guarantees constituting such Investments made by the Borrower or any Restricted Subsidiary, in each case, after the Closing Date; and (B) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock or other ownership interest of Minority Investments or any Unrestricted Subsidiary received pursuant to Section 10.5(v)(y), in each case, after the Closing Date;

(v) in the case of the redesignation of an Unrestricted Subsidiary as, or merger, consolidation or amalgamation of an Unrestricted Subsidiary with or into, a Restricted Subsidiary after the Closing Date, the fair market value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as, or merger, consolidation or amalgamation of such Unrestricted Subsidiary with or into, a Restricted Subsidiary;

(vi) 100% of the aggregate Net Cash Proceeds and the fair market value of marketable securities or other property received by the Borrower since immediately after the Closing Date from the issue or sale of Indebtedness or Disqualified Stock of the Borrower or a Restricted Subsidiary that has been converted into or exchanged for Stock or Stock Equivalent of the Borrower or any direct or indirect parent of the Borrower; *provided* that this clause (vi) shall not include the proceeds from (A) Stock or Stock Equivalents or Indebtedness that has been converted or exchanged for Stock or Stock Equivalents of the Borrower sold to a Restricted Subsidiary, as the case may be, (B) Disqualified Stock or Indebtedness that has been converted or exchanged into Disqualified Stock or (C) any contribution or issuance that increases the Available Equity Amount;

(vii) without duplication of any amounts above, any returns, profits, distributions and similar amounts received on account of the Investments initially made pursuant to Section 10.5(v)(y) (except to the extent increasing Consolidated Net Income); and

(viii) the aggregate amount of Retained Declined Proceeds retained by the Borrower during the period from and including the Business Day immediately following the Closing Date through and including the Available Amount Reference Time;

minus (b) the sum, without duplication, of:

(i) the aggregate amount of Investments made pursuant to Section 10.5(v)(y) following the Closing Date and prior to the Available Amount Reference Time;

(ii) the aggregate amount of Restricted Payments pursuant to Section 10.6(c)(y) following the Closing Date and prior to the Available Amount Reference Time; and

(iii) the aggregate amount of prepayments, repurchases, redemptions and defeasances made pursuant to Section 10.7(a)(iii)(3) following the Closing Date and prior to the Available Amount Reference Time.

Notwithstanding the foregoing, in making any calculation or other determination under this Agreement involving the Available Amount, if the Available Amount at such time is less than zero, then the Available Amount shall be deemed to be zero for purposes of such calculation or determination.

" **Available Amount Reference Time** " shall have the meaning provided in the definition of "Available Amount".

" **Available Equity Amount** " shall mean, at any time (the " **Available Equity Amount Reference Time** "), an amount equal to, without duplication, (a) the amount of any capital contributions made in cash, marketable securities or other property to, or any proceeds of an equity issuance received by the Borrower during the period from and including the Business Day immediately following the Closing Date through and including the Available Equity Amount Reference Time (in the case of any marketable securities or property, up to its fair market value as determined by the Borrower in good faith), including proceeds from the issuance of Stock or Stock Equivalents of Holdings or any direct or indirect parent of Holdings (to the extent the proceeds of any such issuance are contributed to the Borrower), but excluding all proceeds from the issuance of Disqualified Stock,

minus (b) the sum, without duplication, of:

(i) the aggregate amount of Investments made pursuant to Section 10.5(v)(x) following the Closing Date and prior to the Available Equity Amount Reference Time;

(ii) the aggregate amount of Restricted Payments pursuant to Section 10.6(c)(x) following the Closing Date and prior to the Available Equity Amount Reference Time;

(iii) the aggregate amount of prepayments, repurchases, redemptions and defeasances pursuant to Section 10.7(a)(iii)(2) following the Closing Date and prior to the Available Equity Amount Reference Time; and

(iv) the aggregate amount of Indebtedness incurred pursuant to Section 10.1(x) and outstanding at the Available Equity Amount Reference Time;

provided that issuances and contributions pursuant to Sections 10.5(f)(ii), 10.6(a) and 10.6(b)(i) shall not increase the Available Equity Amount.

" **Available Equity Amount Reference Time** " shall have the meaning provided in the definition of "Available Equity Amount".

" **Avaya Debtors** " shall have the meaning provided in the Recitals to this Agreement.

" **Avaya Holdings** " shall have the meaning in the introductory paragraph hereto.

" **Bail-In Action** " shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" **Bail-In Legislation** " shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" **Bankruptcy Code** " shall have the meaning provided in Section 11.5.

" **Bankruptcy Court** " shall have the meaning provided in the preamble to this Agreement.

" **Benefited Lender** " shall have the meaning provided in Section 13.8(a).

" **Board** " shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

" **Borrower** " shall have the meaning provided in the preamble to this Agreement.

" **Borrowing** " shall mean and include the incurrence of one Class and Type of Term Loan on a given date (or resulting from conversions on a given date) having a single Maturity Date and in the case of LIBOR Loans, the same Interest Period (*provided* that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Loans).

" **Broker-Dealer Subsidiary** " shall mean any Subsidiary that is registered as a broker-dealer under the Exchange Act or any other Applicable Law requiring similar registration.

" **Business Day** " shall mean any day excluding Saturday, Sunday and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close, and, if such day relates to (a) any interest rate settings as to a LIBOR Loan, (b) any fundings, disbursements, settlements and payments in respect of any such LIBOR Loan, or (c) any other dealings pursuant to this Agreement in respect of any such LIBOR Loan, such day shall be a day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market.

" **Capital Expenditures** " shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on a consolidated statement of cash flows of the Borrower or the Restricted Subsidiary.

" **Capital Lease** " shall mean, as applied to the Borrower and the Restricted Subsidiaries, any lease of any property (whether real, personal or mixed) by the Borrower or any Restricted Subsidiary as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of the Borrower; *provided* , *however* , that notwithstanding anything to the contrary in this Agreement or in any other Credit Document, any leases that were not capital leases when entered into but are recharacterized as capital leases due to a change in accounting rules that becomes effective after the Closing Date shall for all purposes of this agreement not be treated as Capital Leases.

" **Capitalized Lease Obligations** " shall mean, as applied to the Borrower and the Restricted Subsidiaries at the time any determination is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on the balance sheet (excluding the footnotes thereto) of the Borrower or the Restricted Subsidiary in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such Capital Lease prior to the first date upon which such Capital Lease may be prepaid by the lessee without payment of a penalty; *provided* , *however* , that notwithstanding anything to the contrary in this Agreement or in any other Credit Document, any obligations that were not required to be included on the balance sheet of the Borrower or the Restricted Subsidiary as capital lease obligations when incurred but are recharacterized as capital lease obligations due to a change in accounting rules that becomes effective after the Closing Date shall for all purposes of this Agreement not be treated as Capitalized Lease Obligations.

" **Capitalized Software Expenditures** " shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by the Borrower and the Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Borrower.

" **Captive Insurance Subsidiary** " shall mean a Subsidiary of the Borrower established for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by the Borrower or any of its Subsidiaries or joint ventures or to insure related or unrelated businesses.

" **Case** " shall have the meaning provided in the preamble to this Agreement.

" **Cash Equivalent** " shall mean:

(a) Dollars and cash in such foreign currencies held by the Borrower or any Restricted Subsidiary from time to time in the ordinary course of business;

(b) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities and/or reset dates of not more than 24 months from the date of acquisition thereof;

(c) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any political subdivision of any such state or any public instrumentality thereof having

maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(d) commercial paper or variable or fixed rate notes maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-3 or P-3 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(e) time deposits with, or domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than two years after the date of acquisition thereof issued by, the Administrative Agent (or any Affiliate thereof), any lender under the ABL Credit Agreement, any Lender or any other bank having combined capital and surplus of not less than $500,000,000 in the case of domestic banks and $100,000,000 (or the dollar equivalent thereof) in the case of foreign banks;

(f) repurchase agreements with a term of not more than 90 days for underlying securities of the type described in clauses (b), (c) and (e) above entered into with any bank meeting the qualifications specified in clause (e) above or securities dealers of recognized national standing;

(g) marketable short-term money market and similar funds (x) either having assets in excess of $500,000,000 or (y) having a rating of at least A-3 or P-3 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(h) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (g) above; and

(i) in the case of Investments by any Restricted Foreign Subsidiary or Investments made in a country outside the United States of America, other customarily utilized high-quality Investments in the country where such Restricted Foreign Subsidiary is located or in which such Investment is made.

" **Cash Management Agreement** " shall mean any agreement or arrangement to provide Cash Management Services.

" **Cash Management Bank** " shall mean any Person that enters into a Cash Management Agreement with the Borrower or any Restricted Subsidiary in its capacity as a provider of Cash Management Services and, in each case, at the time it enters into such Cash Management Agreement or on the Closing Date, is (a) a Joint Lead Arranger, a Lender, an Affiliate of a Lender or a Joint Lead Arranger or (b) any other Person that delivers an accession agreement to the Security Agreement and that is specifically designated by the Borrower as a "Cash Management Bank".

" **Cash Management Obligations** " shall mean obligations owed by the Borrower or any Restricted Subsidiary to any Cash Management Bank or any other provider of Cash Management Services in connection with, or in respect of, any Cash Management Services or under any Cash Management Agreement.

" **Cash Management Services** " shall mean treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer (including automated clearing house fund transfer services), merchant services (other than those constituting a line of credit) and other cash management services.

"Certificated Securities" shall have the meaning provided in Section 8.17.

" **CFC** " shall mean a Subsidiary of the Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

" **CFC Holding Company** " shall mean a Subsidiary of the Borrower that has no material assets other than (a) the equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) in (x) one or more Foreign Subsidiaries that are CFCs or (y) one or more other CFC Holding Companies and (b) cash and Cash Equivalents and other assets being held on a temporary basis incidental to the holding of assets described in clause (a) of this definition. It is understood and agreed that Sierra Communication International LLC, a Delaware limited liability company, constitutes a CFC Holding Company on the Closing Date.

" **Change in Law** " shall mean (a) the adoption of any Applicable Law after the Closing Date, (b) any change in any Applicable Law or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any party with any guideline, request, directive or order issued or made after the Closing Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law); *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

" **Change of Control** " shall mean and be deemed to have occurred if (a) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date), but excluding any employee benefit plan of such Person and its subsidiaries and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, shall have, directly or indirectly, acquired beneficial ownership of Voting Stock representing more than 35% of the aggregate voting power represented by the issued and outstanding Voting Stock of Avaya Holdings, (b) Holdings shall at any time cease to be (i) Avaya Holdings or (ii) a Wholly-Owned Subsidiary of Avaya Holdings or (c) Holdings shall not own, directly or indirectly, beneficial ownership of 100% of the Stock and Stock Equivalents of the Borrower.

" **Class** ", when used in reference to any Term Loan or Borrowing, shall refer to whether such Term Loan or the Term Loans comprising such Borrowing, are Initial Term Loans, Incremental Term Loans, Extended Term Loans or Refinancing Term Loans and, when used in reference to any Commitment, refers to whether such Commitment is an Initial Term Commitment, an Incremental Term Commitment or a Refinancing Commitment.

" **Claim** " shall have the meaning provided in the definition of "Environmental Claims".

" **Closing Date** " shall mean December 15, 2017, on which the conditions set forth in Section 6 are first satisfied.

" **Closing Refinancing** " shall mean the repayment in full of all outstanding indebtedness of the Avaya Debtors under the Existing DIP Agreement (other than contingent obligations not yet due) and the release of all Liens granted thereunder.

" **Code** " shall mean the Internal Revenue Code of 1986, as amended from time to time. Section references to the Code are to the Code, as in effect on the Closing Date, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefore.

" **Co-Managers** " shall mean Blackstone Holdings Finance Co. L.L.C. and Benefit Street Partners LLC.

" **Collateral** " shall mean all property pledged, mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents (excluding, for the avoidance of doubt, all Excluded Collateral).

" **Collateral Agent** " shall mean Goldman Sachs Bank USA, in its capacity as collateral agent for the Secured Parties under this Agreement and the Security Documents, or any successor collateral agent appointed pursuant hereto.

" **Commitment Letter** " shall mean the amended and restated commitment letter, dated October 31, 2017, among Avaya Holdings, the Borrower, the Joint Lead Arrangers (and their Affiliates), JPMorgan Chase Bank, N.A. and the Co-Managers.

" **Commitments** " shall mean, with respect to each Lender (to the extent applicable), such Lender's Initial Term Commitments, Incremental Term Commitments or Refinancing Commitment.

" **Commodity Exchange Act** " shall mean the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

" **Communications** " shall have the meaning provided in Section 13.17(a).

" **Company Material Adverse Change** " shall mean any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or

otherwise) or assets of the Borrower and its Subsidiaries, taken as a whole or (b) the ability of the Borrower to consummate the Transactions; *provided* that, clause (a) shall exclude events, occurrences, facts, conditions or changes arising out of, relating to or resulting from: (i) changes generally affecting the economy, financial, securities, or capital markets in the United States or globally; (ii) the announcement of the Transactions contemplated by the Commitment Letter (including, for the avoidance of doubt, the announcement of the Plan (as contemplated, described and defined in the Plan)) and the Borrower's compliance with the terms and conditions of the Commitment Letter, the Plan and the Transactions contemplated thereby; (iii) the Borrower's taking of any action contemplated by the Commitment Letter or in connection with confirmation and consummation of the Plan; (iv) any change in GAAP or Applicable Law; (v) national or international political or social conditions, including the engagement by any country, state, republic, union or sovereignty in hostilities, whether or not pursuant to the declaration of a national emergency or war (or any escalation or worsening of such hostilities), or the occurrence of any military or terrorist attack upon any country, state, republic, union or sovereignty, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of any country, state, republic, union or sovereignty; (vi) any conditions resulting from natural disasters; (vii) the failure, in and of itself, to meet internal or published projections, forecasts, budgets, or revenue, sales or earnings predictions for any period (but not the facts or circumstances underlying or contributing to any such failure); (viii) any threatened or pending claim, action, suit, litigation or proceeding relating to the Transactions or the Plan or that is otherwise released and discharged, as of the Closing Date, in connection with the Transactions or the Plan; or (ix) general conditions (or changes therein) in the Borrower's industries; *provided* , *further* , that any event, occurrence, fact, condition or change referred to in clauses (i), (iv), (v), (vi) or (ix) immediately above shall be taken into account in determining whether a Company Material Adverse Change has occurred or would reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a materially disproportionate effect on the Borrower and its Subsidiaries, taken as a whole, compared to other participants in the industries in which the Borrower and its Subsidiaries conduct their businesses.

" **Company Model** " shall mean the model delivered to the Joint Lead Arrangers on July 31, 2017.

" **Confidential Information** " shall have the meaning provided in Section 13.16.

" **Confirmation Order** " shall have the meaning provided in the Recitals hereto.

" **Consolidated Depreciation and Amortization Expense** " shall mean, with respect to the Borrower and the Restricted Subsidiaries for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees and expenses, capitalized expenditures, Capitalized Software Expenditures, amortization of expenditures relating to software, license and intellectual property payments, amortization of any lease related assets recorded in purchase accounting, customer acquisition costs, unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits, amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of the Borrower and the Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

" **Consolidated EBITDA** " shall mean, for any period, Consolidated Net Income for such period, *plus* :

(a) without duplication and (except in the case of the add-backs set forth in clauses (vii) and (xi) below) to the extent deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for the Borrower and the Restricted Subsidiaries for such period:

(i) Fixed Charges (including (x) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (y) costs of surety bonds in connection with financing activities in each case to the extent included in Consolidated Interest Expense, together with items excluded from Consolidated Interest Expense pursuant to clause (1)(o)—(z) of the definition thereof),

(ii) provision for taxes based on income or profits or capital gains, including federal, foreign, state, franchise, excise, value-added and similar taxes and foreign withholding taxes (including penalties and interest related to such taxes or arising from tax examinations) paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examination, to the extent the same were deducted (and not added back) in computing such Consolidated Net Income and the net tax expense associated with any adjustments made pursuant to clauses (a) through (t) of the definition of "Consolidated Net Income",

(iii) Consolidated Depreciation and Amortization Expense for such period,

(iv) the amount of any restructuring cost, charge or reserve (including any costs incurred in connection with acquisitions after the Closing Date and costs related to the closure and/or consolidation of facilities) and any one time expense relating to enhanced accounting function or other transaction costs, public company costs, costs and expenses in connection with the implementation of fresh start accounting, and costs related to the implementation of operational and reporting systems and technology initiatives (*provided* that such costs related to the implementation of operation and reporting systems and technology initiatives shall not exceed $50,000,000 for any such period),

(v) any other non-cash charges, expenses or losses, including any non-cash asset retirement costs, non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments or due to purchase accounting, or any other acquisition, non-cash compensation charges, non-cash expense relating to the vesting of warrants, write-offs or write-downs for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period),

(vi) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary,

(vii) the amount of net cost savings projected by the Borrower in good faith to be realizable as a result of specified actions, operational changes and operational initiatives (including, to the extent applicable, resulting from the Transactions) taken or to be taken prior to or during such period, including any "run-rate" synergies, operating expense reductions and improvements and cost savings that are reasonably identifiable and determined in good faith by the Borrower in connection with the Transactions, acquisitions, Dispositions, other customary specified transactions or other cost saving initiatives and other initiatives to result from actions which have been taken or with respect to which substantial steps have been taken or are expected to be taken no later than 24 months following the consummation of the Transactions, any such specified actions, operational changes and operational initiatives (which "run-rate" synergies, operating expense reductions and improvements and cost savings shall be added to Consolidated EBITDA until fully realized, shall be subject to certification by management of the Borrower and shall be calculated on a Pro Forma Basis as though such "run-rate" synergies, operating expense reductions and improvements and cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that no "run-rate" synergies, operating expense reductions and improvements and cost savings shall be added pursuant to this clause (vii) to the extent duplicative of any expenses or charges relating to such cost savings that are included in clause (iv) above with respect to such period,

(viii) the amount of losses on Dispositions of receivables and related assets in connection with any Permitted Receivables Financing or Qualified Securitization Financing and any losses, costs, fees and expenses in connection with the early repayment, accelerated amortization, repayment, termination or other payoff (including as a result of the exercise of remedies) of any Permitted Receivables Financing or any Qualified Securitization Financing,

(ix) contract termination costs and any costs, charges or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement or other equity-based compensation, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Borrower or Net Cash Proceeds of an issuance of Stock or Stock Equivalents (other than Disqualified Stock) of the Borrower (or any direct or indirect parent thereof) solely to the extent that such Net Cash Proceeds are excluded from the calculation of the Available Equity Amount,

(x) [reserved],

(xi) the proceeds of any business interruption insurance,

(xii) extraordinary, unusual or non-recurring charges, expenses or losses (including unusual or non-recurring expenses), transaction fees and expenses and consulting and advisory fees, indemnities and expenses, severance, integration costs, costs of strategic initiatives, relocation costs, consolidation and closing costs, facility opening and pre-opening costs, business optimization expenses or costs, transition costs, restructuring costs, signing, retention, recruiting, relocation, signing, stay or completion bonuses and expenses (including payments made to employees who are subject to non-compete agreements),

(xiii) any impairment charge or asset write-off or write-down including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets and Investments in debt and equity securities, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP,

(xiv) cash receipts (or any netting arrangements resulting in increased cash receipts) not added in arriving at Consolidated EBITDA or Consolidated Net Income in any period to the extent the non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (b) below for any previous period and not added,

(xv) adjustments identified in the Company Model, less

(b) without duplication and to the extent included in arriving at such Consolidated Net Income for the Borrower and the Restricted Subsidiaries, the sum of the following amounts for such period:

(i) non-cash gains increasing Consolidated Net Income for such period (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or Consolidated EBITDA in any prior period),

(ii) extraordinary, unusual or non-recurring gains,

(iii) cash expenditures (or any netting arrangements resulting in increased cash expenditures) not deducted in arriving at Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash losses relating to such expenditures were added in the calculation of Consolidated EBITDA pursuant to paragraph (a) above for any previous period and not deducted, and

(iv) the amount of any minority interest income consisting of Subsidiary losses attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary,

in each case, as determined on a consolidated basis for the Borrower and the Restricted Subsidiaries in accordance with GAAP; *provided* that

(i) there shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person or business, or attributable to any property, assets, division or line of business acquired by the Borrower or any Restricted Subsidiary during such period (or any property, assets, division or line of business subject to a letter of intent or purchase agreement at such time) (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any property, assets, division or line of business, in each case to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned or otherwise disposed by the Borrower or such Restricted Subsidiary (each such Person, property, assets, division or line of business acquired and not subsequently so disposed of, an " **Acquired Entity or Business** ") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a " **Converted Restricted Subsidiary** "), in each case based on the actual Acquired EBITDA of such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition or conversion) and (B) an adjustment in respect of each Pro Forma Entity equal to the amount of the Pro Forma Adjustment with respect to such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition), and

(ii) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred, abandoned or otherwise disposed of, closed or classified as discontinued operations by the Borrower or any Restricted Subsidiary during such period (each such Person, property, business or asset so sold, transferred, abandoned or otherwise disposed of, or closed or so classified, a " **Sold Entity or Business** "), and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a " **Converted Unrestricted Subsidiary** "), in each case based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer or disposition, closure, classification or conversion).

Notwithstanding anything to the contrary contained herein, for purposes of determining Consolidated EBITDA under this Agreement for any period that includes the four fiscal quarters as set forth below, the Consolidated EBITDA for such fiscal quarters shall be deemed to be $226,000,000 for the fiscal quarter ended December 31, 2016, $187,000,000 for the fiscal quarter ended March 31, 2017, $192,000,000 for the fiscal quarter ended June 30, 2017 and $216,000,000 for the fiscal quarter ended September 30, 2017.

" **Consolidated First Lien Net Leverage Ratio** " shall mean, as of any date of determination, the ratio of (a) the sum, without duplication, of (i) the Consolidated Secured Debt constituting (w) the Obligations, (x) the ABL Obligations, (y) any Indebtedness that is secured by a Lien on the Term Priority Collateral that is *pari passu* with the Lien securing the Obligations and (z) any Indebtedness that is secured by a Lien on the ABL Priority Collateral that is senior to or pari passu with the Lien securing the Obligations and (ii) Consolidated Secured Debt of the type described in clause (ii) of the definition thereof, in each case as of the most recent four fiscal quarter period for which financial statements described in Section 9.1(a) or (b) are available to (b) Consolidated EBITDA for such four fiscal quarter period.

" **Consolidated Interest Expense** " shall mean, with respect to any period, without duplication, the sum of:

(1) consolidated interest expense of the Borrower and the Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit, bankers' acceptances or collateral posting facilities, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (o) annual agency fees paid to the administrative agents and collateral agents under this Agreement, the ABL Credit Agreement and the other credit facilities, (p) additional interest with respect to failure to comply with any registration rights agreement owing to holders of any securities, (q) costs associated with obtaining Hedging Obligations, (r) accretion of asset retirement obligations and accretion or accrual of discounted liabilities not constituting Indebtedness, (s) any expense resulting from the discounting of any Indebtedness in connection with the application of fresh start accounting or purchase accounting, (t) penalties and interest relating to taxes (u) amortization of reacquired Indebtedness, deferred financing fees, debt issuance costs, commissions, fees and expenses, (v) any expensing of bridge, commitment and other financing fees, (w) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Permitted Receivables Financing, (x) any prepayment premium or penalty, (y) any interest expense attributable to a parent entity resulting from push-down accounting and (z) any lease, rental or other expenses from operating leases); *plus*

(2) consolidated capitalized interest of the Borrower and the Restricted Subsidiaries, in each case for such period, whether paid or accrued; *less*

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

" **Consolidated Net Income** " shall mean, for any period, the net income (loss) of the Borrower and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, the net after-tax effect of,

(a) any extraordinary, unusual or nonrecurring losses, gains, fees, costs, charges or expenses for such period,

(b) Transaction Expenses,

(c) the cumulative effect of a change in accounting principles and changes as a result of adoption or modification of accounting policies during such period,

(d) any income (or loss) from disposed, abandoned or discontinued operations and any gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations,

(e) any gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the Borrower,

(f) any income (or loss) during such period of any Person that is an Unrestricted Subsidiary, and any income (or loss) during such period of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting; *provided* that the Consolidated Net Income of the Borrower and the Restricted Subsidiaries shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) by any Unrestricted Subsidiary or such other Person from its income to the Borrower or any Restricted Subsidiary during such period,

(g) solely for the purpose of determining Available Amount, any income (or loss) during such period of any Restricted Subsidiary (other than any Credit Party) to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its net income is not at the date of determination wholly permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its Organizational Documents or any agreement, instrument or Applicable Law applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions (i) has been legally waived or otherwise released, (ii) is imposed pursuant to this Agreement and the other Credit Documents, the ABL Credit Documents, Permitted Debt Exchange Instruments or Permitted Other Debt, (iii) any working capital line permitted by Section 10.2 incurred by a Foreign Subsidiary or (iv) arises pursuant to an agreement or instrument if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Lenders than the encumbrances and restrictions contained in the Credit Documents (as determined by the Borrower in good faith); *provided* that Consolidated Net Income of the Borrower and the Restricted Subsidiaries will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) to the Borrower or any Restricted Subsidiary during such period, to the extent not already included therein,

(h) all adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in the Borrower's consolidated financial statements pursuant to GAAP, resulting from (i) the application of fresh start accounting principles as a result of the Avaya Debtors' emergence from bankruptcy or (ii) the application of purchase accounting in relation to the Transactions or any consummated acquisition, in each case, including the amortization, write-off or write-down of any assets, any deferred revenue and any other amounts and other similar adjustments and, whether consummated before or after the Closing Date,

(i) any income (or loss) for such period attributable to the early extinguishment of Indebtedness (other than Hedging Obligations, but including, for the avoidance of doubt, debt exchange transactions and the extinguishment of pre-petition indebtedness in connection with the Transactions),

(j) any unrealized income (or loss) for such period attributable to Hedging Obligations or other derivative instruments,

(k) any impairment charge or asset write-off or write-down including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets and investments in debt and equity securities or as a result of a change in law or regulation, in each case pursuant to GAAP,

(l) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights, and any cash charges associated with the rollover, acceleration or payout of Stock or Stock Equivalents by management of the Borrower or any of its direct or indirect parent companies in connection with the Transactions,

(m) accruals and reserves established or adjusted within twelve months after the Closing Date that are so required to be established as a result of the Transactions in accordance with GAAP or changes as a result of adoption of or modification of accounting policies during such period,

(n) any accruals, payments, fees, expenses or charges (including rationalization, legal, tax, structuring, and other costs and expenses, but excluding depreciation or amortization expense) related to, or incurred in connection with, the Transactions (including letter of credit fees), the Plan, any offering of Stock or Stock Equivalents (including any equity offering), the listing of Avaya Holdings on the Closing Date, Investment, acquisition, Disposition, Restricted Payment, recapitalization or the issuance or incurrence of Indebtedness permitted to be incurred by the Borrower and the Restricted Subsidiaries pursuant hereto (including any refinancing transaction or amendment, waiver, or other modification of any debt instrument), in each case whether or not consummated, including (A) such fees, expenses or charges related to the negotiation, execution and delivery and other transactions contemplated by this Agreement, the other Credit Documents and any Permitted Receivables Financing, (B) any amendment or other modification of this Agreement and the other Credit Documents, (C) any such transaction consummated prior to the Closing Date and any such transaction

undertaken but not completed, (D) any charges or non-recurring merger costs as a result of any such transaction, and (E) earnout obligations paid or accrued during such period with respect to any acquisition or other Investment,

(o) the amount of management, monitoring, consulting and advisory fees and related indemnities and expenses paid in such period to the extent otherwise permitted pursuant to Section 9.9,

(p) restructuring-related or other similar charges, fees, costs, commissions and expenses or other charges incurred during such period in connection with this Agreement, the other Credit Documents, the Credit Facilities, the Case, any reorganization plan in connection with the Case, and any and all transactions contemplated by the foregoing, including the write-off of any receivables, the termination or settlement of executory contracts, professional and accounting costs fees and expenses, management incentive, employee retention or similar plans (in each case to the extent such plan is approved by the Bankruptcy Court to the extent required), litigation costs and settlements, asset write-downs, income and gains recorded in connection with the corporate reorganization of the Avaya Debtors;

(q) any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or any sale, conveyance, transfer or other disposition of assets permitted under this Agreement, to the extent actually reimbursed, or, so long as the Borrower has made a determination that a reasonable basis exists for indemnification or reimbursement and only to the extent that such amount is in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365 days),

(r) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption,

(s) any net unrealized gain or loss (after any offset) resulting from currency translation gains or losses relating to currency remeasurements of Indebtedness (including any gain or loss resulting from obligations under any Hedging Obligation for currency exchange risk) and any foreign currency translation gains or losses, and

(t) to the extent non-cash and deducted in calculating net income (or loss), any net pension, post-employment benefit or long-term disability costs, including interest cost, service cost, actuarial expected return on plan assets, amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of unrecognized net obligations (and loss or cost) existing at the date of initial application of FASB Standard 87, 106 and 112 (or their equivalents under the ASC), and any other items of a similar nature and any gain or loss attributable to mark-to-market adjustments in the valuation of pension liabilities, including actuarial gain or loss on pension and post-retirement plans, curtailments and settlements and prior service cost adjustment.

" **Consolidated Secured Debt** " shall mean, as of any date of determination, Consolidated Total Debt at such date which either (i) is secured by a Lien on the Collateral (and other assets of the Borrower or any Restricted Subsidiary pledged to secure the Obligations pursuant to Section 10.2(i)) or (ii) constitutes Capitalized Lease Obligations or purchase money Indebtedness of the Borrower or any Restricted Subsidiary.

" **Consolidated Secured Net Leverage Ratio** " shall mean, as of any date of determination, the ratio of (a) Consolidated Secured Debt as of the most recent four fiscal quarter period for which financial statements described in Section 9.1(a) or (b) are available to (b) Consolidated EBITDA for such four fiscal quarter period.

" **Consolidated Total Assets** " shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption), after intercompany eliminations, on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date (or, if such date of determination is a date prior to the first date on which such consolidated balance sheet has been (or is required to have been) delivered pursuant to Section 9.1, on the pro forma financial statements delivered pursuant to Section 6.10 (and, in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including any property or assets being acquired in connection therewith)).

" **Consolidated Total Debt** " shall mean, as of any date of determination, (a) (i) all Indebtedness of the types described in clauses (a) and (b) (solely to the extent such Indebtedness matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the sole option of the Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation), clause (d) (but, in the case of clause (d), only to the extent of any unreimbursed drawings under any letter of credit which are not cash collateralized or backstopped) and clause (f) of the definition thereof, in each case actually owing by the Borrower and the Restricted Subsidiaries on such date and to the extent appearing on the balance sheet of the Borrower determined on a consolidated basis in accordance with GAAP (*provided* that the amount of any Capitalized Lease Obligations or any such Indebtedness issued at a discount to its face value shall be determined in accordance with GAAP; *provided* , *further* , that the effects of push-down accounting shall be excluded) and (ii) purchase money Indebtedness (and excluding, for the avoidance of doubt, Qualified Securitization Financing, Permitted Receivables Financing, Hedging Obligations and Cash Management Obligations) *minus* (b) the aggregate amount of all Unrestricted Cash.

“ **Consolidated Total Net Leverage Ratio** ” shall mean, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the most recent four fiscal quarter period for which financial statements described in Section 9.1(a) or (b) are available to (b) Consolidated EBITDA for such four fiscal quarter period.

“ **Consolidated Working Capital** ” shall mean, at any date, the excess of (i) all amounts (other than Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption “total current assets” (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries on such date over (ii) the sum of all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities” (or any like caption) on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries on such date, but excluding, without duplication, (a) the current portion of any funded Indebtedness, (b) all Indebtedness consisting of revolving loans, swing line loans and letter of credit obligations (including such loan or letters of credit under the ABL Credit Agreement), in each case to the extent otherwise included therein, (c) the current portion of interest, (d) the current portion of current and deferred income taxes, (e) the current portion of any Capitalized Lease Obligations, (f) liabilities in respect of unpaid earnouts, and (g) the current portion of any other long-term liabilities, and in the case of both clauses (i) and (ii), excluding the effects of adjustments pursuant to GAAP resulting from the application of fresh start accounting or purchase accounting, as the case may be, in relation to the Transactions or any consummated acquisition.

“ **Contingent Obligation** ” shall mean indemnification Obligations and other similar contingent Obligations for which no claim has been made in writing.

“ **Contract Consideration** ” shall have the meaning provided in the definition of the term “Excess Cash Flow”.

“ **Contractual Requirement** ” shall have the meaning provided in Section 8.3.

“ **Converted Restricted Subsidiary** ” shall have the meaning provided in the definition of the term “Consolidated EBITDA”.

“ **Converted Unrestricted Subsidiary** ” shall have the meaning provided in the definition of the term “Consolidated EBITDA”.

“ **Corrective Extension Amendment** ” shall have the meaning provided in Section 2.15(a)(vi).

“ **Credit Documents** ” shall mean this Agreement, the Guarantee, the Security Documents, the Fee Letter, any promissory notes issued by the Borrower hereunder, any Incremental Amendment, any Refinancing Amendment, any Extension Amendment and any other document jointly identified by the Borrower and the Administrative Agent as a “Credit Document”, provided that, for the avoidance of doubt, Secured Cash Management Agreements and Secured Hedging Agreements shall not constitute Credit Documents.

“ **Credit Facility** ” shall mean any category of Commitments and/or Term Loans and other extensions of credit thereunder.

“ **Credit Party** ” shall mean each of Holdings, the Borrower and each of the Subsidiary Guarantors.

“ **Cumulative Consolidated Net Income** ” shall mean, for any period, Consolidated Net Income for such period, taken as a single accounting period. Cumulative Consolidated Net Income may be a positive or negative amount.

“ **Debt Incurrence Prepayment Event** ” shall mean any issuance or incurrence by the Borrower or any of the Restricted Subsidiaries of any Indebtedness (other than as permitted to be issued or incurred under Section 10.1).

“ **Declined Proceeds** ” shall have the meaning provided in Section 5.2(f).

“ **Default** ” shall mean any event, act or condition that with notice or lapse of time hereunder, or both, would constitute an Event of Default.

“ **Default Rate** ” shall have the meaning provided in Section 2.8(d).

“ **Defaulting Lender** ” shall mean any Lender with respect to which a Lender Default is in effect.

“ **Deferred Net Cash Proceeds** ” shall have the meaning provided such term in the definition of “Net Cash Proceeds”.

“ **Deferred Net Cash Proceeds Payment Date** ” shall have the meaning provided such term in the definition of “Net Cash Proceeds”.

“ **Designated Non-Cash Consideration** ” shall mean the fair market value of non-cash consideration received by the Borrower or any Restricted Subsidiary in connection with a Disposition pursuant to Section 10.4(b) that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash or Cash Equivalent within 180 days following the consummation of the applicable Disposition). A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise Disposed of in compliance with Section 10.4.

“ **Disposed EBITDA** ” shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary, as applicable, and its respective Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary, as the case may be.

“ **Disposition** ” or “ **Dispose** ” shall mean (i) the convey, sale, lease, assignment, transfer or other disposition of any of property, business or assets (including receivables and leasehold interests), whether owned on the Closing Date or hereafter acquired or (ii) the sale to any Person (other than to the Borrower or a Subsidiary Guarantor) any shares owned by it of any Subsidiary’s Stock and Stock Equivalents.

“ **Disqualified Institutions** ” shall mean (a) those banks, financial institutions or other Persons separately identified in writing by the Borrower to the Administrative Agent on or prior to October 23, 2017, or to any Affiliates of such banks, financial institutions or other persons identified by the Borrower in writing or that are readily identifiable as Affiliates on the basis of their name and (b) competitors identified in writing to the Administrative Agent from time to time (or Affiliates thereof identified by the Borrower in writing or that are readily identifiable as Affiliates on the basis of their name) of the Borrower or any of its Subsidiaries (other than such Affiliate that is a bona fide debt fund or a fixed-income only investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of business and whose managers have fiduciary duties to the third-party investors in such fund or investment vehicle independent from their duties owed to such competitor); *provided* that no such identification after the date of a relevant assignment shall apply retroactively to disqualify any person that has previously acquired an assignment or participation of an interest in any of the Credit Facilities with respect to amounts previously acquired. The list of all Disqualified Institutions set forth in clauses (a) and (b) shall be made available to any Lender upon request.

“ **Disqualified Stock** ” shall mean, with respect to any Person, any Stock or Stock Equivalents of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Stock or Stock Equivalents that is not Disqualified Stock), other than as a result of a change of control, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of such change of control, asset sale or similar event shall be subject to the prior repayment in full of the Term Loans and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations) and the termination of all Commitments, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than as a result of a change of control, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of such change of control, asset sale or similar event shall be subject to the prior repayment in full of the Term Loans and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations) and the termination of all Commitments), in whole or in part, in each case prior to the date that is ninety-one (91) days after the Latest Maturity Date as determined at the time of the issuance; *provided* that if such Stock or Stock Equivalents are issued to any plan for the benefit of employees of the Borrower or any of its Subsidiaries or by any such plan to such employees, such Stock or Stock Equivalents shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower (or any direct or indirect parent company thereof) or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations; *provided* , *further* , that any Stock or Stock Equivalents held by any present or former employee, officer, director, manager or consultant, of the Borrower, any of its Subsidiaries or any of its direct or indirect parent companies or any other entity in which the Borrower or any Restricted Subsidiary has an Investment and is designated in

good faith as an "affiliate" by the Board of Directors of the Borrower, in each case pursuant to any stockholders' agreement, management equity plan or stock incentive plan or any other management or employee benefit plan or agreement or otherwise in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such employee, officer, director, manager or consultant shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or any of its Subsidiaries.

" **Dollars** " and " **$** " shall mean dollars in lawful currency of the United States of America.

" **Domestic Subsidiary** " shall mean each Subsidiary of the Borrower that is organized under the laws of the United States or any state thereof, or the District of Columbia.

" **EEA Financial Institution** " shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

" **EEA Member Country** " shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

" **EEA Resolution Authority** " shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Employee Benefit Plan " shall mean an employee benefit plan (as defined in Section 3(3) of ERISA), other than a Foreign Plan, that is maintained or contributed to by Holdings, Borrower or any Subsidiary (or, with respect to an employee benefit plan subject to Title IV of ERISA, any ERISA Affiliate).

" **Environmental Claims** " shall mean any and all actions, suits, proceedings, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than reports prepared by or on behalf of Holdings, the Borrower or any other Subsidiary of Holdings (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of Real Estate) or proceedings in each case relating in any way to any applicable Environmental Law or any permit issued, or any approval given, under any applicable Environmental Law (hereinafter, " **Claims** "), including (i) any and all Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release into the environment of Hazardous Materials or arising from alleged injury or threat of injury to human health or safety (to the extent relating to human exposure to Hazardous Materials), or to the environment, including ambient air, indoor air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

“ **Environmental Law** ” shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code and rule of common law now or, with respect to any post-Closing Date requirements of the Credit Documents, hereafter in effect, and in each case as amended, and any legally binding judicial or administrative interpretation thereof, including any legally binding judicial or administrative order, consent decree or judgment, relating to the protection of the environment, including ambient air, indoor air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or to human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

“ **ERISA** ” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA as in effect on the Closing Date and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

“ **ERISA Affiliate** ” shall mean each person (as defined in Section 3(9) of ERISA) that together with the Borrower or any Subsidiary of the Borrower would be deemed to be a “single employer” within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ **ERISA Event** ” shall mean (i) the failure of any Employee Benefit Plan to comply with any provisions of ERISA and/or the Code or with the terms of such Employee Benefit Plan; (ii) any Reportable Event; (iii) the existence with respect to any Employee Benefit Plan of a non-exempt Prohibited Transaction; (iv) any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (v) 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 Pension Plan; (vi) the occurrence of any event or condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (vii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any written notice to terminate any Pension Plan under Section 4042(a) of ERISA or to appoint a trustee to administer any Pension Plan under Section 4042(b)(1) of ERISA; (viii) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Pension Plan (or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA) or Multiemployer Plan; (ix) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition on it of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA), (x) a

determination that any Pension 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); or (xi) any other event or condition with respect to a Pension Plan or Multiemployer Plan that could result in liability to the Borrower or any Subsidiary.

" **EU Bail-In Legislation Schedule** " shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default " shall have the meaning provided in Section 11.

" **Excess Cash Flow** " shall mean, for any period, an amount (which amount shall not be less than zero) equal to the excess of:

(a) the sum, without duplication, of:

(i) the Consolidated Net Income for such period,

(ii) an amount equal to the amount of all non-cash charges (including depreciation and amortization) to the extent deducted in arriving at such Consolidated Net Income, but excluding any such non-cash charges representing an accrual or reserve for potential cash items in any future period and excluding amortization of a prepaid cash item that was paid in a prior period,

(iii) decreases in Consolidated Working Capital for such period (other than any such decreases arising from acquisitions or Dispositions by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(iv) an amount equal to the aggregate net non-cash loss on Dispositions by the Borrower and the Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income, and

(v) cash receipts in respect of Hedging Agreements during such Fiscal Year to the extent not otherwise included in such Consolidated Net Income; over

(b) the sum, without duplication, of:

(i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income (but excluding any non-cash credit to the extent representing the reversal of an accrual or reserve described in clause (a)(ii) above) and cash charges included in the definition of Consolidated Net Income (but excluding any cash charges described in clause (q) or (r) of the definition thereof),

(ii) without duplication of amounts deducted pursuant to clause (xi) below in prior Fiscal Years, the amount of Capital Expenditures or acquisitions of intellectual property and Capitalized Software Expenditures accrued or made in cash during such

period, except to the extent that such Capital Expenditures or acquisitions were financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(iii) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries (including (A) the principal component of payments in respect of Capital Leases, (B) repayments made under Section 2.5(b) and (C) the amount of any mandatory prepayment of Term Loans due to an Asset Sale Prepayment Event to the extent required due to a Disposition that resulted in an increase to such Consolidated Net Income and not in excess of the amount of such increase, but excluding (X) all other prepayments or repurchases of Term Loans or Indebtedness secured on a *pari passu* basis with the Initial Term Loans, and (Y) all prepayments in respect of any revolving credit facility, except, in the case of clause (Y) only, to the extent there is an equivalent permanent reduction in commitments thereunder) made during such period, except to the extent financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(iv) an amount equal to the aggregate net non-cash gain on Dispositions by the Borrower and the Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(v) increases in Consolidated Working Capital for such period (other than any such increases arising from acquisitions or Dispositions by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(vi) cash payments by the Borrower and the Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and the Restricted Subsidiaries (other than Indebtedness) to the extent such payments are not expensed during such period or are not deducted in calculating Consolidated Net Income unless financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(vii) without duplication of amounts deducted pursuant to clause (xi) below in prior Fiscal Years, the amount of Investments made pursuant to Section 10.5(h), (i), (v)(y), (w), (cc) and (ii) during such period unless such Investments were financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(viii) the amount of Restricted Payments paid during such period pursuant to Sections 10.6(b), (d), (j), (l) and (o) during such period unless such Restricted Payments were financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(ix) the aggregate amount of expenditures actually made by the Borrower and the Restricted Subsidiaries during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period or are not deducted in calculating Consolidated Net Income unless such expenditures were financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(x) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Borrower and the Restricted Subsidiaries during such period that are made in connection with any prepayment of Indebtedness to the extent such payments are not expensed during such period or are not deducted in calculating Consolidated Net Income unless any such payments were financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries,

(xi) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by the Borrower or any of the Restricted Subsidiaries pursuant to binding contracts (the " **Contract Consideration** ") entered into prior to or during such period relating to Permitted Acquisitions, Capital Expenditures or acquisitions of intellectual property to be consummated or made during the period of four consecutive fiscal quarters of the Borrower following the end of such period; *provided* that, to the extent the aggregate amount actually utilized to finance such Permitted Acquisitions, Capital Expenditures or acquisitions of intellectual property during such period (other than any amount financed with the proceeds of long-term Indebtedness of the Borrower and the Restricted Subsidiaries) of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters,

(xii) the amount of cash taxes paid or tax reserves set aside or payable (without duplication) in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period,

(xiii) cash expenditures in respect of Hedging Agreements during such Fiscal Year to the extent not deducted in arriving at such Consolidated Net Income, and

(xiv) the aggregate amount of any Excess Contribution, unless such Excess Contribution is already deducted in the calculation of Net Cash Proceeds in connection with an Asset Sale Prepayment Event or financed with the proceeds with long-term Indebtedness.

" **Excess Contribution** " shall have the meaning provided in the PBGC Stipulation of Settlement.

" **Exchange Act** " shall mean the Securities Exchange Act of 1934, as amended, and rules and regulations promulgated thereunder.

" **Excluded Collateral** " shall mean (i) [reserved], (ii) any vehicles and other assets subject to certificates of title; (iii) letter-of-credit rights to the extent a security interest therein cannot be perfected by a UCC filing (other than supporting obligations); (iv) any property subject to a Lien permitted under Section 10.2 securing a purchase money agreement, Capital Lease or similar arrangement permitted hereunder in each case after giving effect to Sections 9-

406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or other Applicable Law, excluding the proceeds and receivables thereof (to the extent not otherwise constituting Excluded Collateral), to the extent, and for so long as, the creation of a security interest therein is prohibited thereby (or otherwise requires consent, *provided* that there shall be no obligation to seek such consent) or creates a right of termination or favor of a third party, in each case, excluding the proceeds and receivables thereof to the extent not otherwise constituting Excluded Collateral; (v) (x) all leasehold interests in Real Estate (and there shall not be any requirement to obtain any landlord or other third party waivers, estoppels, consents or collateral access letters in respect of such leasehold interests) and (y) any parcel of Real Estate located in the United States and the improvements thereto owned in fee by a Credit Party with a fair market value of $10,000,000 or less (at the time of acquisition) (but not any Collateral located thereon) or any parcel of Real Estate and the improvements thereto owned in fee by a Credit Party outside the United States; (vi) any "intent to use" trademark application filed and accepted in the United States Patent and Trademark Office unless and until an amendment to allege use or a statement of use has been filed and accepted by the United States Patent and Trademark Office to the extent, if any, that, and solely during the period, if any, in which the grant of security interest therein could impair the validity or enforceability of such "intent to use" trademark application under federal law; (vii) any charter, permit, franchise, authorization, lease, license or agreement, in each case, only to the extent and for so long as the grant of a security interest therein (or the assets subject thereto) by the applicable Credit Party (x) would violate invalidate such charter, permit, franchise, authorization, lease, license, or agreement or (y) would give any party (other than a Credit Party) to any such charter, permit, franchise, authorization, lease, license or agreement the right to terminate its obligations thereunder or (z) is permitted under such charter, permit, franchise, lease, license or agreement only with consent of the parties thereto (other than consent of a Credit Party) and such necessary consents to such grant of a security interest have not been obtained (it being understood and agreed that no Credit Party or Restricted Subsidiary has any obligation to obtain such consents) other than, in each case referred to in clauses (x) and (y) and (z), as would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction, in each case excluding the proceeds and receivables thereof which are not otherwise Excluded Collateral; (viii) any Commercial Tort Claim (as defined in the Security Agreement) for which no claim has been made or with a value of less than $10,000,000 for which a claim has been made; (ix) any Excluded Stock and Stock Equivalents; (x) any assets with respect to which, the Borrower and the Collateral Agent reasonably determine, the cost or other consequences of granting a security interest or obtaining title insurance in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom; (xi) any assets with respect to which granting a security interest in such assets in favor of the Secured Parties under the Security Documents could reasonably be expected to result in a material adverse tax consequence as reasonably determined by the Borrower and the Collateral Agent; (xii) any margin stock; (xiii) [reserved]; and (xiv) any assets with respect to which granting a security interest in such assets is prohibited by or would violate law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority or which would require obtaining the consent, approval, license or authorization of any Governmental Authority (unless such consent, approval, license or authorization has been received; *provided* that there shall be no obligation to obtain such consent) or create a right of termination in favor of any governmental or regulatory third party, in each case after giving

effect to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or other Applicable Law, excluding the proceeds and receivables thereof (to the extent not otherwise constituting Excluded Collateral); *provided* that with respect to clauses (iv), (vii) and (xiv), such property shall be Excluded Collateral only to the extent and for so long as such prohibition, violation, invalidation or consent right, as applicable, is in effect and in the case of any such agreement or consent, was not created in contemplation thereof or of the creation of a security interest therein. Notwithstanding anything set forth herein, Excluded Collateral shall not include any assets owned by the Credit Parties that constitute collateral securing the ABL Loans.

" **Excluded Information** " shall have the meaning provided in Section 13.6.

" **Excluded Stock and Stock Equivalents** " shall mean (i) any Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Collateral Agent and the Borrower, the burden or cost of pledging such Stock or Stock Equivalents in favor of the Collateral Agent under the Security Documents shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom, (ii) (A) solely in the case of any pledge of Voting Stock of (x) any Foreign Subsidiary that is a CFC or (y) any CFC Holding Company, in each case, owned directly by a Credit Party, any Voting Stock in excess of 65% of each outstanding class of Voting Stock of such Foreign Subsidiary that is a CFC or such CFC Holding Company and (B) any Stock or Stock Equivalents of (x) any Foreign Subsidiary that is a CFC or (y) any CFC Holding Company in each case not owned directly by a Credit Party, (iii) any Stock or Stock Equivalents to the extent the pledge thereof would violate any Applicable Law or any Contractual Requirement (including any legally effective requirement to obtain the consent or approval of, or a license from, any Governmental Authority or any other regulatory third party unless such consent, approval or license has been obtained (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary of the Borrower to obtain any such consent, approval or license)), (iv) any Stock or Stock Equivalents of each Subsidiary to the extent that a pledge thereof to secure the Obligations is prohibited by any applicable Organizational Document of such Subsidiary or requires third party consent (other than the consent of a Credit Party), unless consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent), in each case after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or other Applicable Law, excluding the proceeds and receivables thereof (to the extent not otherwise constituting Excluded Collateral), (v) Stock or Stock Equivalents of any non-Wholly Owned Subsidiary, (vi) any Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Stock or Stock Equivalents could reasonably be expected to result in material adverse tax or accounting consequences to Holdings or any Subsidiary thereof as reasonably determined by the Borrower and the Collateral Agent, (vii) any Stock or Stock Equivalents that are margin stock, (viii) any Stock or Stock Equivalents owned by a CFC or a CFC Holding Company, and (ix) any Stock and Stock Equivalents of any Unrestricted Subsidiary or of any Restricted Subsidiary that does not constitute a Material Subsidiary (other than (A) to the extent a perfected security interest therein can be obtained by filing a UCC-1 financing statement or (B) as otherwise agreed to by the Borrower in its sole discretion), any Person not constituting a Subsidiary, any Captive Insurance Subsidiary, any Broker-Dealer Subsidiary, any not-for-profit Subsidiary and any special purpose entity (including any Receivables Entity and any Securitization Subsidiary); *provided* that Excluded Stock and Stock Equivalents shall not include proceeds of the foregoing property to the extent otherwise constituting Collateral.

“ **Excluded Subsidiary** ” shall mean (a) each Domestic Subsidiary of the Borrower designated by the Borrower for the purpose of this clause (a) from time to time, for so long as any such Domestic Subsidiary does not constitute a Material Subsidiary as of the most recently ended Test Period; *provided* that if such Domestic Subsidiary would constitute a Material Subsidiary as of the end of such Test Period, the Borrower shall cause such Domestic Subsidiary to become a Guarantor pursuant to Section 9.11, (b) each Domestic Subsidiary that is not a Wholly Owned Subsidiary or otherwise constitutes a joint venture (for so long as such Subsidiary remains a non-Wholly Owned Restricted Subsidiary or joint venture), (c) any CFC or CFC Holding Company, (d) each Domestic Subsidiary that is (i) prohibited by any applicable (x) Contractual Requirement, (y) Applicable Law (including without limitation as a result of applicable financial assistance, directors' duties or corporate benefit requirements) or (z) Organizational Document (in the case of clauses (x) and (z), in effect on the Closing Date or any date of acquisition of such Subsidiary (to the extent such prohibition was not entered into in contemplation of the Guarantee)) from guaranteeing or granting Liens to secure the Obligations at the time such Subsidiary becomes a Restricted Subsidiary (and for so long as such restriction or any replacement or renewal thereof is in effect), or (ii) required to obtain consent, approval, license or authorization of a Governmental Authority for such guarantee or grant (unless such consent, approval, license or authorization has already been received); *provided* that there shall be no obligation to obtain such consent, (e) each Domestic Subsidiary that is a Subsidiary of a CFC or CFC Holding Company, (f) any other Domestic Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, the cost or other consequences (including any material adverse tax consequences) of guaranteeing the Obligations shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom, (g) each Unrestricted Subsidiary, (h) any Foreign Subsidiary, (i) any special purpose entity, including any Receivables Entity and any Securitization Subsidiary, (j) any Subsidiary to the extent that the guarantee of the Obligations by such Subsidiary could reasonably be expected to result in material adverse tax consequences (as determined by the Borrower and the Administrative Agent), (k) any Captive Insurance Subsidiary, (l) any non-profit Subsidiary or (m) any Broker-Dealer Subsidiary; *provided* that Excluded Subsidiary shall not include any Domestic Subsidiary of the Borrower to the extent such Domestic Subsidiary guarantees the ABL Loans.

“ **Excluded Swap Obligation** ” shall mean, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest would otherwise have become effective with respect to such Swap Obligation but for such Guarantor's failure to constitute an “eligible contract participant” at such time.

“ **Excluded Taxes** ” shall mean, any of the following Taxes imposed on or with respect to any Agent or any Lender or required to be deducted or withheld from a payment to any Agent or Lender, (a) net income Taxes and franchise and excise Taxes (imposed in lieu of net income Taxes) and any branch profits Taxes imposed on such Agent or Lender imposed as a result of such Agent or Lender being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in the jurisdiction imposing such Tax (or any political subdivision thereof), (b) any Taxes imposed on any Agent or any Lender as a result of any current or former connection between such Agent or Lender and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent or Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced, this Agreement or any other Credit Document), (c) any U.S. federal withholding Tax that is imposed on amounts payable to or for the account of any Agent or Lender under the law in effect at the time such Agent or Lender becomes a party to this Agreement (or designates a new lending office other than a new lending office designated at the request of the Borrower pursuant to Section 13.7(a)); *provided* that this clause (c) shall not apply to the extent that the indemnity payments or additional amounts any Lender would be entitled to receive (without regard to this clause (c)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or designation of a new lending office by such Lender) would have been entitled to receive pursuant to Section 5.4 immediately before such assignment, participation, transfer or change in lending office in the absence of such assignment, participation, transfer or change in lending office (it being understood and agreed, for the avoidance of doubt, that any withholding Tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new lending office) shall not be an Excluded Tax under this clause (c)), (d) any Tax to the extent attributable to such Agent’s or Lender’s failure to comply with Sections 5.4(e), (f) (in the case of any Non-U.S. Lender) or Section 5.4(i) (in the case of a U.S. Lender) or Section 5.4(j) and (e) any Taxes imposed by FATCA.

“ **Existing DIP Agreement** ” shall have the meaning provided in the Recitals to this Agreement.

“ **Existing Term Loan Class** ” shall have the meaning provided in Section 2.15(a)(i).

“ **Extended Term Loan Repayment Amount** ” shall have the meaning provided in Section 2.5(c).

“ **Extended Term Loans** ” shall have the meaning provided in Section 2.15(a)(i).

“ **Extending Lender** ” shall have the meaning provided in Section 2.15(a)(iv).

“ **Extension Amendment** ” shall have the meaning provided in Section 2.15(a)(v).

“ **Extension Election** ” shall have the meaning provided in Section 2.15(a)(iv).

" **Extension Minimum Condition** " shall mean a condition to consummating any Extension Series that a minimum amount (to be determined and specified in the relevant Term Loan Extension Request, in the Borrower's sole discretion) of any or all applicable Classes be submitted for extension.

" **Extension Series** " shall mean all Extended Term Loans that are established pursuant to the same Extension Amendment (or any subsequent Extension Amendment to the extent such Extension Amendment expressly provides that the Extended Term Loans provided for therein are intended to be a part of any previously established Extension Series) and that provide for the same interest margins, extension fees and amortization schedule.

" **FATCA** " shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future Treasury regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, and intergovernmental agreement (together with any Applicable Law implementing such agreement) entered into in connection with any of the foregoing.

" **Federal Funds Effective Rate** " shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York; *provided* that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

" **Fee Letter** " shall mean the amended and restated fee letter, dated October 31, 2017, among Avaya Holdings, the Borrower, the Joint Lead Arrangers (and their Affiliates) and the Co-Managers.

" **Fees** " shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

" **First Lien Intercreditor Agreement** " shall mean an intercreditor agreement substantially in the form attached hereto as Exhibit G or such as form as reasonably agreed between the Borrower and the Administrative Agent.

" **Fiscal Year** " shall have the meaning provided in Section 9.10.

" **Fixed Charges** " shall mean, the sum of, without duplication:

(1) Consolidated Interest Expense; *plus*

(2) all cash dividends or cash distributions (other than return of capital) paid (excluding items eliminated in consolidation) on any series of preferred stock during such period; *plus*

(3) all cash dividends or cash distributions (other than return of capital) paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

" **Foreign Asset Sale** " shall have the meaning provided in Section 5.2(g).

" **Foreign Excess Cash Flow** " shall have the meaning provided in Section 5.2(g).

" **Foreign Plan** " shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

" **Foreign Recovery Event** " shall have the meaning provided in Section 5.2(g).

" **Foreign Subsidiary** " shall mean each Subsidiary of the Borrower that is not a Domestic Subsidiary.

" **Fund** " shall mean any Person (other than a natural 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.

" **GAAP** " shall mean generally accepted accounting principles in the United States of America, as in effect from time to time; *provided* , *however* , that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted 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.

" **Governmental Authority** " shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

" **Granting Lender** " shall have the meaning provided in Section 13.6(f).

" **Guarantee** " shall mean the Guarantee made by each Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

" **Guarantee Obligations** " shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness 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 Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the

purchase or payment of any such Indebtedness 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 Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; *provided* , *however* , that the term " **Guarantee Obligations** " shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

" **Guarantors** " shall mean (a) Holdings, (b) each Domestic Subsidiary (other than an Excluded Subsidiary) that provides the Guarantee on the Closing Date or becomes a party to the Guarantee after the Closing Date pursuant to Section 9.11 or otherwise and (c) the Borrower (other than with respect to its own Obligations).

" **Hazardous Materials** " shall mean (a) any petroleum or petroleum products spilled or released into the environment, radioactive materials, friable asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, for which a release into the environment is prohibited, limited or regulated by any Environmental Law.

" **Hedge Bank** " shall mean any Person (other than Holdings, the Borrower or any other Subsidiary of the Borrower) that is (a) a party to any Hedging Agreement and, in each case, at the time it enters into such Hedging Agreement or on the Closing Date, is a Joint Lead Arranger, a Lender, an Affiliate of a Lender or a Joint Lead Arranger or (b) any other Person party to a Hedging Agreement that delivers an accession agreement to the Security Agreement and that is specifically designated by the Borrower as a "Hedge Bank".

" **Hedging Agreements** " shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms

and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a " **Master Agreement** "), including any such obligations or liabilities under any Master Agreement.

" **Hedging Obligations** " shall mean, with respect to any Person, the obligations of such Person under Hedging Agreements.

" **Holdings** " shall mean, (a) Avaya Holdings or (b) any other partnership, limited partnership, corporation, limited liability company, or business trust or any successor thereto organized under the laws of the United States or any state thereof or the District of Columbia (the " **New Holdings** ") that is a direct or indirect Wholly Owned Subsidiary of Avaya Holdings or that has merged, amalgamated or consolidated with Avaya Holdings (or, in either case, the previous New Holdings, as the case may be) (the " **Previous Holdings** "); *provided* that (i) such New Holdings owns directly or indirectly 100% of the Stock and Stock Equivalents of the Borrower, (ii) the New Holdings shall expressly assume all the obligations of the Previous Holdings under this Agreement and the other Credit Documents to which it is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (iii) such substitution and any supplements to the Credit Documents shall preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the Security Documents, and New Holdings shall have delivered to the Administrative Agent an officer's certificate to that effect and (iv) all assets of the Previous Holdings are contributed or otherwise transferred to such New Holdings; *provided* , *further* , that if the foregoing are satisfied, the Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to "Holdings" in the Credit Documents shall be meant to refer to the "New Holdings". Notwithstanding anything to the contrary contained in this Agreement, Holdings or any New Holdings may change its jurisdiction of organization or location for purposes of the UCC or its identity or type of organization or corporate structure, subject to compliance with the terms and provisions of the Security Agreement.

" **Increased Amount Date** " shall have the meaning provided in Section 2.14(a).

" **Incremental Amendment** " shall have the meaning provided in Section 2.14(a).

" **Incremental Commitments** " shall have the meaning provided in Section 2.14(a).

" **Incremental Equivalent Debt** " shall have the meaning provided in Section 10.1(v)(ii).

" **Incremental Facilities** " shall mean the facilities represented by the Incremental Commitments and the Incremental Loans thereunder.

" **Incremental Loans** " shall have the meaning provided in Section 2.14(a).

" **Incremental Revolving Commitments** " shall have the meaning provided in Section 2.14(a).

“ **Incremental Term Commitments** ” shall have the meaning provided in Section 2.14(a).

“ **Incremental Term Loan Maturity Date** ” shall mean, with respect to any tranche of Incremental Term Loans made pursuant to Section 2.14, the final maturity date thereof.

“ **Incremental Term Loan Repayment Amount** ” shall have the meaning provided in Section 2.5(c).

“ **Incremental Term Loan** ” shall have the meaning provided in Section 2.14(c).

“ **Indebtedness** ” of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (c) the deferred purchase price of assets or services that in accordance with GAAP would be included as a liability on the balance sheet of such Person, (d) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (e) all Indebtedness of any other Person secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (f) the principal component of all Capitalized Lease Obligations of such Person, (g) the Swap Termination Value of Hedging Obligations of such Person, (h) without duplication, all Guarantee Obligations of such Person, (i) Disqualified Stock of such Person and (j) Receivables Indebtedness of such Person; *provided* that Indebtedness shall not include (i) trade and other ordinary course payables and accrued expenses arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (iv) any Indebtedness defeased by such Person or by any Subsidiary of such Person, (v) contingent obligations incurred in the ordinary course of business and (vi) earnouts or similar obligation until earned, due and payable and not paid for a period of thirty (30) days.

For all purposes hereof, (a) the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venture, except to the extent such Person’s liability for such Indebtedness is otherwise limited and only to the extent such Indebtedness constitutes Indebtedness for borrowed money, obligations in respect of Capitalized Lease Obligations and obligations evidenced by bonds, debentures, notes, loan agreement or other similar instruments, (b) the Indebtedness of the Borrower and the Restricted Subsidiaries shall exclude all intercompany Indebtedness among the Borrower and its Subsidiaries having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business and (c) the amount of Indebtedness of any Person for purposes of clause (e) shall be deemed to be equal to the lesser of (i) the aggregate unpaid principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“ **indemnified liabilities** ” shall have the meaning provided in Section 13.5.

“ **Indemnified Taxes** ” shall mean (a) all Taxes imposed on or with respect to any payment made on account of any obligation of any Credit Party under any Credit Document other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes.

“ **Independent Financial Advisor** ” shall mean an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Borrower, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction.

“ **Initial ABL Facility** ” shall have the meaning provided in the ABL Credit Agreement”.

“ **Initial Term Commitment** ” shall mean the commitment of any Lender to make Initial Term Loans pursuant to Section 2.1, as set forth opposite such Lender’s name on Schedule 1.1(a).

“ **Initial Term Loan Maturity Date** ” shall mean December 15, 2024.

“ **Initial Term Loan Repayment Amount** ” shall have the meaning provided in Section 2.5(b).

“ **Initial Term Loans** ” shall mean have the meaning provided in Section 2.1.

“ **Insolvent** ” shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

“ **Intercompany Subordinated Note** ” shall mean the Intercompany Note, dated as of the Closing Date, executed by Holdings, the Borrower and each Restricted Subsidiary, as supplemented from time to time.

“ **Interest Period** ” shall mean, with respect to any Term Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

“ **Investment** ” shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures, partnership, limited liability company membership or other ownership interests or other securities of any other Person (including any “short sale” or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such other Person) (including any partnership or joint venture); (c) the entering into of any Guarantee Obligation with respect to Indebtedness; or (d) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person; *provided* that, in the event that any Investment is made by the Borrower or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through one or more other Restricted Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for

purposes of Section 10.5 (excluding, in the case of the Borrower and the Restricted Subsidiaries, intercompany loans, advances and Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business). The amount of any Investment outstanding at any time shall be the original cost of such Investment reduced (except in the case of (x) Investments made using the Available Amount pursuant to Section 10.5(v)(y) and (y) Returns which increase the Available Amount pursuant to clauses (a)(iii), (iv), (v) and (vii) of the definition thereof) by any Returns of the Borrower or a Restricted Subsidiary in respect of such Investment (*provided* that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the fair market value of such consideration).

" **Joint Lead Arrangers** " shall mean each of Goldman Sachs Bank USA, Citigroup Global Markets Inc., Barclays Bank PLC, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as joint lead arrangers and joint bookrunners for the Lenders under this Agreement and the other Credit Documents.

" **Judgment Currency** " shall have the meaning provided in Section 13.20.

" **Junior Indebtedness** " shall have the meaning provided in Section 10.7(a).

" **Junior Lien Intercreditor Agreement** " shall mean the Junior Lien Intercreditor Agreement substantially in the form of Exhibit H or such other form as reasonably agreed between the Borrower and the Administrative Agent.

" **Latest Maturity Date** " shall mean, at any date of determination, the latest Maturity Date applicable to any Class of Term Loans or Commitments hereunder as of such date of determination.

" **LCT Election** " shall have the meaning provided in Section 1.11.

" **LCT Test Date** " shall have the meaning provided in Section 1.11.

" **Lender** " shall have the meaning provided in the preamble to this Agreement.

" **Lender Default** " shall mean (a) the refusal or failure (which has not been cured) of a Lender to make available its portion of any Borrowing that it is required to make hereunder, (b) a Lender having notified the Administrative Agent and/or the Borrower that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement, (c) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent, the Borrower that it will comply with its funding obligations under this Agreement, (d) a Lender being deemed insolvent or becoming the subject of a bankruptcy or insolvency proceeding or has admitted in writing that it is insolvent, *provided* that a Lender Default shall not be in effect with respect to a Lender solely by virtue of the ownership or acquisition of any Stock or Stock Equivalents in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such governmental authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender or (e) a Lender that has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action.

“ **LIBOR Loan** ” shall mean any Term Loan bearing interest at a rate determined by reference to the LIBOR Rate.

“ **LIBOR Rate** ” shall mean, for any Interest Period with respect to a LIBOR Loan the rate per annum equal to the ICE Benchmark Administration (or any successor organization) LIBOR Rate (“ **ICE LIBOR** ”), as published by Reuters (or other commercially available source providing quotations of ICE LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the “LIBOR Rate” for such Interest Period, as applicable, shall be the rate *per annum* as may be agreed upon by the Borrower and the Administrative Agent to be a rate at which the Administrative Agent could borrow funds in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period, were it to do so by asking for and then accepting offers in Dollars of amounts in same day funds comparable to the principal amount of the applicable Term Loans for which the LIBOR Rate is then being determined and with maturities comparable to such Interest Period. Notwithstanding anything to the contrary contained herein, with respect to the Initial Term Loans, in no event shall the LIBOR Rate be less than 1.00% per annum.

“ **Lien** ” shall mean any mortgage, pledge, security interest, hypothecation, collateral assignment, lien (statutory or other) or similar encumbrance (including any conditional sale or other title retention agreement or any Capital Lease).

“ **Limited Condition Transaction** ” shall mean (i) any Permitted Acquisition or other similar Investment whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

“ **Master Agreement** ” shall have the meaning provided in the definition of the term “Hedging Agreement”.

“ **Material Adverse Effect** ” shall mean a material adverse effect on (a) the business, assets, operations, properties or financial condition of the Borrower and its Restricted Subsidiaries, taken as a whole, (b) the ability of the Credit Parties, taken as a whole, to perform their payment obligations under the Credit Facilities, taken as a whole or (c) material rights or remedies (taken as a whole) of the Administrative Agent and the Lenders under the Credit Documents, excluding any matters (i) publicly disclosed prior to October 23, 2017, including in any first day pleadings or declarations, in each case in connection with the Case and the events and conditions related and/or leading up to the Case and the effects thereof and (ii) publicly disclosed prior to October 23, 2017 in the Annual Report on Form 10-K of the Borrower and/or any subsequently filed quarterly or periodic report of the Borrower.

“ **Material Subsidiary** ” shall mean, at any date of determination, each Restricted Subsidiary (a) whose total assets (when combined with the assets of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) at the last day of the most recent Test Period for which Section 9.1 Financials have been delivered were equal to or greater than 5.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (b) whose total revenues (when combined with the revenues of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) during such Test Period were equal to or greater than 5.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP; *provided* that at any date of determination, Restricted Subsidiaries that are not Material Subsidiaries shall not, in the aggregate, have (x) total assets (when combined with the assets of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) at the last day of such Test Period equal to or greater than 10.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (y) total revenues (when combined with the revenues of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) during the most recent Test Period equal to or greater than 10.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP, then (i) for purposes of Sections 8.1, 9.3, 9.5, 11.5 and 11.7, any Restricted Subsidiaries not satisfying the threshold in clause (a) or (b) above shall constitute Material Subsidiaries so that such condition no longer exists and (ii) for other purposes the Borrower shall, on the date on which the officer’s certificate delivered pursuant to Section 9.1(c) of this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as “Material Subsidiaries” so that such condition no longer exists. It is agreed and understood that neither Receivables Entity nor Securitization Subsidiary shall be a Material Subsidiary and they shall be excluded from the Consolidated Total Assets and total revenue of the Borrower and its Restricted Subsidiaries.

“ **Maturity Date** ” shall mean the Initial Term Loan Maturity Date, any Incremental Term Loan Maturity Date, any maturity date related to any Extension Series of Extended Term Loans or any maturity date related to any Refinancing Term Loan, as applicable.

“ **Maximum Incremental Facilities Amount** ” shall mean the sum of (1) the greater of (x) $800,000,000 and (y) an amount equal to 100.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) *minus* all Incremental Facilities and Incremental Equivalent Debt incurred in reliance of this clause (1), *plus* (2) all voluntary prepayments or repurchases of the Term Loans, Incremental Equivalent Debt and any Refinancing Indebtedness in respect of any Incremental Equivalent Debt on or prior to such date (in each case except to the extent (i) funded with proceeds of long term Indebtedness or (ii) the prepaid Indebtedness was originally incurred under clause (3) below (or any Refinancing Indebtedness thereof), and in the case of buybacks at discount to par, in the amount of the actual purchase price paid in cash) *minus* all Incremental Facilities and Incremental Equivalent Debt incurred in reliance of this clause (2) *plus* (3) an unlimited amount so long as, in the case of this clause (3) only, such amount at such time could be incurred without causing (x) in the case of Indebtedness secured by Liens on the Collateral that rank *pari passu* with the Liens on the Collateral securing the Initial Term Loans, the Consolidated First Lien Net Leverage Ratio (calculated on a Pro Forma Basis) to exceed (A) 3.30:1.00 or (B) if the proceeds are used to finance any Permitted Acquisition or similar Investments, the higher of (I) 3.30:1.00 and (II) the

Consolidated First Lien Net Leverage Ratio immediately prior to the incurrence of such Indebtedness, (y) in the case of Indebtedness secured by Liens on the Collateral that rank junior to the Liens on the Collateral securing the Initial Term Loans, the Consolidated Secured Net Leverage Ratio (calculated on a Pro Forma Basis) to exceed (A) 3.30:1.00 or (B) if the proceeds are used to finance any Permitted Acquisition or similar Investments, the higher of (I) 3.30:1.00 and (II) the Consolidated Secured Net Leverage Ratio immediately prior to the incurrence of such Indebtedness, and (z) in the case of unsecured Indebtedness or Indebtedness secured only by Liens on assets that do not constitute Collateral, the Consolidated Total Net Leverage Ratio (calculated on a Pro Forma Basis) to exceed (A) 3.30:1.00 or (B) if the proceeds are used to finance any Permitted Acquisition or similar Investments, the higher of (I) 3.30:1.00 and (II) the Consolidated Total Net Leverage Ratio immediately prior to the incurrence of such Indebtedness, in each case or clauses 3(x), 3(y) and 3(z) above, after giving effect to any acquisition consummated in connection therewith and all other appropriate Pro Forma Adjustments (including giving effect to the prepayment of Indebtedness in connection therewith), and assuming for purposes of this calculation that cash proceeds of any such Incremental Facility or Incremental Equivalent Debt then being incurred shall not be netted from Consolidated Total Debt Indebtedness for purposes of calculating such Consolidated First Lien Net Leverage Ratio, Consolidated Secured Net Leverage Ratio or Consolidated Total Net Leverage Ratio, as applicable; *provided* , *however* , that if amounts incurred under this clause (3) are incurred concurrently with the incurrence of Incremental Facilities in reliance on clause (1) and/or clause (2) above or any other Indebtedness incurred hereunder in reliance of a "dollar" basket, the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio shall be permitted to exceed the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio or Consolidated Total Net Leverage Ratio, as applicable, set forth in clause (3) above to the extent of such amounts incurred in reliance on clause (1) and/or clause (2) or utilizing such other "dollar" basket solely for the purpose of determining whether such concurrently incurred amounts incurred under this clause (3) are permissible (it being understood that (A) if the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as applicable, incurrence test is met, then, at the election of the Borrower, any Incremental Facility or Incremental Equivalent Debt may be incurred under clause (3) above regardless of whether there is capacity under clause (1) and/or clause (2) above or utilizing such other "dollar" basket and (B) any portion of any Incremental Facility or Incremental Equivalent Debt incurred in reliance on clause (1) and/or clause (2) may be reclassified, as the Borrower may elect from time to time, as incurred under clause (3) if the Borrower meets the applicable leverage ratio under clause (3) at such time on a Pro Forma Basis).

" **Maximum Tender Condition** " shall have the meaning provided in Section 2.17(b).

" **Minimum Borrowing Amount** " shall mean (a) with respect to a Borrowing of LIBOR Loans, $5,000,000 (or, if less, the entire remaining Commitments of any applicable Credit Facility at the time of such Borrowing), and (b) with respect to a Borrowing of ABR Loans, $1,000,000 (or, if less, the entire remaining Commitments of any applicable Credit Facility at the time of such Borrowing).

" **Minimum Tender Condition** " shall have the meaning provided in Section 2.17(b).

" **Minority Investment** " shall mean any Person (other than a Subsidiary) in which the Borrower or any Restricted Subsidiary owns Stock or Stock Equivalents, including any joint venture (regardless of form of legal entity).

" **MNPI** " shall mean, with respect to Avaya Holdings and its Subsidiaries, any information other than information that is publically available or not material with respect to them or their respective securities for purposes of United States federal and state securities laws.

" **Moody's** " shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

" **Mortgage** " shall mean a mortgage or a deed of trust, deed to secure debt, trust deed or other security document entered into by the owner of a Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that Mortgaged Property, in a form to be mutually agreed with the Administrative Agent.

" **Mortgaged Property** " shall mean all Real Estate (i) set forth on Schedule 1.1(b) and (ii) with respect to which a Mortgage is required to be granted pursuant to Section 9.12.

"Multiemployer Plan " shall mean a plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA (i) to which any of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate is then making or has an obligation to make contributions or (ii) with respect to which the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate could incur liability pursuant to Title IV of ERISA.

" **Narrative Report** " shall mean, with respect to the financial statements for which such narrative report is required, a management's discussion and analysis of the financial condition and results of operations of the Borrower and its consolidated Subsidiaries for the applicable period to which such financial statements relate.

"Net Cash Proceeds " shall mean,

(1) with respect to any Asset Sale Prepayment Event or any Recovery Prepayment Event, (a) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of the Borrower or any Restricted Subsidiary in connection therewith, as the case may be, less (b) the sum of:

(i) the amount, if any, of all taxes (including in connection with any repatriation of funds) paid or estimated by the Borrower in good faith to be payable by the Borrower or any Restricted Subsidiary in connection with such Prepayment Event,

(ii) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (i) above) (x) associated with the assets that are the subject of such Prepayment Event and (y)

retained by the Borrower or any Restricted Subsidiary (including any pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction); *provided* that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such Prepayment Event occurring on the date of such reduction,

(iii) the amount of (x) any Indebtedness (other than Indebtedness hereunder, the ABL Obligations and any other Indebtedness secured by a Lien that ranks *pari passu* with or is subordinated to the Liens securing the Obligations or the ABL Obligations) secured by a Lien on the assets that are the subject of such Prepayment Event, to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event and (y) any Excess Contribution to be extent required to be made upon the occurrence of such Prepayment Event,

(iv) the amount of any proceeds of such Prepayment Event that the Borrower or any Restricted Subsidiary has reinvested (or intends to reinvest within the Reinvestment Period, has entered into an Acceptable Reinvestment Commitment prior to the last day of the Reinvestment Period to reinvest or, with respect to any Recovery Prepayment Event, provided an Acceptable Reinvestment Commitment or a Restoration Certification prior to the last day of the Reinvestment Period) in the business of the Borrower or any Restricted Subsidiary (subject to Section 9.15), including for the repair, restoration or replacement of an asset or assets subject to such Prepayment Event; *provided* that any portion of such proceeds that has not been so reinvested within such Reinvestment Period (with respect to such Prepayment Event, the " **Deferred Net Cash Proceeds** ") shall, unless the Borrower or any Restricted Subsidiary has entered into an Acceptable Reinvestment Commitment or provided a Restoration Certification prior to the last day of such Reinvestment Period to reinvest such proceeds, (x) be deemed to be Net Cash Proceeds of such Prepayment Event occurring on the last day of such Reinvestment Period or, if later, 180 days after the date the Borrower or such Restricted Subsidiary has entered into such Acceptable Reinvestment Commitment or provided such Restoration Certification, as applicable (such last day or 180 th day, as applicable, the " **Deferred Net Cash Proceeds Payment Date** "), and (y) be applied to the repayment of Term Loans in accordance with Section 5.2(a)(i),

(v) in the case of any Asset Sale Prepayment Event, any funded escrow established pursuant to the documents evidencing any such sale or Disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or Disposition; *provided* that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction solely to the extent that the Borrower and/or any Restricted Subsidiaries receives cash in an amount equal to the amount of such reduction,

(vi) in the case of any Asset Sale Prepayment Event or Recovery Prepayment Event by a non-Wholly Owned Restricted Subsidiary, the *pro rata* portion of the Net Cash Proceeds thereof (calculated without regard to this clause (vi)) attributable to minority interests and not available for distribution to or for the account of the Borrower or a Wholly Owned Restricted Subsidiary as a result thereof, and

(vii) reasonable and customary fees, commissions, expenses (including attorney's fees, investment banking fees, survey costs, title insurance premiums and recording charges, transfer taxes, deed or mortgage recording taxes and other customary expenses and brokerage, consultant and other customary fees), issuance costs, premiums, discounts and other costs paid by the Borrower or any Restricted Subsidiary, as applicable, in connection with such Prepayment Event, in each case only to the extent not already deducted in arriving at the amount referred to in clause (a) above; and

(2) with respect to the incurrence or issuance of any Indebtedness or the issuance of any Stock or Stock Equivalent or capital contribution, the excess, if any, of (a) the sum of cash and Cash Equivalents received in connection with such incurrence or issuance over (b) reasonable and customary fees, commissions, expenses (including attorney's fees, investment banking fees, survey costs, title insurance premiums and recording charges, transfer taxes, deed or mortgage recording taxes and other customary expenses and brokerage, consultant and other customary fees), issuance costs, premiums, discounts and other costs paid by the Borrower or any Restricted Subsidiary in connection with such incurrence or issuance.

" **New Debt Incurrence Prepayment Event** " shall mean any issuance or incurrence by the Borrower or any Restricted Subsidiary of any Indebtedness permitted to be issued or incurred under Section 10.1(v)(i) and any Refinancing Term Loans.

" **New Holdings** " shall have the meaning provided in the definition of "Holdings".

" **New Refinancing Commitments** " shall have the meaning provided in Section 2.15(b).

" **Non-Consenting Lender** " shall have the meaning provided in Section 13.7(b).

" **Non-Defaulting Lender** " shall mean and include each Lender other than a Defaulting Lender.

" **Non-U.S. Lender** " shall mean any Agent or Lender that is not, for U.S. federal income tax purposes, (a) an individual who is a citizen or resident of the U.S., (b) a corporation, partnership or entity treated as a corporation or partnership created or organized in or under the laws of the U.S., or any political subdivision thereof, (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) a trust if a court within the U.S. is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust or a trust that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

" **Notice of Borrowing** " shall mean a request of the Borrower in accordance with the terms of Section 2.3 and substantially in the form of Exhibit A or such other form as shall be approved by the Administrative Agent (acting reasonably).

" **Notice of Conversion or Continuation** " shall have the meaning provided in Section 2.6(a).

" **Obligations** " shall mean all advances to, and debts, liabilities, obligations, covenants and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Term Loan or under any Secured Cash Management Agreement or Secured Hedging Agreement, in each case, entered into with Holdings, the Borrower or any Restricted Subsidiary, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, in each case, other than Excluded Swap Obligations. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Credit Documents) (i) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities and other amounts payable by any Credit Party under any Credit Document and (ii) exclude, notwithstanding any term or condition in this Agreement or any other Credit Documents, any Excluded Swap Obligations.

" **Organizational Documents** " shall mean, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and, if applicable, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

" **Other Taxes** " shall mean any and all present or future stamp, registration, documentary or other similar Taxes arising from any payment made or required to be made under this Agreement or any other Credit Document or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document except any such Taxes that are any Taxes imposed on any Agent or any Lender as a result of any current or former connection between such Agent or Lender and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent or Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced, this Agreement or any other Credit Document) imposed with respect to an assignment (other than an assignment made pursuant to Section 13.7 or Section 2.12).

" **Overnight Rate** " shall mean, for any day, the greater of (a) the Federal Funds Effective Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

“ **Participant** ” shall have the meaning provided in Section 13.6(c)(i).

“ **Participant Register** ” shall have the meaning provided in Section 13.6(c)(iii).

“ **Participating Receivables Grantor** ” shall mean the Borrower or any Restricted Subsidiary that is or that becomes a participant or originator in a Permitted Receivables Financing.

“ **Patriot Act** ” shall have the meaning provided in Section 13.18.

“ **PBGC** ” shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

“ **PBGC Stipulation of Settlement** ” shall have the meaning assigned to such term in the Plan.

“ **Pension Plan** ” shall mean any employee pension benefit plan (as defined in Section 3(2) of ERISA, but excluding any Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code or Section 302 of ERISA and is maintained or contributed to by the Borrower, any Subsidiary or ERISA Affiliate or with respect to which the Borrower, any Subsidiary or any ERISA Affiliate could incur liability pursuant to Title IV of ERISA.

“ **Perfection Certificate** ” shall mean a certificate of the Borrower substantially in the form of Exhibit E or any other form approved by the Administrative Agent (acting reasonably).

“ **Permitted Acquisition** ” shall mean the acquisition, by merger or otherwise, by the Borrower or any Restricted Subsidiary of assets (including assets constituting a business unit, line of business or division) or Stock or Stock Equivalents, so long as (a) if such acquisition involves any Stock or Stock Equivalents, such acquisition shall result in the issuer of such Stock or Stock Equivalents and its Subsidiaries becoming a Restricted Subsidiary and a Subsidiary Guarantor, to the extent required by Section 9.11 or designated as an Unrestricted Subsidiary pursuant to the terms hereof, (b) such acquisition shall result in the Collateral Agent, for the benefit of the applicable Secured Parties, being granted a security interest in any Stock, Stock Equivalent or any assets so acquired, to the extent required by Section 9.11, Section 9.12 and/or the Security Agreement, (c) after giving effect to such acquisition, the Borrower and the Restricted Subsidiaries shall be in compliance with Section 9.15 and (d) no Specified Default shall have occurred and be continuing.

“ **Permitted Debt Exchange** ” shall have the meaning provided in Section 2.17(a).

“ **Permitted Debt Exchange Instruments** ” shall have the meaning provided in Section 2.17(a).

“ **Permitted Debt Exchange Offer** ” shall have the meaning provided in Section 2.17(a).

" **Permitted Encumbrances** " shall mean:

(a) Liens for taxes, assessments or governmental charges or claims (including Liens imposed by the PBGC or similar Liens) not yet delinquent or that are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established to the extent required by and in accordance with GAAP or that are not required to be paid pursuant to Section 9.4;

(b) Liens in respect of property or assets of the Borrower or any Restricted Subsidiary imposed by Applicable Law, such as carriers', landlords', construction contractors', warehousemen's and mechanics' Liens and other similar Liens, arising in the ordinary course of business, in respect of amounts not more than 60 days overdue and not being contested so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens arising from judgments or decrees in circumstances not constituting an Event of Default under Section 11.9;

(d) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance, employee benefit and pension liability and other types of social security or similar legislation, or to secure the performance of tenders, statutory obligations, trade contracts (other than for payment of Indebtedness), leases, statutory obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, surety, performance and return-of-money bonds and other similar obligations, in each case incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 10.5;

(e) ground leases or subleases, licenses or sublicenses in respect of Real Estate on which facilities owned or leased by the Borrower or any of the Restricted Subsidiaries are located;

(f) easements, rights-of-way, licenses, reservations, servitudes, permits, conditions, covenants, rights of others, restrictions (including zoning restrictions), royalty interests and leases, minor defects, exceptions or irregularities in title or survey, encroachments, protrusions and other similar charges or encumbrances (including those to secure health, safety and environmental obligations), which do not interfere in any material respect with the business of the Borrower and the Restricted Subsidiaries, taken as a whole;

(g) with respect to any Mortgaged Property, any exception on the title policy issued and matters shown on the Survey delivered which do not in the aggregate materially adversely affect the value of said property or materially impair its use in the operation of the business of the Borrower or any of the Restricted Subsidiaries;

(h) any interest or title of a lessor, sublessor, licensor, sublicensor or grantor of an easement or secured by a lessor's, sublessor's, licensor's, sublicensor's interest or

grantor of an easement under any lease, sublease, license, sublicense or easement to be entered into by the Borrower or any Restricted Subsidiary as lessee, sublessee, licensee, grantee or sublicensee to the extent permitted or not prohibited by this Agreement;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) leases, licenses, subleases or sublicenses granted to others not interfering in any material respect with the business of the Borrower and the Restricted Subsidiaries, taken as a whole or constituting Disposition permitted under Section 10.4;

(k) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings made in respect of operating leases entered into by the Borrower or any Restricted Subsidiary;

(l) any zoning, land use, environmental or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any Real Estate that does not materially interfere with the ordinary conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole;

(m) any Lien arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by Applicable Law as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Borrower or any Restricted Subsidiary to maintain self-insurance or to participate in any fund for liability on any insurance risks;

(n) rights reserved to or vested in any Governmental Authority by the terms of any right, power, franchise, grant, license or permit, or by any provision of Applicable Law, to terminate or modify such right, power, franchise, grant, license or permit or to purchase or recapture or to designate a purchaser of any of the property of such person;

(o) Liens arising under any obligations or duties affecting any of the property, the Borrower or any Restricted Subsidiary to any Governmental Authority with respect to any franchise, grant, license or permit which do not materially impair the use of such property for the purposes for which it is held;

(p) rights reserved to or vested in any Governmental Authority to use, control or regulate any property of such Person, which do not materially impair the use of such property for the purposes for which it is held;

(q) any obligations or duties, affecting the property of the Borrower or any Restricted Subsidiary, to any Governmental Authority with respect to any franchise, grant, license or permit;

(r) a set-off or netting rights granted by the Borrower or any Restricted Subsidiary pursuant to any Hedging Agreements solely in respect of amounts owing under such agreements;

(s) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(t) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(u) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; *provided* that (i) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (ii) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (iii) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder;

(v) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by Applicable Laws;

(w) Liens on Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(x) Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) or attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract encumbering deposits, including deposits in "pooled deposit" or "sweep" accounts (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(y) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business permitted or not prohibited by this Agreement;

(z) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5;

(aa) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Borrower or any Restricted Subsidiary;

(bb) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business;

(cc) Liens (i) on any cash earnest money deposits or cash advances made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement, (ii) on other cash advances in favor of the seller of any property to be acquired in an Investment or other acquisition permitted hereunder to be applied against the purchase price for such Investment or other acquisition, (iii) consisting of an agreement to Dispose of any property pursuant to a Disposition permitted hereunder (or reasonably expected to be so permitted by the Borrower at the time such Lien was granted) and (iv) on cash advances in favor of the purchaser of any property to be Disposed of in a Disposition permitted hereunder to secure indemnity, fees and other seller obligations;

(dd) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(ee) Liens on specific items of inventory or other goods and the proceeds thereof securing such Person's obligations in respect of documentary letters of credit or banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or goods in the ordinary course of business or consistent with past practice;

(ff) any restrictions on any Stock or Stock Equivalents or other joint venture interests of the Borrower or any Restricted Subsidiary providing for a breach, termination or default under any owners, participation, shared facility, joint venture, stockholder, membership, limited liability company or partnership agreement between such Person and one or more other holders of such Stock or Stock Equivalents or interest of such Person, if a security interest or other Lien is created on such Stock or Stock Equivalents or interest as a result thereof and other similar Liens; and

(gg) Liens securing Indebtedness or other obligations (i) of the Borrower or any Restricted Subsidiary in favor of a Credit Party and (ii) of any other Restricted Subsidiary that is not a Credit Party in favor of any other Restricted Subsidiary that is not a Credit Party.

" **Permitted Other Debt** " shall mean, collectively, Permitted Other Loans and Permitted Other Notes.

" **Permitted Other Loans** " shall mean senior secured or unsecured loans (which loans, if secured, may either be secured *pari passu* with the Obligations (without regard to control of remedies) or may be secured by a Lien ranking junior to the Lien securing the Obligations), "mezzanine" loans or subordinated loans, in either case issued by the Borrower or a Guarantor (unless permitted to be incurred by a non-Credit Party under Section 10.1(k)), (a) if such Permitted Other Loans are incurred (and for the avoidance of doubt, not "assumed"), the scheduled final maturity and Weighted Average Life to Maturity of which are no earlier than the scheduled final maturity and Weighted Average Life to Maturity, respectively, of the Initial Term Loans or, in the case of any Permitted Other Loans that are issued or incurred in exchange for, or which modify, replace, refinance, refund, renew, restructure or extend any other Indebtedness permitted by Section 10.1, no earlier than the scheduled final maturity and Weighted Average Life to Maturity of such exchanged, modified, replaced, refinanced, refunded, renewed, restructured or extended Indebtedness; *provided* that the requirements of the foregoing clause (a) shall not apply to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with such requirements, (b) the covenants (excluding, for the avoidance of doubt, any pricing, fee, prepayment premiums, optional prepayment or redemption terms) and events of default of which, taken as a whole, are not materially more restrictive to the Borrower and the Restricted Subsidiaries than the terms of the Initial Term Loans unless (1) Lenders under the Initial Term Loans also receive the benefit of such more restrictive terms, (2) such terms reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Borrower) (it being understood that to the extent that any financial maintenance covenant is included for the benefit of any Permitted Other Loans, such financial maintenance covenant shall be added for the benefit of any Term Loans outstanding hereunder at the time of incurrence of such Permitted Other Loans (except for any financial maintenance covenants applicable only to periods after the Latest Maturity Date, as determined at the time of issuance or incurrence of such Permitted Other Loans)) or (3) any such provisions apply after the Latest Maturity Date as determined at the time of issuance or incurrence of such Permitted Other Loans, (c) unless permitted to be incurred by a non-Credit Party under Section 10.1(k), of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor and (d) if secured, unless permitted to be incurred by a non-Credit Party under Section 10.1(k), are not secured by any assets other than all or any portion of the Collateral.

" **Permitted Other Notes** " shall mean senior secured or unsecured notes (which notes, if secured, may either be secured *pari passu* with the Obligations (without regard to control of remedies) or may be secured by a Lien ranking junior to the Lien securing the Obligations), mezzanine notes or subordinated notes, in either case issued by the Borrower or a Guarantor (unless permitted to be incurred by a non-Credit Party under Section 10.1(k)), (a) if such Permitted Other Notes are incurred (and for the avoidance of doubt, not "assumed"), the terms of which do not provide for any scheduled repayment, mandatory redemption or sinking fund obligations (other than customary scheduled principal amortization payments, customary offers to repurchase upon a change of control, asset sale or casualty or condemnation event, customary acceleration rights after an event of default, and AHYDO Catch-Up Payments) prior to, at the time of incurrence, the scheduled final maturity date of the Initial Term Loans or, in the

case of any Permitted Other Notes that are issued or incurred in exchange for, or which modify, replace, refinance, refund, renew or extend any other Indebtedness permitted by Section 10.1, prior to the scheduled final maturity date of such exchanged, modified, replaced, refinanced, refunded, renewed or extended Indebtedness (other than customary scheduled principal amortization payments, customary offers to repurchase upon a change of control, asset sale or casualty or condemnation event, customary acceleration rights after an event of default, and AHYDO Catch-Up Payments); *provided* that the requirements of the foregoing clause (a) shall not apply to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with such requirements, (b) the covenants (excluding, for the avoidance of doubt, any pricing, fee, prepayment premiums, optional prepayment or redemption terms) and events of default of which, taken as a whole, are not materially more restrictive to the Borrower and the Restricted Subsidiaries than the terms of the Initial Term Loans unless (1) Lenders under the Initial Term Loans also receive the benefit of such more restrictive terms, (2) such terms reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Borrower) (it being understood that to the extent that any financial maintenance covenant is included for the benefit of any Permitted Other Notes, such financial maintenance covenant shall be added for the benefit of any Term Loans outstanding hereunder at the time of incurrence of such Permitted Other Notes (except for any financial maintenance covenants applicable only to periods after the Latest Maturity Date, as determined at the time of issuance or incurrence of such Permitted Other Notes)) or (3) any such provisions apply after the Latest Maturity Date at the time of issuance or incurrence of such Permitted Other Notes, (c) unless permitted to be incurred by a non-Credit Party under Section 10.1(k), of which no Subsidiary of the Borrower (other than a Guarantor) is an obligor and (d) if secured, unless permitted to be incurred by a non-Credit Party under Section 10.1(k), are not secured by any assets other than all or any portion of the Collateral.

" **Permitted Receivables Financing** " shall mean any of one or more receivables financing programs as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities and other customary forms of support, in each case made in connection with such facilities) to the Borrower and the Restricted Subsidiaries (other than a Receivables Entity) providing for the sale, conveyance, or contribution to capital of Receivables Facility Assets by Participating Receivables Grantors in transactions purporting to be sales of Receivables Facility Assets to either (a) a Person that is not a Restricted Subsidiary or (b) a Receivables Entity that in turn funds such purchase by the direct or indirect sale, transfer, conveyance, pledge, or grant of participation or other interest in such Receivables Facility Assets to a Person that is not a Restricted Subsidiary.

" **Permitted Reorganization** " shall mean re-organizations and other activities related to tax planning and re-organization, excluding transactions described in Section 10.4(g), so long as, after giving effect thereto, the security interest of the Lenders in the Collateral or the value of the Guarantees, taken as a whole, is not materially impaired (as determined by the Borrower in good faith).

" **Person** " shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

“ **Plan** ” shall have the meaning provided in the Recitals to this Agreement.

“ **Platform** ” shall have the meaning provided in Section 13.17(c).

“ **Post-Transaction Period** ” shall mean, with respect to any Specified Transaction, the period beginning on the date such Specified Transaction is consummated and ending on the last day of the eighth full consecutive fiscal quarter immediately following the date on which such Specified Transaction is consummated.

“ **Prepayment Event** ” shall mean any Asset Sale Prepayment Event, Recovery Prepayment Event, Debt Incurrence Prepayment Event or New Debt Incurrence Prepayment Event.

“ **Previous Holdings** ” shall have the definition provided in the definition of “Holdings”.

“ **Pro Forma Adjustment** ” shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Transaction Period, with respect to the Acquired EBITDA of the applicable Pro Forma Entity or the Consolidated EBITDA of the Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA (including as the result of any “run-rate” synergies, operating expense reductions and improvements and cost savings), as the case may be, projected by the Borrower in good faith as a result of (a) actions taken or with respect to which substantial steps have been taken or are expected to be taken, prior to or during such Post-Transaction Period for the purposes of realizing cost savings or (b) any additional costs incurred prior to or during such Post-Transaction Period, in each case in connection with the combination of the operations of such Pro Forma Entity with the operations of the Borrower and the Restricted Subsidiaries; *provided* that (A) at the election of the Borrower, such Pro Forma Adjustment shall not be required to be determined for any Pro Forma Entity to the extent the aggregate consideration paid in connection with such acquisition was less than $50,000,000 or the aggregate Pro Forma Adjustment would be less than $50,000,000 and (B) so long as such actions are taken, or to be taken, prior to or during such Post-Transaction Period or such costs are incurred prior to or during such Post-Transaction Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that the applicable amount of such “run rate” synergies, operating expense reductions and improvements and cost savings and other adjustments will be realizable during the entirety of such Test Period, or the applicable amount of such additional “run rate” synergies, operating expense reductions and improvements and cost savings and other adjustments, as applicable, will be incurred during the entirety of such Test Period; *provided* , *further* , that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for “run rate” synergies, operating expense reductions and improvements and cost savings and other adjustments or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

" **Pro Forma Basis** " and " **Pro Forma Effect** " shall mean, with respect to compliance with any test or covenant hereunder, that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a Disposition of all or substantially all Stock in any Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any Subsidiary of the Borrower, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (b) any retirement or repayment of Indebtedness, and (c) any incurrence or assumption of Indebtedness by the Borrower or any Restricted Subsidiary in connection therewith (it being agreed that (x) if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination, (y) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Authorized Officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP and (z) interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate as the Borrower or any applicable Restricted Subsidiary may designate); *provided* that, without limiting the application of the Pro Forma Adjustment pursuant to (A) above (but without duplication thereof), the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to events (including operating expense reductions) that are (i) (x) directly attributable to such transaction and (y) reasonably identifiable and factually supportable in the good faith judgment of the Borrower or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

" **Pro Forma Entity** " shall have the meaning provided in the definition of the term "Acquired EBITDA".

" **Prohibited Transaction** " shall have the meaning assigned to such term in Section 406 of ERISA or Section 4975(c) of the Code.

" **Projections** " shall have the meaning provided in Section 9.1(g).

" **Public Reporting Entity** " shall mean an entity that (i) complies with the reporting obligations under U.S. securities laws, (ii) is designated by the Borrower as a "Public Reporting Entity" and (iii) whose consolidated financial results include the financial results of the Borrower and its consolidated subsidiaries and customary reconciliations to eliminate the financial results of entities other than the Borrower and its consolidated subsidiaries.

" **Qualified Securitization Financing** " shall mean any Securitization Facility (and any guarantee of such Securitization Facility), that meets the following conditions: (i) the Borrower shall have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and the Restricted Subsidiaries; (ii) all sales or

contribution of Securitization Assets and related assets by the Borrower or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made at fair market value (as determined in good faith by the Borrower); (iii) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Borrower) and may include Standard Securitization Undertakings; and (iv) the obligations under such Securitization Facility are nonrecourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Borrower or any Restricted Subsidiary (other than a Securitization Subsidiary).

" **Real Estate** " shall mean any interest in land, buildings and improvements owned, leased or otherwise held by any Credit Party, but excluding all operating fixtures and equipment.

" **Receivables Entity** " shall mean any Person formed solely for the purpose of (i) facilitating or entering into one or more Permitted Receivables Financings, and (ii) in each case, engaging in activities reasonably related or incidental thereto.

" **Receivables Facility Assets** " shall mean currently existing and hereafter arising or originated Accounts, Payment Intangibles and Chattel Paper (as each such term is defined in the UCC) owed or payable to any Participating Receivables Grantor, and to the extent related to or supporting any Accounts, Chattel Paper or Payment Intangibles, or constituting a receivable, all General Intangibles (as each such term is defined in the UCC) and other forms of obligations and receivables owed or payable to any Participating Receivables Grantor, including the right to payment of any interest, finance charges, late payment fees or other charges with respect thereto (the foregoing, collectively, being " **receivables** "), all of such Participating Receivables Grantor's rights as an unpaid vendor (including rights in any goods the sale of which gave rise to any receivables), all security interests or liens and property subject to such security interests or liens from time to time purporting to secure payment of any receivables or other items described in this definition, all guarantees, letters of credit, security agreements, insurance and other agreements or arrangements from time to time supporting or securing payment of any receivables or other items described in this definition, all customer deposits with respect thereto, all rights under any contracts giving rise to or evidencing any receivables or other items described in this definition, and all documents, books, records and information (including computer programs, tapes, disks, data processing software and related property and rights) relating to any receivables or other items described in this definition or to any obligor with respect thereto and any other assets customarily transferred together with receivables in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed assigned or otherwise transferred or pledge in connection with a Permitted Receivables Financing, and all proceeds of the foregoing.

" **Receivables Indebtedness** " shall mean, at any time, with respect to any receivables, securitization or similar facility (including any Permitted Receivables Financing or any Qualified Securitization Financing but excluding any account receivable factoring facility entered into incurred in the ordinary course of business), the aggregate principal, or stated amount, of the "indebtedness", fractional undivided interests (which stated amount may be described as a "net investment" or similar term reflecting the amount invested in such undivided interest) or other securities incurred or issued pursuant to such receivables, securitization or similar facility, at such time, in each case outstanding at such time.

“ **Recovery Event** ” shall mean (a) any damage to, destruction of or other casualty or loss involving any property or asset or (b) any seizure, condemnation, confiscation or taking (or transfer under threat of condemnation) under the power of eminent domain of, or any requisition of title or use of or relating to, or any similar event in respect of, any property or asset.

“ **Recovery Prepayment Event** ” shall mean the receipt of Net Cash Proceeds with respect to any settlement or payment in connection with any Recovery Event in respect of any property or asset of the Borrower or any Restricted Subsidiary; *provided* that the term “Recovery Prepayment Event” shall not include any Asset Sale Prepayment Event.

“ **Redemption Notice** ” shall have the meaning provided in Section 10.7(a).

“ **Refinanced Debt** ” shall have the meaning provided in Section 2.15(b).

“ **Refinancing Amendment** ” shall have the meaning provided in Section 2.15(b)(vii).

“ **Refinancing Commitments** ” shall have the meaning provided in Section 2.15(b).

“ **Refinancing Facility** ” shall mean any new Class of Term Loans or Commitments or increases to existing Classes of Term Loans or Commitments established pursuant to Section 2.15(b).

“ **Refinancing Facility Closing Date** ” shall have the meaning provided in Section 2.15(b)(iv).

“ **Refinancing Increased Amount** ” shall have the meaning provided in the definition of Refinancing Indebtedness.

“ **Refinancing Indebtedness** ” shall mean, with respect to any Person, any modification, refinancing, refunding, renewal, replacement, exchange or extension of any Indebtedness of such Person (including in respect of any previously incurred Refinancing Indebtedness); *provided* that (a) unless incurred by utilizing another basket under Section 10.1, the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed, replaced, exchanged or extended except by an amount (the “ **Refinancing Increased Amount** ”) equal to unpaid accrued interest and premium thereon (including tender premiums) plus other reasonable amounts paid, and fees and expenses (including upfront fees and original issue discount) reasonably incurred, in connection with such modification, refinancing, refunding, renewal, replacement, exchange or extension plus an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Refinancing Indebtedness in respect of Indebtedness permitted pursuant to Section 10.1(h) or (i) or with respect to any customary bridge facility so long as the Indebtedness into which such customary bridge facility

is to be converted complies with the requirements in this clause (b), such modification, refinancing, refunding, renewal, replacement, exchange or extension has a scheduled final maturity date equal to or later than the scheduled final maturity date of, and, with respect to term loans or notes, has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed, replaced, exchanged or extended (except by virtue of amortization or prepayment of such Indebtedness prior to the time of incurrence of such Refinancing Indebtedness), (c) with respect to a Refinancing Indebtedness in respect of Junior Indebtedness, (i) at the time thereof, no Event of Default shall have occurred and be continuing, (ii) if such Junior Indebtedness is subordinated to the Obligations in right of payment, the Refinancing Indebtedness is subordinated to the Obligations and the applicable Guarantee at least to the same extent as (and on terms that are at least as favorable to the Secured Parties as those contained in) such Junior Indebtedness so refinanced, (iii) if such Junior Indebtedness is unsecured, the Refinancing Indebtedness is unsecured, (iv) if such Indebtedness is subordinated to the Obligations with respect to lien priority, the Refinancing Indebtedness is subordinated to the Obligations with respect to lien priority and (v) unless incurred by utilizing another basket under Section 10.1, such modification, refinancing, refunding, renewal, replacement, exchange or extension is incurred by the Persons who are the obligors of the Indebtedness being modified, refinanced, refunded, renewed, replaced, exchanged or extended, (d) if the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended was subject to any intercreditor agreement (including any Applicable Intercreditor Agreement), to the extent the Refinancing Indebtedness is secured by any Collateral, the holders thereof (or their representative on their behalf) shall become party to each Applicable Intercreditor Agreement, (e) in the case of any Refinancing Indebtedness in respect of the ABL Credit Agreement, Liens on any Collateral securing such Refinancing Indebtedness (i) that are Term Priority Collateral shall rank junior in priority to the Liens on the Term Priority Collateral securing the Obligations and (ii) are subject to the ABL Intercreditor Agreement (or another intercreditor agreement containing terms that are at least as favorable to the Secured Parties as those contained in the ABL Intercreditor Agreement) and (f) in the case of a Refinancing Indebtedness of any Indebtedness permitted pursuant to Section 10.1(c), (k), (v) or (w), such Indebtedness meets the requirements of the definition of Permitted Other Loans or Permitted Other Notes, as applicable.

" **Refinancing Term Lender** " shall have the meaning provided in Section 2.15(b)(iii).

" **Refinancing Term Loan** " shall have the meaning provided in Section 2.15(b)(ii).

" **Refinancing Term Loan Repayment Amount** " shall have the meaning provided in Section 2.5(b).

" **Refinancing Term Loan Request** " shall have the meaning provided in Section 2.15(b)(i).

" **Register** " shall have the meaning provided in Section 13.6(b)(iii).

" **Regulation T** " shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Regulation U** " shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Regulation X** " shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Reinvestment Period** " shall mean 15 months following the date of receipt of Net Cash Proceeds of an Asset Sale Prepayment Event or Recovery Prepayment Event.

" **Rejection Notice** " shall have the meaning provided in Section 5.2(f).

" **Related Parties** " shall mean, with respect to any specified Person, such Person's Affiliates (or, for purposes of clauses (A) and (B) of the last proviso of Section 13.5 and the penultimate paragraph of Section 13.5, such Person's controlled Affiliates) and the directors, officers, employees, agents, trustees and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

" **Relevant LIBOR Rate** " shall have the meaning provided in the definition of "ABR".

" **Repayment Amount** " shall mean an Initial Term Loan Repayment Amount, an Extended Term Loan Repayment Amount with respect to any Extension Series, an Incremental Term Loan Repayment Amount and a Refinancing Term Loan Repayment Amount scheduled to be repaid on any date.

" **Reportable Event** " shall mean an event described in Section 4043 of ERISA and the regulations thereunder, other than any event as to which the thirty day notice period has been waived.

" **Repricing Transaction** " shall mean (i) any prepayment or repayment of Initial Term Loans with the proceeds of, or any conversion of Initial Term Loans into, any substantially concurrent issuance of new or replacement tranche of syndicated senior secured first lien term loans under credit facilities the primary purpose of which is to reduce the Yield applicable to the Initial Term Loans and (ii) any amendment to the Initial Term Loans (or any exercise of any "yank-a-bank" rights in connection therewith) the primary purpose of which is to reduce the Yield applicable to the Initial Term Loans; *provided* that a Repricing Transaction shall not include any such prepayment, repayment or amendment in connection with (x) a Change of Control or (y) a Permitted Acquisition or other Investment by the Borrower or any Restricted Subsidiary that is either (a) not permitted by the terms of this Agreement immediately prior to the consummation of such Permitted Acquisition or other Investment or (b) if permitted by the terms of this Agreement immediately prior to the consummation of such Permitted Acquisition or other Investment, would not provide the Borrower and its Restricted Subsidiaries with adequate flexibility under this Agreement for the continuation and/or expansion of their combined operations following such consummation, as determined by the Borrower acting in good faith.

“ **Required Lenders** ” shall mean, at any date, Non-Defaulting Lenders having or holding a majority of the sum of (a) the outstanding amount of the Term Loans in the aggregate at such date, (b) the outstanding amount of the unfunded Commitments in the aggregate at such date.

“ **Restoration Certification** ” shall mean, with respect to any Recovery Prepayment Event, a certification made by an Authorized Officer of the Borrower or any Restricted Subsidiary, as applicable, to the Administrative Agent prior to the end of the Reinvestment Period certifying that (a) the Borrower or such Restricted Subsidiary intends to use the proceeds received in connection with such Recovery Prepayment Event (x) to repair, restore, refurbish or replace the property or assets in respect of which such Recovery Prepayment Event occurred or (y) or to invest in assets used or useful in a Similar Business, (b) the approximate costs of completion of such repair, restoration, refurbishment or replacement and (c) that such repair, restoration or replacement will be completed within the later of (x) fifteen months after the date on which cash proceeds with respect to such Recovery Prepayment Event were received and (y) 180 days after delivery of such Restoration Certification.

“ **Restricted Foreign Subsidiary** ” shall mean a Foreign Subsidiary that is a Restricted Subsidiary.

“ **Restricted Payment** ” shall mean, with respect to the Borrower or any Restricted Subsidiary, any dividend or return any capital to its stockholders or any other distribution, payment or delivery of property or cash to its stockholders on account of such Stock and Stock Equivalents, or redemption, retirement, purchase or other acquisition, directly or indirectly, for consideration, any shares of any class of its Stock or Stock Equivalents or set aside any funds for any of the foregoing purposes, other than dividends payable solely in its Stock or Stock Equivalents (other than Disqualified Stock). For the avoidance of doubt, any Excess Contribution shall not constitute a Restricted Payment hereunder on account of any equity interests in Avaya Holdings by the PBGC.

“ **Restricted Subsidiary** ” shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

“ **Retained Declined Proceeds** ” shall have the meaning provided in Section 5.2(f).

“ **Returns** ” shall mean, with respect to any Investment, any dividend, distribution, interest, fees, premium, return of capital, repayment of principal, income, profits (from a Disposition or otherwise) and other amounts received or realized in respect of such Investment.

“ **S&P** ” shall mean Standard & Poor’s Financial Services LLC or any successor by merger or consolidation to its business.

“ **Sanctions** ” shall have the meaning provided in Section 8.19.

“ **Sanctions Laws** ” shall have the meaning provided in Section 8.19.

“ **SEC** ” shall mean the Securities and Exchange Commission or any successor thereto.

“ **Section 9.1 Financials** ” shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b), together with the accompanying officer’s certificate delivered, or required to be delivered, pursuant to Section 9.1(c).

“ **Section 2.15(a) Additional Amendment** ” shall have the meaning provided in Section 2.15(a)(iii).

“ **Secured Cash Management Agreement** ” shall mean any Cash Management Agreement that is entered into by and between the Borrower or any Restricted Subsidiary and any Cash Management Bank.

“ **Secured Hedging Agreement** ” shall mean any Hedging Agreement that is entered into by and between the Borrower or any Restricted Subsidiary and any Hedge Bank.

“ **Secured Parties** ” shall mean the Administrative Agent, the Collateral Agent, each Lender, each Hedge Bank, each Cash Management Bank and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or appointed by the Collateral Agent with respect to matters relating to any Security Document.

“ **Securities Act** ” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“ **Securitization Asset** ” shall mean (a) any accounts receivable, royalty or other revenue streams and other rights to payment or related assets and the proceeds thereof, in each case, subject to a Securitization Facility and (b) all collateral securing such receivable or asset, all contracts and contract rights, guaranties or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted), together with accounts or assets in a securitization financing and which in the case of clause (a) and (b) above are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Qualified Securitization Financing.

“ **Securitization Facility** ” shall mean any transaction or series of securitization financings that may be entered into by the Borrower or any Restricted Subsidiary pursuant to which the Borrower or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Borrower or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Borrower or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Borrower or any of its Subsidiaries.

“ **Securitization Repurchase Obligation** ” shall mean any obligation of a seller (or any guaranty of such obligation) of (i) Receivables Facility Assets under a Permitted Receivables Financing to repurchase Receivables Facility Assets or (ii) Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets, in either case, arising as a result of a breach of a representation, warranty or covenant or otherwise, including, without limitation, as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“ **Securitization Subsidiary** ” shall mean any Subsidiary of the Borrower in each case formed for the purpose of, and that solely engages in, one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Borrower or any Restricted Subsidiary makes an Investment and to which the Borrower or such Restricted Subsidiary transfers Securitization Assets and related assets.

“ **Security Agreement** ” shall mean the Security Agreement, dated as of the Closing Date, in substantially the form attached hereto as Exhibit D (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time), entered into by the Borrower, the other grantors party thereto and the Collateral Agent for the benefit of the Secured Parties.

“ **Security Documents** ” shall mean, collectively, (a) the Security Agreement, (b) the Mortgages, (c) all Applicable Intercreditor Agreements and (d) each intellectual property security agreement and each other security agreement or other instrument or document executed and delivered pursuant to Section 9.11 or 9.12 or pursuant to any other such Security Documents.

“ **Series** ” shall have the meaning provided in Section 2.14(a).

“ **Similar Business** ” shall mean any business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date or any other business activities which are reasonable extensions thereof or otherwise similar, incidental, corollary, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Borrower in good faith.

“ **Sold Entity or Business** ” shall have the meaning provided in the definition of the term “Consolidated EBITDA”.

“ **Solvent** ” shall mean, with respect to any Person, that as of the Closing Date, (i) the present fair saleable value of the property (on a going concern basis) of such Person is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business, (ii) such Person is not engaged in, and are not about to engage in, business contemplated as of the date hereof for which they have unreasonably small capital and (iii) such Person is able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business, and (iv) the fair value of the assets (on a going concern basis)

of such Person exceeds, their debts and liabilities, subordinated, contingent or otherwise. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

" **Specified Default** " shall mean any Event of Default under Sections 11.1 or 11.5; provided that for purposes of the definition of Permitted Acquisitions, Section 2.14(a), Section 12.9, Section 13.6(b)(i) and Section 13.6(b)(ii), any such Event of Default under Section 11.5 shall be limited to an Event of Default solely with respect to the Borrower.

" **Specified Representations** " shall mean the representations and warranties made by the Borrower and the Guarantors, set forth in (i) Section 8.1(a) (solely with respect to valid existence), (ii) Section 8.2, (iii) Section 8.3(c) (solely with respect to the Organizational Documents of any Credit Party), (iv) Section 8.5, (v) Section 8.7, (vi) Section 8.16 (which shall be satisfied by the delivery of a solvency certificate substantially in the form of the solvency certificate attached as Annex III to Exhibit C of the Commitment Letter), (vii) Section 8.17, and (viii) the last sentence of Section 8.19.

" **Specified Transaction** " shall mean, with respect to any period, any Investment, any Disposition of assets, incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation, the incurrence of any Incremental Facilities or other event that by the terms of this Agreement requires any test or covenant to be calculated on a "Pro Forma Basis".

" **SPV** " shall have the meaning provided in Section 13.6(f).

" **Standard Securitization Undertakings** " shall mean representations, warranties, covenants and indemnities entered into by the Borrower or any Restricted Subsidiary which the Borrower has determined in good faith to be customary in a Securitization Facility, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

" **Stated Maturity** " shall mean, with respect to any installment of principal on any series of Indebtedness, the date on which such payment of principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for payment thereof.

" **Stock** " shall mean shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting, *provided* that any instrument evidencing Indebtedness convertible or exchangeable for Stock shall not be deemed to be Stock unless and until such instrument is so converted or exchanged; *provided* , *further* that, solely with respect to any CFC or CFC Holding Company, Stock shall also include any instrument or security treated as stock for U.S. federal income tax purposes.

“ **Stock Equivalents** ” shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable, *provided* that any instrument evidencing Indebtedness convertible or exchangeable for Stock Equivalents shall not be deemed to be Stock Equivalents unless and until such instrument is so converted or exchanged; *provided* , *further* that, solely with respect to any CFC or CFC Holding Company, Stock Equivalent shall also include any instrument or security treated as stock equivalent for U.S. federal income tax purposes.

“ **Subsequent Transaction** ” shall have the meaning provided in Section 1.11.

“ **Subsidiary** ” of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any limited liability company, unlimited company, partnership, association, joint venture or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% voting equity interest at the time or is a controlling general partner. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Borrower.

“ **Subsidiary Guarantor** ” shall mean each Guarantor that is a Subsidiary of the Borrower.

“ **Successor Borrower** ” shall have the meaning provided in Section 10.3(a).

“ **Survey** ” shall mean a survey of any Mortgaged Property (and all improvements thereon), including a survey based on aerial photography that is (a) (i) prepared by a licensed surveyor or engineer, (ii) certified by the surveyor (in a manner reasonable in light of the size, type and location of the Real Estate covered thereby) to the Administrative Agent and the Collateral Agent and (iii) sufficient, either alone or in connection with a survey (or “no change”) affidavit in form and substance customary in the applicable jurisdiction, for the applicable title company to remove (to the extent permitted by Applicable Law) or amend all standard survey exceptions from the title insurance policy (or commitment) relating to such Mortgaged Property and issue such endorsements or other survey coverage, to the extent available in the applicable jurisdiction, as the Collateral Agent may reasonably request or (b) otherwise reasonably acceptable to the Collateral Agent, taking into account the size, type and location of the Real Estate covered thereby.

“ **Swap Obligation** ” shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

" **Swap Termination Value** " shall mean, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements (which may include a Lender or any Affiliate of a Lender).

" **Taxes** " shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether computed on a separate, consolidated, unitary, combined or other basis and any interest, fines, penalties or additions to tax with respect to the foregoing.

" **Tax Distribution** " shall have the meaning provided in Section 10.6(d)(i)

" **Term Loan Increase** " shall have the meaning provided in Section 2.14(a).

" **Term Loan Extension Request** " shall have the meaning provided in Section 2.15(a)(i).

" **Term Loans** " shall mean the Initial Term Loans, any Incremental Term Loan, any Refinancing Term Loans or any Extended Term Loans, as applicable.

" **Term Priority Collateral** " shall have the meaning under and as defined in the ABL Intercreditor Agreement.

" **Test Period** " shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower then last ended and for which Section 9.1 Financials have been or were required to have been delivered (or, for purposes of any calculation of a financial ratio under this Agreement, for which the financial statements described in Section 9.1(a) or (b) are otherwise available).

" **Transaction Expenses** " shall mean any fees, costs, liabilities or expenses incurred or paid by Avaya Holdings, the Borrower or any of its respective Subsidiaries in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby including in respect of the commitments, negotiation, syndication, documentation and closing (and post-closing actions in connection with the Collateral) of the Credit Facilities.

" **Transactions** " shall mean, collectively, the (i) consummation of the Closing Refinancing, (ii) the consummation of the Plan, (iii) the execution of and funding under the Credit Documents and the ABL Credit Documents, (iv) the other transactions contemplated by the Plan, and (v) the payment of fees, costs, liabilities and expenses in connection with each of the foregoing and the consummation of any other transaction connected with the foregoing.

" **Transferee** " shall have the meaning provided in Section 13.6(e).

“ **Type** ” shall mean, as to any Term Loan, its nature as an ABR Loan or a LIBOR Loan.

“ **UCC** ” shall mean the Uniform Commercial Code of the State of New York, or of any other state the laws of which are required to be applied in connection with the perfection of security interests in any Collateral.

“ **Unfunded Current Liability** ” of any Pension Plan shall mean the amount, if any, by which the Accumulated Benefit Obligation (as defined under Statement of Financial Accounting Standards No. 87 (“ **SFAS 87** ”)) under the Pension Plan as of the close of its most recent plan year, determined in accordance with SFAS 87 as in effect on the Closing Date, exceeds the fair market value of the assets allocable thereto.

“ **Unrestricted Cash** ” shall mean, without duplication, all cash and Cash Equivalents included in the cash and Cash Equivalents accounts listed on the consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at such date, excluding any cash and Cash Equivalents with respect to which a Lien (other than any Lien permitted under clause (x) or (bb) of the definition of Permitted Encumbrance) senior to the Lien securing the Obligations is granted for the benefit of other Indebtedness or obligations (but may include cash and Cash Equivalents securing the ABL Obligations along with the Obligations pursuant to the Applicable Intercreditor Agreements).

“ **Unrestricted Escrow Subsidiary** ” shall have the meaning provided in Section 1.10.

“ **Unrestricted Subsidiary** ” shall mean (a) any Subsidiary of the Borrower that is formed or acquired after the Closing Date; *provided* that at such time (or promptly thereafter) the Borrower designates such Subsidiary an Unrestricted Subsidiary in a written notice to the Administrative Agent, (b) any Restricted Subsidiary designated as an Unrestricted Subsidiary by the Borrower after the Closing Date in a written notice to the Administrative Agent; *provided* that in each case of clauses (a) and (b), (x) such designation shall be deemed to be an Investment (or reduction in an outstanding Investment, in the case of a designation of an Unrestricted Subsidiary as a Restricted Subsidiary) on the date of such designation in an amount equal to the net book value of the investment therein and such designation shall be permitted only to the extent permitted under Section 10.5 on the date of such designation and (y) subject to Section 1.10, no Event of Default exists or would result from such designation after giving Pro Forma Effect thereto and (c) each Subsidiary of an Unrestricted Subsidiary. No Subsidiary may be designated as an Unrestricted Subsidiary if, after such designation, it would constitute a “Restricted Subsidiary” under the definitive documentation in respect of any Indebtedness in a principal amount of not less than $100,000,000 (to the extent such concept exists under the definitive documentation in respect of such Indebtedness). The Borrower may, by written notice to the Administrative Agent, re-designate any Unrestricted Subsidiary as a Restricted Subsidiary, and thereafter, such Subsidiary shall no longer constitute an Unrestricted Subsidiary, but only if, subject to Section 1.10, no Event of Default exists or would result from such re-designation.

“ **U.S. Lender** ” shall have the meaning provided in Section 5.4(h).

“ **Voting Stock** ” shall mean, with respect to any Person, such Person’s Stock or Stock Equivalents having the right to vote for the election of directors or other governing body of such Person under ordinary circumstances; *provided* that for the purpose of the definition of “Excluded Stock and Stock Equivalents” and in each reference to the Voting Stock of any CFC or CFC Holding Company, Voting Stock shall also include any instrument treated as voting stock or stock equivalent for U.S. federal income tax purposes.

“ **Weighted Average Life to Maturity** ” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then-outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness (the “ **Applicable Indebtedness** ”), the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable determination date shall be disregarded.

“ **Wholly Owned** ” shall mean, with respect to the ownership by a Person of a Subsidiary, that all of the Stock of such Subsidiary (other than directors’ qualifying shares or nominee or other similar shares required pursuant to Applicable Law) are owned by such Person or another Wholly Owned Subsidiary of such Person.

“ **Withdrawal Liability** ” 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 Title IV of ERISA.

“ **Write-Down and Conversion Powers** ” shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

“ **Yield** ” shall mean, with respect to any Initial Term Commitments, Initial Term Loans or any other commitments or loans, on any date of determination, the yield to maturity, in each case, based on the interest rate and any original issue discount or upfront fees (amortized over four years), but excluding any amendment, structuring, underwriting, ticking, arrangement, commitment and other similar fees not payable to all Lenders generally providing such Commitments and/or Term Loans; *provided* that if such other commitment and loans (including Incremental Term Commitments and Incremental Term Loans) include an interest rate floor greater than the applicable interest rate floor under the Initial Term Loans, such differential between interest rate floors shall be equated to the applicable interest rate margin, but only to the extent an increase in the interest rate floor in the Initial Term Loans would cause an increase in the interest rate then in effect thereunder.

1.2 Other Interpretive Provisions

With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term "including" is by way of example and not limitation.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) The words "asset" and "property" shall be construed to have the same meaning and effect and refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(g) All references to "knowledge" or "awareness" of any Credit Party or a Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of a Credit Party or such Restricted Subsidiary.

(h) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including".

(i) Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

(j) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(k) For purposes of determining compliance with any one of Sections 9.9, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7 and 1.1, (i) in the event that any Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness meets the criteria of more than one of the categories of transactions permitted pursuant to any clause of such Section, such transaction (or portion thereof) at any time and from time to time shall be permitted under one or more of such clauses as determined by the Borrower (and the Borrower shall be entitled to redesignate use of any such clauses from time to time) in its sole discretion at such time; *provided* that (x) all Indebtedness outstanding under the Credit

Documents will be deemed at all times to have been incurred in reliance only on the exception in clause (a) of Section 10.1 and (y) all Indebtedness outstanding under the ABL Credit Documents (and any Refinancing Indebtedness thereof) will be deemed at all times to have been incurred in reliance only on the exception in clause (b) of Section 10.1 and (ii) with respect to any Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness or other applicable transaction in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness or other applicable transaction is made (so long as such Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness or other applicable transaction at the time incurred or made was permitted hereunder).

(l) All references to "in the ordinary course of business" of the Borrower or any Subsidiary thereof means (i) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of the Borrower or such Subsidiary, as applicable, (ii) customary and usual in the industry or industries of the Borrower and its Subsidiaries in the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable, or (iii) generally consistent with the past or current practice of the Borrower or such Subsidiary, as applicable, or any similarly situated businesses in the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable.

1.3 Accounting Terms

(a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

(b) Notwithstanding anything to the contrary herein, (i) for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs (or, for purposes of determining compliance with any test or covenant governing the permissibility of any transaction hereunder, during such period and thereafter and on or prior to such date of determination), the Consolidated Total Net Leverage Ratio, the Consolidated First Lien Net Leverage Ratio, and the Consolidated Secured Net Leverage Ratio shall each be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis and (ii) for purposes of determining compliance with any ratio governing the permissibility of any transaction to be consummated on a Pro Forma Basis hereunder, (A) the cash proceeds of any incurrence of debt then being incurred in connection with such transaction shall not be netted from Consolidated Total Debt and (B) Consolidated Total Debt shall be calculated after giving effect to any prepayment of Indebtedness, in each case for purposes of calculating the Consolidated First Lien Net Leverage Ratio, Consolidated Secured Net Leverage Ratio or Consolidated Total Net Leverage Ratio, as

applicable. If since the beginning of any applicable Test Period, any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of the Restricted Subsidiaries, in each case, since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then such financial ratio or test (or Consolidated EBITDA or Consolidated Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this definition.

1.4 Rounding

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc

Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents) and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted or not prohibited by any Credit Document and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

1.6 Times of Day

Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

1.7 Timing of Payment or Performance

When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day.

1.8 Currency Equivalents Generally

In determining whether any Indebtedness, Investment, Lien, Disposition, Restricted Payment or any other amount under a “fixed amount” basket denominated in Dollars may be incurred in a currency other than Dollars, such amount shall be determined based on the currency exchange rate determined at the time of such incurrence (or, in the case of any revolving Indebtedness or any amount committed to be made, at the time it is first committed); provided that no Default or Event of Default shall be deemed to have occurred solely as a result

of changes in rates of exchange occurring after the time such Indebtedness, Investment, Lien, Disposition, Restricted Payment or such other amount is incurred or made; provided, further that for purpose of determining Consolidated Net Income, Consolidated EBITDA, Consolidated Total Debt or any other amount or ratio determined based on Consolidated Net Income, Consolidated EBITDA or Consolidated Total Debt, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered Section 9.1 Financials.

1.9 Classification of Loans and Borrowings

For purposes of this Agreement, Term Loans may be classified and referred to by Class (e.g., an "Initial Term Loan") or by Type (e.g., a "LIBOR Loan") or by Class and Type (e.g., a "LIBOR Initial Term Loan"). Borrowings also may be classified and referred to by Class (e.g., an "Initial Term Loan Borrowing") or by Type (e.g., a "LIBOR Borrowing") or by Class and Type (e.g., a "LIBOR Initial Term Loan Borrowing").

1.10 Unrestricted Escrow Subsidiary

Any Indebtedness permitted to be incurred hereunder (including any Incremental Facilities and Refinancing Facilities) may be incurred, at the option of the Borrower, by a newly created and newly designated Unrestricted Subsidiary (an " **Unrestricted Escrow Subsidiary** ") with no assets other than the cash proceeds of such incurred Indebtedness *plus* , subject to compliance with Section 10.5, any cash and Cash Equivalents contributed to such Unrestricted Escrow Subsidiary as deposit of interest expenses and fees, additional cash collateral or for other purposes, which Unrestricted Escrow Subsidiary will then merge with and into the Borrower or any of the Restricted Subsidiaries with the Borrower or such Restricted Subsidiary surviving the merger and assuming all obligations of the Unrestricted Escrow Subsidiary. So long as such Indebtedness would have been permitted to be incurred directly by the Borrower or any Restricted Subsidiary upon the incurrence of such Indebtedness by the Unrestricted Escrow Subsidiary, or, with respect to any Indebtedness incurred in connection with a Limited Condition Transaction, at the option of the Borrower, at the time the LCT Election is made, the creation, designation and re-designation of the Unrestricted Escrow Subsidiary and the merger of the Unrestricted Escrow Subsidiary into the Borrower or any Restricted Subsidiary shall not be subject to any additional condition, including any condition that no Default or Event of Default shall have occurred and be continuing at such time.

1.11 Limited Condition Transactions

In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of (i) determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test or (ii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets), in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an " **LCT Election** "; *provided* that such election may be revoked by the Borrower at any time prior to the consummation or abandonment of the Limited Condition Transaction in question), the date of determination of whether any such action is permitted hereunder shall be

deemed to be the date the definitive agreement for such Limited Condition Transaction is entered into (the " **LCT Test Date** "), and if, after giving Pro Forma Effect to the Limited Condition Transaction, the Borrower or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Borrower has made an LCT Election and, following the LCT Test Date, any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA, Consolidated Interest Expense or Consolidated Total Assets following the LCT Test Date but at or prior to the consummation of the relevant Limited Condition Transaction, such baskets, tests or ratios will not be deemed to have failed to have been satisfied as a result of such fluctuations. If the Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earliest of the date on which (i) such Limited Condition Transaction is consummated, (ii) the LCT Election is revoked by the Borrower and (iii) the date that the definitive agreement or date for redemption, repurchase, defeasance, satisfaction and discharge or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a " **Subsequent Transaction** ") in connection with which a ratio, test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated.

SECTION 2 Amount and Terms of Credit

2.1 Initial Term Loan Borrowing

Subject to the terms and conditions set forth herein, each Lender agrees, severally and not jointly, to make term loans (each an " **Initial Term Loan** ") in Dollars to the Borrower on the Closing Date, in an aggregate principal amount up to its Initial Term Commitment. The Initial Term Loan prepaid or repaid may not be re-borrowed.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings

The aggregate principal amount of each Borrowing of Term Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Term Loans and in a multiple of $1,000,000 in excess thereof. After giving effect to all Borrowings, all conversions of Term Loans from one Type to the other, and all continuations of Term Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect unless otherwise agreed between the Borrower and the Administrative Agent.

2.3 Notice of Borrowing; Determination of Class of Term Loans

(a) Each Borrowing, each conversion of Term Loans from one Type to the other, and each continuation of LIBOR Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent (i) not later than 2:00 p.m. one Business Day (or with respect to the second Borrowing, three Business Days) prior to the requested date of any Borrowing or continuation of LIBOR Loans or any conversion of ABR Loans to LIBOR Loans and (ii) not later than 1:00 p.m. on the requested date of any Borrowing of ABR Loans; *provided* that the Borrower may deliver new notices if such condition fails to be satisfied on the proposed Borrowing date. Each telephonic notice by the Borrower pursuant to this Section 2.3(a) must be confirmed promptly by delivery to the Administrative Agent of a written Notice of Borrowing, appropriately completed and signed by an Authorized Officer of the Borrower. Each Borrowing of, conversion to or continuation of LIBOR Loans shall be in a principal amount of $1,000,000 or a whole multiple of the amount of $500,000 in excess thereof. Except as otherwise provided hereunder, each Borrowing of or conversion to ABR Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Notice of Borrowing (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Term Loans from one Type to the other, or a continuation of LIBOR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Term Loans to be borrowed, converted or continued, (iv) the Type of Term Loans to be borrowed or which existing Term Loans are to be converted and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Term Loan in a Notice of Borrowing, then the applicable Term Loans shall be made as ABR Loans. If the Borrower fails to deliver a Notice of Borrowing to continue any LIBOR Loans, then the LIBOR Loans shall be deemed to have chosen to convert such Term Loan to an ABR Loan. If the Borrower requests a Borrowing of, conversion to, or continuation of LIBOR Loans in any such Notice of Borrowing, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month.

(b) Following receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the amount of its *pro rata* share of the Term Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to ABR Loans. In the case of each Borrowing, each Lender shall make the amount of its Term Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office in Dollars not later than 1:00 p.m. on the Business Day specified in the applicable Notice of Borrowing. Upon satisfaction of the applicable conditions set forth in Section 6, the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for LIBOR Loans upon determination of such interest rate. The determination of the LIBOR Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that ABR Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in the Administrative Agent's prime rate used in determining the ABR promptly following the public announcement of such change.

(d) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

2.4 Disbursement of Funds

(a) No later than 2:00 p.m. on the date specified in each Notice of Borrowing, each Lender will make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below; *provided* that on the Closing Date, such funds may be made available at such earlier time as may be agreed among the Borrower, the Administrative Agent and the Lenders for the purpose of consummating the Transactions.

(b) Each Lender shall make available all amounts required under any Borrowing for its applicable Commitments in immediately available funds to the Administrative Agent at the Administrative Agent's Office in Dollars, and the Administrative Agent will make available to the Borrower, by depositing to an account designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the Borrower in writing and the Borrower shall immediately pay such corresponding amount to the Administrative Agent in Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate *per annum* equal to (i) if paid by such Lender, the Overnight Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the Term Loans of the applicable Class.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Term Loans; Evidence of Debt

(a) The Borrower shall repay to the Administrative Agent, for the benefit of the Lenders holding Initial Term Loans, on the Initial Term Loan Maturity Date, the then outstanding Initial Term Loans. The Borrower shall repay to the Administrative Agent, for the benefit of the applicable Lenders, on the other applicable Maturity Dates, the then outstanding other Term Loans.

(b) The Borrower shall repay to the Administrative Agent, in Dollars, for the benefit of the Lenders of the Initial Term Loans, on the last Business Day of each March, June, September and December commencing on March 30, 2018, an aggregate principal amount equal to 0.25% of the aggregate principal amount of all Initial Term Loans outstanding on the Closing Date (each such repayment amount, an " **Initial Term Loan Repayment Amount** "), which payments shall be reduced as a result of voluntary prepayments or repurchase of the Initial Term Loans in accordance with this Agreement, including Sections 5.1 and 13.6(g) and further reduced by any prepayments pursuant to Section 5.2 and any other reductions in principal of the Initial Term Loans, including pursuant to Section 2.15, 2.16 or 13.7(a).

(c) In the event any Incremental Term Loans are made, such Incremental Term Loans shall be repaid in amounts (each, an " **Incremental Term Loan Repayment Amount** ") and on dates as agreed between the Borrower and the relevant Lenders of such Incremental Term Loans, subject to the requirements set forth in Section 2.14. In the event that any Extended Term Loans, such Extended Term Loans, subject to Section 2.15(a), be repaid by the Borrower in the amounts (each, an " **Extended Term Loan Repayment Amount** ") and on the dates set forth in the applicable Extension Amendment. In the event that any Refinancing Term Loans are established, such Refinancing Term Loans shall, subject to Section 2.15(b), be repaid by the Borrower in the amounts (each, a " **Refinancing Term Loan Repayment Amount** ") and on the dates set forth in the applicable Refinancing Amendment.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Term Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Term Loan made hereunder and, if applicable, the relevant tranche thereof and the Type of each Term Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof, and (iv) any cancellation or retirement of Term Loans as contemplated by Section 13.6(g).

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; *provided* , *however* , that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Term Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

(g) The Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made an initial Borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's expense a promissory note substantially in the form of Exhibit B, evidencing the Term Loans owing to such Lender.

2.6 Conversions and Continuations

(a) Subject to the penultimate sentence of this clause (a), (x) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of any Term Loans of one Type into a Borrowing or Borrowings of another Type and (y) the Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans as LIBOR Loans for an additional Interest Period; *provided* that (i) no partial conversion of LIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Required Lenders have determined in their sole discretion not to permit such continuation, and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the Administrative Agent's Office prior to 1:00 p.m. at least (i) three Business Days', in the case of a continuation of, or conversion to, LIBOR Loans or (ii) one Business Day's in the case of a conversion into ABR Loans, prior written notice (or telephonic notice promptly confirmed in writing), in each case substantially in the form of Exhibit A (each, a " **Notice of Conversion or Continuation** ") specifying the Term Loans to be so converted or continued, the Type of Term Loans to be converted into or continued and, if such Term Loans are to be converted into, or continued as, LIBOR Loans, the Interest Period to be initially applicable thereto (if no Interest Period is selected, the Borrower shall be deemed to have selected an Interest Period of one month's duration). The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Term Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans and the Required Lenders have determined in their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a) above, the Borrower shall be deemed to have elected to convert such Borrowing of LIBOR Loans into a Borrowing of ABR Loans, effective as of the expiration date of such current Interest Period.

(c) Notwithstanding anything to the contrary herein, the Borrower may deliver a Notice of Conversion or Continuation pursuant to which the Borrower elects to irrevocably continue the outstanding principal amount of any Term Loans subject to an interest rate Hedging Agreement as LIBOR Loans for each Interest Period until the expiration of the term of such applicable Hedging Agreement.

2.7 [Reserved]

2.8 Interest

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable ABR Margin *plus* the ABR, in each case, in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable LIBOR Margin *plus* the relevant LIBOR Rate, in each case in effect from time to time.

(c) [Reserved]

(d) If all or a portion of (i) the principal amount of any Term Loan or (ii) any interest payable thereon or any other amount hereunder shall not be paid when due (whether at the Stated Maturity, by acceleration or otherwise), and a Specified Default shall have occurred and be continuing, then, upon the giving of written notice by the Administrative Agent to the Borrower (except in the case of an Event of Default under Section 11.5, for which no notice is required), such overdue amount (other than any such amount owed to a Defaulting Lender) shall bear interest at a rate *per annum* (the " **Default Rate** ") that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2% or (y) in the case of any overdue interest or other amounts due hereunder, to the extent permitted by Applicable Law, the rate described in Section 2.8(a) *plus* 2% from the date of written notice to the date on which such amount is paid in full (after as well as before judgment) (or if an Event of Default under Section 11.5 shall have occurred and be continuing, the date of the occurrence of such Event of Default).

(e) Interest on each Term Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable in Dollars; *provided* that any Term Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last Business Day of each March, June, September and December, (ii) in respect of each LIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, and (iii) in respect of each Term Loan, (A) on any prepayment; *provided* that interest on ABR Loans shall only become due pursuant to this clause (A) if the aggregate principal amount of the ABR Loans then-outstanding is repaid in full, (B) at maturity (whether by acceleration or otherwise) and (C) after such maturity, on demand.

(f) All computations of interest hereunder shall be made in accordance with Section 5.5.

2.9 Interest Periods

At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans in accordance with Section 2.6(a), the Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower, be a one, two, three or six or (if available to all relevant Lenders participating in the relevant Credit Facility) a twelve month period or a period of less than one month.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided* that if any Interest Period in respect of a LIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan if such Interest Period would extend beyond the applicable Maturity Date of such Term Loan.

2.10 Increased Costs, Illegality, LIBOR Discontinuation, Etc.

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, the Required Lenders shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the LIBOR Rate for any Interest Period that (x) deposits in the principal amounts and currencies of the Term Loans comprising such LIBOR Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Closing Date affecting the interbank LIBOR market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans (other than any increase or reduction attributable to (i) Indemnified Taxes and Taxes indemnifiable under Section 5.4, (ii) net income Taxes and franchise and excise Taxes (imposed in lieu of net income Taxes) imposed on any Agent or Lender or (iii) Taxes included under clauses (c) through (e) of the definition of "Excluded Taxes") because of (x) any change since the Closing Date in any Applicable Law (or in the interpretation or administration thereof and including the introduction of any new Applicable Law), such as, for example, without limitation, a change in official reserve requirements, and/or (y) other circumstances affecting the interbank LIBOR market or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful as a result of compliance by such Lender in good faith with any Applicable Law (or would conflict with any such Applicable Law not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Closing Date that materially and adversely affects the interbank LIBOR market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by the Borrower with respect to LIBOR Loans that have not yet been incurred shall be deemed rescinded by the Borrower, as applicable, (y) in the case of clause (ii) above, the Borrower shall pay to such Lender, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of or a different method of calculating, interest or otherwise, as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by Applicable Law.

(b) At any time that any LIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the Borrower may (and in the case of a LIBOR Loan, affected pursuant to Section 2.10(a)(iii) shall) either (x) if the affected LIBOR Loan is then being made pursuant to a Borrowing, cancel such Borrowing by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Borrower was notified by a Lender pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan is then-outstanding, upon at least three Business Days' notice to the Administrative Agent require the affected Lender to convert each such LIBOR Loan into an ABR Loan; *provided* that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Closing Date, any Change in Law relating to capital adequacy or liquidity of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Closing Date, has or would have the effect of reducing the rate of return on such Lender's or its parent's or its Affiliates' capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or any Affiliate thereof could have achieved but for such Change in Law (taking into consideration such Lender's or parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly after written demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any Applicable Law as in effect on the Closing Date. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

(d) Notwithstanding the foregoing, no Lender shall demand compensation pursuant to this Section 2.10 if it shall not at the time be the general policy or practice of such Lender to demand such compensation in substantially the same manner as applied to other similarly situated borrowers under comparable syndicated credit facilities.

(e) Notwithstanding anything contained herein to the contrary, and without limiting the provisions of Section 2.6, in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto absent manifest error) that there exists, at such time, a broadly accepted market convention for determining a rate of interest for syndicated loans in the United States in lieu of the LIBOR Rate, and the Administrative Agent shall have given written notice of such determination to the Borrower and each Lender (it being understood that the Administrative Agent shall have no obligation to make such determination and/or to give such notice), then the Administrative Agent and the Borrower may enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement, in each case, as may be agreed by the Administrative Agent and the Borrower (including clause (c) of the definition of ABR). Notwithstanding anything to the contrary in Section 13.1, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the distribution of such amendment to the Lenders, a written notice from the Required

Lenders stating that the Required Lenders object to such amendment. In addition, the Borrower and the Required Lenders may at any time upon not less than 15 Business Days' prior written notice to the Administrative Agent select a different broadly accepted market convention for determining a rate of interest for syndicated loans in the United States in lieu of the LIBOR Rate as long as it is reasonably practicable for the Administrative Agent to administer such different rate (such practicability being determined by the Administrative Agent in its sole discretion).

2.11 Compensation

If (i) any payment of principal of any LIBOR Loan is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan as a result of a payment or conversion pursuant to Section 2.5, 2.6, 2.10, 5.1, 5.2 or 13.7, as a result of acceleration of the maturity of the Term Loans pursuant to Section 11 or for any other reason, (ii) any Borrowing of LIBOR Loans is not made as a result of a withdrawn Notice of Borrowing, (iii) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (iv) any LIBOR Loan is not continued as a LIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (v) any prepayment of principal of any LIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan. Notwithstanding the foregoing, no Lender shall demand compensation pursuant to this Section 2.11 if it shall not at the time be the general policy or practice of such Lender to demand such compensation in substantially the same manner as applied to other similarly situated borrowers under comparable syndicated credit facilities.

2.12 Change of Lending Office

Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(b) or 5.4 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Term Loans affected by such event; *provided* that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Section 2.10 or 5.4. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with such designation.

2.13 Notice of Certain Costs

Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11 or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11 or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Borrower.

2.14 Incremental Facilities

(a) The Borrower may, at any time and from time to time, elect to request the establishment of (x) one or more additional tranches of term loans, which may be of the same Class as any then-existing Term Loans (a " **Term Loan Increase** ") or a separate Class of Term Loans (the commitments for additional term loans of the same Class or a separate Class, collectively, the " **Incremental Term Commitments** ") or (y) one or more tranches of revolving credit facilities (the " **Incremental Revolving Commitments** ", together with the Incremental Term Commitments, the " **Incremental Commitments** "; and the loans thereunder, " **Incremental Loans** "), in an aggregate principal amount not in excess of the then-available Maximum Incremental Facilities Amount at the time of incurrence thereof and not less than $10,000,000 individually (or such lesser amount as (x) may be approved by the Administrative Agent in its reasonable discretion or (y) shall constitute the then-available Maximum Incremental Facilities Amount at such time). The Borrower may approach any existing Lender or any Additional Lender to provide all or a portion of the Incremental Commitments; *provided* that any Lender offered or approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide an Incremental Commitment, and the Borrower shall have no obligation to approach any existing Lender to provide any Incremental Commitment; *provided* , *further* , that the Administrative Agent shall have consented to such Additional Lender's providing of the Incremental Commitments to the extent such consent, if any, would be required under Section 13.6(b) in connection with an assignment of Term Loans or Commitments to such Additional Lender. In each case, such Incremental Commitments shall become effective as of the date determined by the Borrower (the " **Increased Amount Date** "); *provided* that, (i) (x) other than as described in the immediately succeeding clause (y), no Event of Default shall exist on such Increased Amount Date immediately before or immediately after giving effect to such Incremental Commitments and the borrowing of any Incremental Loans thereunder or (y) if such Incremental Commitment is being provided in connection with a Permitted Acquisition or similar Investment, or in connection with refinancing of any Indebtedness that requires an irrevocable prepayment or redemption notice, then no Specified Default shall exist on such Increased Amount Date, (ii) in connection with any incurrence of Incremental Loans or establishment of Incremental Commitments, there shall be no requirement for the Borrower to bring down the representations and warranties under the Credit Documents unless requested by the lenders providing such Incremental Loans or Incremental Commitments (subject to waiver by such lenders of any such requirement) and (iii) the establishment of Incremental Commitments or the incurrence of Incremental Loans shall be effected pursuant to one or more amendments (each, an " **Incremental Amendment** ") to this Agreement executed and delivered by the Borrower and the Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(e). For all purposes of this Agreement, any Incremental Term Loans made on an Increased Amount Date shall be designated (x) a separate series of Term Loans or (y) in the case of a Term Loan Increase, a part of the series of existing Term Loans subject to such increase (such new or existing series of Term Loans, each, a " **Series** ").

(b) The terms and conditions of the Incremental Revolving Commitments shall be reasonably satisfactory to the Administrative Agent; *provided* that (i) such Incremental Revolving Commitments may have a maturity that is shorter than the Maturity Dates of the Term Loans but such maturity shall be longer than the maturity date of the Initial ABL Facility, (ii) the pricing, interest rate margins, discounts, premiums, interest rate floors and fees of such Incremental Revolving Commitments shall be determined by the Borrower and the lender(s) thereunder and shall not be subject to any "most-favored nation" provisions (including under Section 2.14(d)(iv) below), (iii) such Incremental Revolving Commitments may have sub-facilities for letters of credit and swingline loans, (iv) lenders providing such Incremental Revolving Commitments shall be included in the definition of "Required Lenders", (v) if such Incremental Revolving Commitments benefit from a financial covenant, the Term Loans shall not be required to enjoy the same benefit of such financial covenant and they shall cross accelerate (instead of cross default) to a breach of such financial covenant, (vi) customary amendments to the definition of "Maximum Incremental Facilities Amount" may be made to permit any repayment of loans under Incremental Revolving Commitments accompanied with permanent terminations of such Incremental Revolving Commitments to be added to clause (2) of such definition, (vii) no Subsidiary (other than a Guarantor) is an obligor of such Incremental Revolving Commitments and (viii) if secured, such Incremental Revolving Commitments are not secured by any assets other than all or any portion of the Collateral or any Liens other than Liens that are pari passu with or junior to the Liens securing the Obligations.

(c) On any Increased Amount Date on which any Incremental Term Commitments of any Series are effective, subject to the satisfaction (or waiver) of the foregoing applicable terms and conditions, (i) each Lender with an Incremental Term Commitment of any Series shall make a term loan to the Borrower (an " **Incremental Term Loan** ") in an amount equal to its Incremental Term Commitment of such Series, and (ii) each Lender of any Series shall become a Lender hereunder with respect to the Incremental Term Commitment of such Series and the Incremental Term Loans of such Series made pursuant thereto. The Borrower shall use the proceeds, if any, of the Incremental Term Loans for any purpose not prohibited by this Agreement and as agreed by the Borrower and the lender(s) providing such Incremental Term Loans.

(d) The terms and provisions of any Incremental Term Commitments and the respective related Incremental Term Loans, in each case effected pursuant to a Term Loan Increase shall be substantially identical to the terms and provisions applicable to the Class of Term Loans subject to such increase; *provided* that underwriting, arrangement, structuring, ticking, commitment, original issue discount, upfront or similar fees, and other fees payable in connection therewith that are not generally shared with all relevant lenders providing such Incremental Term Commitments and the respective related Incremental Term Loans, that may be agreed to among the Borrower and the lender(s) providing and/or arranging such Incremental Term Commitments may be paid in connection with such Incremental Term Commitments. The terms and provisions of any Incremental Term Commitments and the respective related Incremental Term Loans of any Series not effected pursuant to a Term Loan Increase shall be on terms and documentation set forth in the applicable Incremental Amendment as determined by the Borrower; *provided* that:

(i) the applicable Incremental Term Loan Maturity Date of each Series shall be no earlier than the Initial Term Loan Maturity Date, *provided* that the requirements of the foregoing clause (i) shall not apply to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with such requirements;

(ii) the Weighted Average Life to Maturity of the applicable Incremental Term Loans of each Series shall be no shorter than the Weighted Average Life to Maturity of the Initial Term Loans;

(iii) the Incremental Term Loans (x) may participate on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a *pro rata* basis or less than *pro rata* basis (but not on a greater than *pro rata* basis) in any mandatory prepayments of any Class of Term Loans hereunder; *provided* that if such Incremental Term Loans are unsecured or rank junior in right of payment or as to security with the Obligations, such Incremental Term Loans shall participate on a junior basis with respect to mandatory repayments of Term Loans hereunder (except in connection with any refinancing, extension, renewal, replacement, repurchase or retirement thereof permitted by this Agreement), (y) shall not be guaranteed by any Subsidiary other than a Guarantor hereunder and (z) shall be unsecured or rank *pari passu* or junior in right of security with any Obligations outstanding under this Agreement and, if secured, shall not be secured by assets of the Credit Parties other than Collateral (and, unless secured on a *pari passu* basis with the Obligations, shall be subject to a subordination agreement (if payment subordinated) and/or the Applicable Intercreditor Agreement);

(iv) the pricing, interest rate margins, discounts, premiums, interest rate floors, fees, and amortization schedule (subject to clauses (i) and (ii) above) applicable to any Incremental Term Loans shall be determined by the Borrower and the lender(s) thereunder; *provided* , *however* , that, if the Yield, in respect of any Incremental Term Loans that (w) rank *pari passu* in right of payment and security with the Initial Term Loans, (x) are incurred on or prior to the date that is 12 months after the Closing Date and (y) have a maturity date that is less than two years after the Initial Term Loan Maturity Date as of the date of funding thereof, exceeds the Yield in respect of any Initial Term Loans by more than 0.50%, then the Applicable ABR Margin or the Applicable LIBOR Margin, as applicable, in respect of such Initial Term Loans shall be adjusted so that the Yield in respect of such Initial Term Loans is equal to the Yield in respect of such Incremental Term Loans *minus* 0.50%; *provided* , *further* , to the extent any change in the Yield of the Initial Term Loans is necessitated by this clause (iv) on the basis of an effective interest rate floor in respect of the Incremental Term Loans, the increased Yield in the Initial Term Loans shall (unless otherwise agreed in writing by the Borrower) have such increase in the Yield effected solely by increases in the interest rate floor(s) applicable to the Initial Term Loans; and

(v) all other terms of any Incremental Term Loans (other than as described in clauses (i), (ii), (iii) and (iv) above) may differ from the terms of the Initial Term Loans if agreed by the Borrower and the lender(s) providing such Incremental Term Loans.

(e) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.14 and hereby waive the requirements of any provision of this Agreement (including, without limitation, any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.14. Each Incremental Amendment may, without the consent of any other Lenders, (x) effect technical and corresponding amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.14 and (y) with respect to the Incremental Revolving Commitments, add provisions solely applicable to such Incremental Revolving Commitments (including provisions relating to extensions and refinancings of Incremental Revolving Commitments).

2.15 Extensions of Term Loans; Refinancing Facilities

(a) Extensions

(i) The Borrower may at any time and from time to time request that all or a portion of the Term Loans of any Class (an " **Existing Term Loan Class** ") be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or a portion of any principal amount of such Term Loans (any such Term Loans which have been so converted, " **Extended Term Loans** ") and to provide for other terms consistent with this Section 2.15. In order to establish any Extended Term Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders of the applicable Existing Term Loan Class which such request shall be offered equally to all such Lenders) (a " **Term Loan Extension Request** ") setting forth the proposed terms of the Extended Term Loans to be established, which shall either, at the option of the Borrower, (A) reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Borrower) or (B) if not consistent with the terms of the applicable Existing Term Loan Class, shall not be materially more restrictive to the Credit Parties (as determined in good faith by the Borrower), when taken as a whole, than the terms of the Term Loans of the Existing Term Loan Class unless (x) the Lenders of the Term Loans of such applicable Existing Term Loan Class receive the benefit of such more restrictive terms or (y) any such provisions apply after the Latest Maturity Date as determined at the time of incurrence or issuance; *provided* , *however* , that (1) the scheduled final maturity date shall be extended and all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization of principal of the Term Loans of such Existing Term Loan Class (with any such delay resulting in a corresponding adjustment to the scheduled amortization payments reflected in Section 2.5 or in the Extension Amendment, as the case may be, with respect to the Existing Term Loan Class from

which such Extended Term Loans were converted, in each case as more particularly set forth in Section 2.15(a)(iii)), (2)(A) pricing, fees, optional prepayment or redemption terms shall be determined in good faith by the Borrower and the interest rates, interest margins, upfront fees, funding discounts, original issue discounts and premiums (including through fixed rate interest) with respect to the Extended Term Loans may be higher or lower than the interest margins and floors for the Term Loans of such Existing Term Loan Class and/or (B) additional fees, premiums or AHYDO Catch-Up Payments may be payable to the Lenders providing such Extended Term Loans in addition to or in lieu of any of the items contemplated by the preceding clause (A), in each case, to the extent provided in the applicable Extension Amendment, (3) the Extended Term Loans may participate on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a *pro rata* basis or less than *pro rata* basis (but not on a greater than *pro rata* basis) in any mandatory prepayments of any Class of Term Loans hereunder; *provided* that if such Extended Term Loans are unsecured or rank junior in right of payment or as to security with the Obligations, such Extended Term Loans shall participate on a junior basis with respect to mandatory repayments of Term Loans hereunder (except in connection with any refinancing, extension, renewal, replacement, repurchase or retirement thereof permitted by this Agreement) and (4) Extended Term Loans may have call protection and prepayment premiums and, subject to clause (3) above, other redemption terms as may be agreed by the Borrower and the Lenders thereof, *provided* that the principal amount of the Extended Term Loans shall not exceed the principal amount of the Term Loans being extended except as otherwise permitted herein. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Class converted into Extended Term Loans pursuant to any Term Loan Extension Request.

(ii) Any Lender (an " **Extending Lender** ") wishing to have all or a portion of its Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to such Term Loan Extension Request converted into Extended Term Loans shall notify the Administrative Agent (an " **Extension Election** ") on or prior to the date specified in such Term Loan Extension Request of the amount of its Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to such Term Loan Extension Request that it has elected to convert into Extended Term Loans. In the event that the aggregate principal amount of Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to Extension Elections exceeds the amount of Extended Term Loans requested pursuant to the Term Loan Extension Request, Term Loans of the Existing Term Loan Class or Existing Term Loan Classes subject to Extension Elections shall be converted to Extended Term Loans on a *pro rata* basis based on the amount of Term Loans included in each such Extension Election.

(iii) Extended Term Loans shall be established pursuant to an amendment (an " **Extension Amendment** ") to this Agreement (which, except to the extent expressly contemplated by the last sentence of this Section 2.15(a)(iii) and notwithstanding anything to the contrary set forth in Section 13.1, shall not require the consent of any Lender other than the Extending Lenders with respect to the Extended Term Loans established thereby) executed by the Credit Parties, the Administrative Agent and the Extending Lenders. No Extension Amendment shall provide for any Class

of Extended Term Loans in an aggregate principal amount that is less than $10,000,000 and the Borrower may condition the effectiveness of any Extension Amendment on an Extension Minimum Condition, which may be waived by the Borrower in its sole discretion. In addition to any terms and changes required or permitted by Section 2.15(a), each Extension Amendment shall amend the scheduled amortization payments pursuant to Section 2.5 or the applicable Extension Amendment with respect to the Existing Term Loan Class from which the Extended Term Loans were converted to reduce each scheduled Repayment Amount for the Existing Term Loan Class in the same proportion as the amount of Term Loans of the Existing Term Loan Class is to be converted pursuant to such Extension Amendment (it being understood that the amount of any Repayment Amount payable with respect to any individual Term Loan of such Existing Term Loan Class that is not an Extended Term Loan shall not be reduced as a result thereof). Notwithstanding anything to the contrary in this Section 2.15, and without limiting the generality or applicability of Section 13.1 to any Section 2.15(a) Additional Amendments, any Extension Amendment may provide for additional terms and/or additional amendments other than those referred to or contemplated above (any such additional amendment, a " **Section 2.15(a) Additional Amendment** ") to this Agreement and the other Credit Documents; *provided* that such Section 2.15(a) Additional Amendments comply with the requirements of Section 2.15(a) and do not become effective prior to the time that such Section 2.15(a) Additional Amendments have been consented to (including, without limitation, pursuant to (1) consents applicable to holders of Incremental Term Loans provided for in any Incremental Amendment and (2) consents applicable to holders of any Extended Term Loans provided for in any Extension Amendment) by such of the Lenders, Credit Parties and other parties (if any) as may be required in order for such Section 2.15(a) Additional Amendments to become effective in accordance with Section 13.1.

(iv) Notwithstanding anything to the contrary contained in this Agreement, on any date on which any Existing Term Loan Class is converted to extend the related scheduled maturity date(s) in accordance with paragraph (a) above, in the case of the existing Term Loans of each Extending Lender, the aggregate principal amount of such existing Term Loans shall be deemed reduced by an amount equal to the aggregate principal amount of Extended Term Loans so converted by such Lender on such date. Any Extended Term Loans shall constitute a separate Class of Term Loans from the Existing Term Loan Class from which they were converted; *provided* that any Extended Term Loans converted from an Existing Term Loan Class may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Term Loans other than the Existing Term Loan Class from which such Extended Term Loans were converted (in which case scheduled amortization with respect thereto shall be proportionally increased).

(v) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.15(a) (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Extended Term Loans on such terms as may be set forth in the relevant Extension Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.15(a).

(vi) In the event that the Administrative Agent determines, and the Borrower agrees (acting reasonably), that the allocation of Extended Term Loans of a given Extension Series to a given Lender was incorrectly determined as a result of manifest administrative error in the receipt and processing of an Extension Election timely submitted by such Lender in accordance with the procedures set forth in the applicable Extension Amendment, then the Administrative Agent, the Borrower and such affected Lender may (and hereby are authorized to), in their sole discretion and without the consent of any other Lender, enter into an amendment to this Agreement and the other Credit Documents (each, a " **Corrective Extension Amendment** ") within 15 days following the effective date of such Extension Amendment, as the case may be, which Corrective Extension Amendment shall (A) provide for the conversion and extension of the applicable Term Loans in such amount as is required to cause such Lender to hold Extended Term Loans of the applicable Extension Series into which such other Term Loans were initially converted, as the case may be, in the amount such Lender would have held had such administrative error not occurred and had such Lender received the minimum allocation of the applicable Term Loans or Commitments to which it was entitled under the terms of such Extension Amendment, in the absence of such error, (B) be subject to the satisfaction of such conditions as the Administrative Agent, the Borrower and such Lender may agree (including conditions of the type required to be satisfied for the effectiveness of an Extension Amendment described in Section 2.15(a)), and (C) effect such other amendments of the type (with appropriate reference and nomenclature changes) described in Section 2.15(a) to the extent reasonably necessary to effectuate the purposes of this Section 2.15(a)(vi).

(vii) No conversion of Term Loans or Commitments pursuant to any Extension Amendment in accordance with this Section 2.15(a) shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

(b) Refinancing Facilities.

(i) The Borrower may, at any time or from time to time after the Closing Date, by notice to the Administrative Agent (a " **Refinancing Term Loan Request** "), request the establishment of (x) one or more new Classes of term loans under this Agreement (any such new Class, " **New Refinancing Commitments** ") or (y) increases to one or more existing Classes of Term Loans under this Agreement (any such increase to an existing Class, collectively with New Refinancing Commitments, " **Refinancing Commitments** "), in each case, established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, as selected by the Borrower, any one or more then existing Class or Classes of Term Loans or Commitments (with respect to a particular Refinancing Commitment or Refinancing Term Loan, such existing Term Loans or Commitments, " **Refinanced Debt** "), whereupon the Administrative Agent shall promptly deliver a copy of each such notice to each of the Lenders.

(ii) Any Refinancing Term Loans made pursuant to New Refinancing Commitments shall be designated a separate Class of Term Loans, for all purposes of this Agreement unless designated as a part of an existing Class of Term Loans in accordance with this Section 2.15(b). On any Refinancing Facility Closing Date on which any Refinancing Commitments of any Class are effected, subject to the satisfaction or waiver of the terms and conditions in this Section 2.15(b), (x) each Refinancing Term Lender of such Class shall make a term loan to the Borrower (each, a " **Refinancing Term Loan** ") in an amount equal to its Refinancing Commitment of such Class and (y) each Refinancing Term Lender of such Class shall become a Lender hereunder with respect to the Refinancing Commitment of such Class and the Refinancing Term Loans of such Class made pursuant thereto.

(iii) Each Refinancing Term Loan Request from the Borrower pursuant to this Section 2.15(b) shall set forth the requested amount and proposed terms of the relevant Refinancing Term Loans and identify the Refinanced Debt with respect thereto. Refinancing Term Loans may be made by any existing Lender (but no existing Lender will have an obligation to make any Refinancing Commitment, nor will the Borrower have any obligation to approach any existing Lender to provide any Refinancing Commitment) or by any Additional Lender (each such existing Lender or Additional Lender providing such Commitment or Term Loan, a " **Refinancing Term Lender** "); *provided* that the Administrative Agent shall have consented to such Additional Lender's providing of the Refinancing Commitments to the extent such consent, if any, would be required under Section 13.6(b) in connection with an assignment of Term Loans or Commitments to such Additional Lender.

(iv) The effectiveness of any Refinancing Amendment, and the Refinancing Commitments thereunder, shall be subject to the satisfaction (or waiver) on the date thereof (each, a " **Refinancing Facility Closing Date** ") of each of the following conditions, together with any other conditions set forth in the Refinancing Amendment:

(A) each Refinancing Commitment shall be in an aggregate principal amount that is not less than $10,000,000 (*provided* that such amount may be less than $10,000,000 if such amount is equal to the entire outstanding principal amount of Refinanced Debt), and,

(B) the Refinancing Term Loans made pursuant to any increase in any existing Class of Term Loans shall be added to (and form part of) each Borrowing of outstanding Term Loans under the respective Class so incurred on a *pro rata* basis (based on the principal amount of each Borrowing) so that each Lender under such Class will participate proportionately in each then outstanding Borrowing of Term Loans under such Class.

(v) [Reserved].

(vi) The terms, provisions and documentation of the Refinancing Term Loans and Refinancing Commitments of any Class shall be as agreed between the Borrower and the applicable Refinancing Term Lenders providing such Refinancing Commitments, and except as otherwise set forth herein, to the extent not identical to (or constituting a part of) any Class of Term Loans existing on the Refinancing Facility Closing Date, shall be consistent with the provisions below, and the other terms and conditions shall either, at the option of the Borrower, (x) reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined by the Borrower) or (y), not be materially more restrictive to the Borrower (as determined by the Borrower), when taken as a whole, than the terms of the Initial Term Loans (except (1) covenants or other provisions applicable only to periods after the Latest Maturity Date (as of the applicable Refinancing Facility Closing Date) and (2) pricing, fees, rate floors, premiums, optional prepayment or redemption terms (which shall be determined by the Borrower) and it being understood there shall be no "MFN" protection unless the Lenders under the Term Loans existing on the Refinancing Facility Closing Date, receive the benefit of such more restrictive terms). In any event, the Refinancing Term Loans:

(1) (I) shall rank *pari passu* or junior in right of payment with any Obligations outstanding under this Agreement and (II) shall be unsecured or rank *pari passu* or junior in right of security with any Obligations outstanding under this Agreement and, if secured, shall not be secured by assets of the Credit Parties other than the Collateral (and, unless secured on a *pari passu* basis with the Obligations, shall be subject to a subordination agreement (if payment subordinated) and the Applicable Intercreditor Agreements);

(2) as of the Refinancing Facility Closing Date, shall not have a Maturity Date earlier than the Maturity Date of the Refinanced Debt;

(3) as of the Refinancing Facility Closing Date, such Refinancing Term Loans shall have a Weighted Average Life to Maturity not shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt on the date of incurrence of such Refinancing Term Loans;

(4) may provide for the ability to participate on a *pro rata* basis or less than or greater than a *pro rata* basis in any voluntary repayments or prepayments of principal of Term Loans hereunder and on a *pro rata* basis or less than a *pro rata* basis (but not on a greater than *pro rata* basis) in any mandatory repayments or prepayments of principal of Term Loans hereunder; *provided* that if such Refinancing Term Loans are unsecured or rank junior in right of payment or as to security with the Obligations, such Refinancing Term Loans shall participate on a junior basis with respect to mandatory repayments of Term Loans hereunder (except in connection with any refinancing, extension, renewal, replacement, repurchase or retirement thereof permitted by this Agreement);

(5) unless otherwise permitted hereby, shall not have a greater principal amount than the principal amount of the Refinanced Debt (*plus* the amount of any unused commitments thereunder), *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the Refinanced Debt, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Refinanced Debt and the incurrence or issuance of such Refinancing Term Loans; and

(6) shall not be guaranteed by any Subsidiary other than a Guarantor hereunder;

(vii) Commitments in respect of Refinancing Term Loans shall become additional Commitments under this Agreement pursuant to an amendment (a " **Refinancing Amendment** ") to this Agreement and, as appropriate, the other Credit Documents, executed by the Borrower, each Refinancing Term Lender providing such Commitments and the Administrative Agent. The Refinancing Amendment may, without the consent of any other Credit Party, Agent or Lender, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.15(b). The Borrower will use the proceeds, if any, of the Refinancing Term Loans in exchange for, or to extend, renew, replace, repurchase, retire or refinance, and shall permanently terminate applicable commitments under, substantially concurrently, the applicable Refinanced Debt.

(viii) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.15(b) (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Refinanced Debt on such terms as may be set forth in the relevant Refinancing Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such refinancing or any other transaction contemplated by this Section 2.15.

2.16 Defaulting Lenders

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then no Defaulting Lender shall be entitled to receive any fee payable under Section 4 or any interest at the Default Rate payable under Section 2.8(d) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee or interest that otherwise would have been required to have been paid to that Defaulting Lender).

2.17 Permitted Debt Exchanges

(a) Notwithstanding anything to the contrary contained in this Agreement, pursuant to one or more offers (each, a " **Permitted Debt Exchange Offer** ") made from time to time by the Borrower to all Lenders (other than any Lender that, in connection with an issuance of Permitted Debt Exchange Instrument that constitutes Permitted Other Note, if requested by the Borrower, is unable to certify that it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an institutional "accredited investor" (as defined in Rule 501 under the Securities Act)) with outstanding Term Loans under one or more Classes of Term

Loans (as determined by the Borrower in its sole discretion) on the same terms, the Borrower may from time to time consummate one or more exchanges of Term Loans for Permitted Other Debt (such notes or loans, " **Permitted Debt Exchange Instruments** " and each such exchange, a " **Permitted Debt Exchange** "), so long as the following conditions are satisfied or waived: (i) no Event of Default shall have occurred and be continuing at the time the offering document in respect of a Permitted Debt Exchange Offer is delivered to the relevant Lenders, (ii) the aggregate principal amount (calculated on the face amount thereof) of Permitted Debt Exchange Instruments issued in exchange for Term Loans shall not exceed the principal amount (calculated on the face amount thereof) of the Term Loans being exchanged *plus* any accrued interest, fees and premium (if any) under the Term Loans exchanged and underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the exchange of such Term Loans and the issuance of such Permitted Debt Exchange Instruments, (iii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans exchanged under each applicable Class by the Borrower pursuant to any Permitted Debt Exchange shall automatically be cancelled and retired by the Borrower on the date of the settlement thereof (and, if requested by the Administrative Agent, any applicable exchanging Lender shall execute and deliver to the Administrative Agent an Assignment and Assumption pursuant to which the respective Lender assigns its interest in the Term Loans being exchanged pursuant to the Permitted Debt Exchange to the Borrower for immediate cancellation), (iv) if the aggregate principal amount of all Term Loans (calculated on the face amount thereof) of a given Class tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof of the applicable Class actually held by it) shall exceed the maximum aggregate principal amount of Term Loans of such Class offered to be exchanged by the Borrower pursuant to such Permitted Debt Exchange Offer, then the Borrower shall exchange Term Loans under the relevant Class tendered by such Lenders ratably up to such maximum based on the respective principal amounts so tendered, or if such Permitted Debt Exchange Offer shall have been made with respect to multiple Classes without specifying a maximum aggregate principal amount offered to be exchanged for each Class, and the aggregate principal amount of all Term Loans (calculated on the face amount thereof) of all Classes tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof actually held by it) shall exceed the maximum aggregate principal amount of Term Loans of all relevant Classes offered to be exchanged by the Borrower pursuant to such Permitted Debt Exchange Offer, then the Borrower shall exchange Term Loans across all Classes subject to such Permitted Debt Exchange Offer tendered by such Lenders ratably up to such maximum amount based on the respective principal amounts so tendered, (v) all documentation in respect of such Permitted Debt Exchange shall be consistent with the foregoing, and all written communications generally directed to the Lenders in connection therewith shall be in form and substance consistent with the foregoing and made in consultation with the Borrower and the Auction Agent, and (vi) any applicable Minimum Tender Condition or Maximum Tender Condition, as the case may be, shall be satisfied or waived by the Borrower.

(b) With respect to all Permitted Debt Exchanges effected by the Borrower pursuant to this Section 2.17, (i) such Permitted Debt Exchanges (and the cancellation of the exchanged Term Loans in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 5.1 or 5.2, and (ii) such Permitted Debt

Exchange Offer shall be made for not less than $10,000,000 in aggregate principal amount of Term Loans, *provided* that subject to the foregoing clause (ii) the Borrower may at its election specify (A) as a condition (a " **Minimum Tender Condition** ") to consummating any such Permitted Debt Exchange that a minimum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in the Borrower's sole discretion) of Term Loans of any or all applicable Classes be tendered and/or (B) as a condition (a " **Maximum Tender Condition** ") to consummating any such Permitted Debt Exchange that no more than a maximum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in the Borrower's sole discretion) of Term Loans of any or all applicable Classes will be accepted for exchange.

(c) In connection with each Permitted Debt Exchange, the Borrower and the Auction Agent shall mutually agree to such procedures as may be necessary or advisable to accomplish the purposes of this Section 2.17 and without conflict with Section 2.17(c); *provided* that the terms of any Permitted Debt Exchange Offer shall provide that the date by which the relevant Lenders are required to indicate their election to participate in such Permitted Debt Exchange shall be not less than a reasonable period (in the discretion of the Borrower and the Auction Agent) of time following the date on which the Permitted Debt Exchange Offer is made.

(d) The Borrower shall be responsible for compliance with, and hereby agrees to comply with, all applicable securities and other laws in connection with each Permitted Debt Exchange, it being understood and agreed that (x) none of the Auction Agent, the Administrative Agent nor any Lender assumes any responsibility in connection with the Borrower's compliance with such laws in connection with any Permitted Debt Exchange and (y) each Lender shall be solely responsible for its compliance with any applicable "insider trading" laws and regulations to which such Lender may be subject under the Securities Exchange Act of 1934, as amended.

SECTION 3 [Reserved]

SECTION 4 Fees; Commitments

4.1 Fees

(a) In the event that, prior to the six month anniversary of the Closing Date, the Borrower (x) makes any prepayment or repayment of Initial Term Loans in connection with any Repricing Transaction or (y) effects any amendment of this Agreement resulting in a Repricing Transaction, the Borrower shall pay to the Administrative Agent, for the ratable account of each of the applicable Lenders holding Initial Term Loans, (I) a prepayment premium of 1.00% of the principal amount of the Initial Term Loans being prepaid in connection with such Repricing Transaction and (II) in the case of clause (y), an amount equal to 1.00% of the aggregate principal amount of the applicable Initial Term Loans of non-consenting Lenders outstanding immediately prior to such amendment that are subject to an effective pricing reduction pursuant to such amendment.

(b) The Borrower agrees to pay directly to the Administrative Agent for its own account the administrative agent fees as set forth in the Fee Letter.

(c) Notwithstanding the foregoing, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1 (subject to Section 2.16).

4.2 Mandatory Termination or Reduction of Commitments

The Commitments in respect of the Initial Term Loans shall be automatically and permanently reduced to $0 upon the funding of the Initial Term Loans on the Closing Date.

SECTION 5 Payments

5.1 Voluntary Prepayments

The Borrower shall have the right to prepay Term Loans, without premium or penalty (other than as provided in Section 4.1(a) with respect to the Initial Term Loans or as otherwise provided with respect to Term Loans incurred after the Closing Date and amounts, if any, required to be paid pursuant to Section 2.11 with respect to prepayments of LIBOR Loans made on any date other than the last day of the applicable Interest Period), in whole or in part, from time to time on the following terms and conditions: (a) the Borrower shall give the Administrative Agent at the Administrative Agent's Office revocable written notice (or telephonic notice promptly confirmed in writing) of its intent to make such prepayment, the amount of such prepayment and, in the case of LIBOR Loans, the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than 1:00 p.m. (x) one Business Day prior to (in the case of ABR Loans) or (y) three Business Days prior to (in the case of LIBOR Loans) such prepayment and shall be promptly transmitted by the Administrative Agent to each Lender, (b) each partial prepayment of (i) any LIBOR Loans shall be in a minimum amount of $5,000,000 and in multiples of $1,000,000 in excess thereof and (ii) any ABR Loans shall be in a minimum amount of $1,000,000 and in multiples of $100,000 in excess thereof; *provided* that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount for LIBOR Loans and (c) any prepayment of LIBOR Loans pursuant to this Section 5.1 on any day prior to the last day of an Interest Period applicable thereto shall be subject to compliance by the Borrower with the applicable provisions of Section 2.11. Each prepayment in respect of any Term Loans pursuant to this Section 5.1 shall be (a) applied to the Class or Classes of Term Loans in such manner as the Borrower may determine, (b) applied to reduce Repayment Amounts in such order as the Borrower may determine and (c) applied to reduce the Type of Term Loans in the applicable Class as the Borrower may determine. In the event that the Borrower does not specify the order in which to apply prepayments of Term Loans to reduce Repayment Amounts or prepayments of Term Loans as between Classes of Term Loans, the Borrower shall be deemed to have elected that such prepayment be applied to reduce the Repayment Amounts in direct order of maturity on a *pro rata* basis with the applicable Class or Classes, if a Class or Classes were specified, or among all Classes of Term Loans then outstanding, if no Class was specified. If the Borrower does not specify the Type of Term Loans in the applicable Class, the Administrative Agent may make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan of a Defaulting Lender.

5.2 Mandatory Prepayments

(a) Prepayment Events. (i) On each occasion that an Asset Sale Prepayment Event or a Recovery Prepayment Event occurs, the Borrower shall, within ten Business Days after the receipt of Net Cash Proceeds of such Prepayment Event (or, in the case of Deferred Net Cash Proceeds, within three Business Days after the Deferred Net Cash Proceeds Payment Date), prepay (or cause to be prepaid) (subject to Section 11.11 when applicable), in accordance with clauses (c) and (d) below, Term Loans with a principal amount equal to 100% of the Net Cash Proceeds from such Prepayment Event; *provided* that the percentage in this Section 5.2(a)(i) shall be reduced to (A) 50% if the Consolidated First Lien Net Leverage Ratio on the date of such prepayment is less than or equal to 2.80 to 1.00 but greater than 2.30 to 1.00 and (B) 0% if the Consolidated First Lien Net Leverage Ratio on the date of such prepayment is less than or equal to 2.30 to 1.00; *provided* , *further* , that the Borrower may use a portion of such Net Cash Proceeds to prepay or repurchase any Indebtedness (and with such prepaid or repurchased Indebtedness permanently extinguished) to the extent such Indebtedness is secured with a Lien on the Collateral ranking *pari passu* with the Lien securing the Initial Term Loans to the extent such Indebtedness requires the issuer to prepay or make an offer to purchase or prepay such Indebtedness with the proceeds of such Prepayment Event, in each case in an amount not to exceed the product of (x) the amount of such Net Cash Proceeds multiplied by (y) a fraction, the numerator of which is the outstanding principal amount of such Indebtedness and with respect to which such a requirement to prepay or make an offer to purchase or prepay exists and the denominator of which is the sum of the outstanding principal amount of such Indebtedness and the outstanding principal amount of the Term Loans (it being understood that to the extent the holders of such Indebtedness decline to have such Indebtedness repurchased or prepaid, the declined amount shall promptly (and in any event within ten Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof); *provided* , *further* , that (i) no prepayment shall be required pursuant to this Section 5.2(a)(i) in the case of any Asset Sale Prepayment Event or Recovery Prepayment Event yielding Net Cash Proceeds of less than $5,000,000 in the aggregate and (ii) unless and until the amount at any time of Net Cash Proceeds from such Prepayment Events required to be applied at or prior to such time pursuant to this Section 5.2(a)(i) and not yet applied at or prior to such time to prepay Term Loans pursuant to this Section exceeds (x) $25,000,000 for a single Prepayment Event or (y) $100,000,000 in the aggregate for all Prepayment Events (other than those that are either under the threshold specified in clause (i) or over the threshold specified in clause (ii)(x)) in any one Fiscal Year, at which time all such Net Cash Proceeds referred to in this clause (ii) with respect to such Fiscal Year shall be applied as a prepayment in accordance with this Section 5.2(a)(i) (and only amounts in excess of the threshold amount in clause (x) or (y) above shall be applied as a prepayment in accordance with this Section 5.2(a)(i)).

(ii) On each occasion that a Debt Incurrence Prepayment Event occurs, the Borrower shall, within ten Business Days after the receipt of the Net Cash Proceeds from the occurrence of such Debt Incurrence Prepayment Event, prepay Term Loans in accordance with clauses (c) and (d) below.

(iii) On each occasion that a New Debt Incurrence Prepayment Event occurs, the Borrower shall, within five Business Days after the receipt of the Net Cash Proceeds from the occurrence of such New Debt Incurrence Prepayment Event, (A) with respect to a New Debt Incurrence Prepayment Event resulting from the incurrence of Indebtedness pursuant to Section 10.1(v)(i), at the Borrower's election as to the allocation of such Net Cash Proceeds as among any and all of the Classes of Term Loans as selected by Borrower and (B) with respect to each other New Debt Incurrence Prepayment Event, prepay the applicable Class or Classes of Term Loans that are the subject of the Refinanced Debt, in each case in a principal amount equal to 100% of the Net Cash Proceeds from such New Debt Incurrence Prepayment Event.

(b) Excess Cash Flow. Not later than ten Business Days after the date on which financial statements are delivered pursuant to Section 9.1(a) (in any case no later than the end of any cure period under Section 11.3(b) applicable to the delivery of such financial statements) for any Fiscal Year (commencing with the first full Fiscal Year completed after the Closing Date), prepay Term Loans in accordance with clauses (c) and (d) below in a principal amount equal to, as applicable, (i) (A) if the Consolidated First Lien Net Leverage Ratio as of the end of such Fiscal Year is greater than 2.80:1.00, 50% of the Excess Cash Flow for such Fiscal Year, (B) if the Consolidated First Lien Net Leverage Ratio as of the end of such Fiscal Year is equal to or less than 2.80:1.00 and greater than 2.30:1.00, 25% of the Excess Cash Flow for such Fiscal Year or (C) otherwise, 0% of the Excess Cash Flow for such Fiscal Year; *minus* (ii) to the extent any Indebtedness secured with a Lien on the Collateral ranking *pari passu* with the Lien securing the Initial Term Loans also requires the issuer of such Indebtedness to prepay or make an offer to purchase or prepay such Indebtedness with the amount of Excess Cash Flow, the Borrower may reduce the amount calculated pursuant to the provisions above by an amount not to exceed the product of (x) such amount *multiplied* by (y) a fraction, the numerator of which is the outstanding principal amount of such Indebtedness and with respect to which such a requirement to prepay or make an offer to purchase or prepay exists and the denominator of which is the sum of the outstanding principal amount of such Indebtedness and the outstanding principal amount of the Term Loans (it being understood that to the extent the holders of such Indebtedness decline to have such Indebtedness repurchased or prepaid, the declined amount shall promptly (and in any event within ten Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof); *minus* (iii) any voluntary prepayments or repurchases of Term Loans or any other Indebtedness secured on a *pari passu* basis with the Initial Term Loans (unless such prepayment or repurchase is funded with other long-term Indebtedness) made during such Fiscal Year or, at the Borrower's option and without duplication, after the end of such Fiscal Year and prior to the time such Excess Cash Flow payment is due on a dollar-for-dollar basis (with the Consolidated First Lien Net Leverage Ratio to be recalculated to give effect to any such after-Fiscal Year end payments); *provided* that (I) if for any Fiscal Year, the amounts calculated pursuant to the provisions above is a negative amount, any such negative amount shall, at the option of the Borrower, be carried forward in future Fiscal Years to reduce the required payments pursuant to this Section 5.2(b) and (II) notwithstanding anything set forth above, any prepayment under this Section 5.2(b) shall be required only if the required prepayment amount calculated pursuant to the provisions above (including giving effect to any credit applied pursuant to clause (I) of this proviso) exceeds $20,000,000, and only the amount in excess thereof shall be applied to make prepayments of the Term Loans.

(c) Application to Repayment Amounts. Each prepayment of Term Loans required by Section 5.2(a) (except as provided in Section 5.2(a)(iii)) or Section 5.2(b) shall be allocated to the Term Loans then outstanding (ratably to each Class of Term Loans (or on a less than ratable basis, if agreed to by the Lenders providing such Class of Term Loans) based on

then remaining principal amounts of the respective Classes of Term Loans then outstanding) until paid in full. In addition, each such prepayment shall be applied within each Class of Term Loans (i) ratably among the Lenders holding the Term Loans of such Class (unless otherwise agreed by an applicable affected Lender) and (ii) to scheduled amortization payments in respect of such Term Loans in direct forward order of scheduled maturity thereof or as otherwise directed by the Borrower.

(d) Application to Term Loans. With respect to each prepayment of Term Loans required pursuant to Section 5.2(a) (other than Section 5.2(a)(iii)) or Section 5.2(b), subject to Section 11.11 in the case of Section 5.2(a)(ii) (when applicable), the Borrower may designate the Types of Term Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made; *provided* that the Borrower pays any amounts, if any, required to be paid pursuant to Section 2.11 with respect to prepayments of LIBOR Loans made on any date other than the last day of the applicable Interest Period. In the absence of a Rejection Notice or a designation by the Borrower as described in the preceding sentence, the Administrative Agent may, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(e) [Reserved]

(f) Rejection Right. The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to Section 5.2(a)(i) or Section 5.2(b), in each case at least three Business Days prior to the date such prepayment is required to be made (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion). Each such notice shall be revocable and specify the anticipated date of such prepayment and provide a reasonably detailed estimated calculation of the amount of such prepayment. The Administrative Agent will promptly notify each Lender holding Term Loans to be prepaid in accordance with such prepayment notice of the contents of the Borrower's prepayment notice and of such Lender's *pro rata* share of the prepayment. Each Lender may reject all or a portion of its *pro rata* share of any such prepayment of Term Loans required to be made pursuant to Section 5.2(a)(i) or Section 5.2(b) (such declined amounts, the " **Declined Proceeds** ") by providing written notice (each, a " **Rejection Notice** ") to the Administrative Agent and the Borrower no later than 5:00 p.m. one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. Each Rejection Notice shall specify the principal amount of the mandatory prepayment of Term Loans to be rejected by such Lender. If a Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above or such Rejection Notice fails to specify the principal amount of the Term Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such prepayment of Term Loans. Any Declined Proceeds remaining thereafter shall be retained by the Borrower (" **Retained Declined Proceeds** ").

(g) Foreign Net Cash Proceeds or Excess Cash Flow. Notwithstanding any other provisions of this Section 5.2, (i) to the extent that the repatriation of any or all of the Net Cash Proceeds from a Recovery Prepayment Event (a "Foreign Recovery Event") of, or any Disposition by, a Restricted Foreign Subsidiary giving rise to an Asset Sale Prepayment Event (a " **Foreign Asset Sale** ") or (ii) the repatriation of any Excess Cash Flow attributable to a

Restricted Foreign Subsidiary (“ **Foreign Excess Cash Flow** ”), are prohibited or delayed by applicable local law (including financial assistance, corporate benefit, restrictions on upstreaming of cash intra-group and fiduciary and statutory duties of the directors of the relevant subsidiaries) or material agreement (so long as not created in contemplation of such prepayment) or organizational document from being repatriated to the United States or, if the Borrower has determined in good faith that repatriation of any of or all the Net Cash Proceeds of any Foreign Recovery Event or any Foreign Asset Sale or any Foreign Excess Cash Flow would have an material adverse tax consequence to the Borrower and its Restricted Subsidiaries (or any direct or indirect parent company of the Borrower), such portion of the Net Cash Proceeds or the Foreign Excess Cash Flow so affected will not be required to be applied to repay Term Loans, at the times provided in this Section 5.2 but may be retained by the applicable Restricted Foreign Subsidiary for working capital purposes so long, but only so long, (i) as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to promptly take commercially reasonable actions reasonably required by the applicable local law or material agreement to permit such repatriation) or (ii) as the Borrower determines in good faith such material adverse tax consequence to the Borrower and its Restricted Subsidiaries (or any direct or indirect parent company of the Borrower) would be incurred, and once such repatriation is permitted under the applicable local law or such material adverse tax consequence would no longer be incurred as determined by the Borrower in good faith (and in any event not later than ten (10) Business Days after such repatriation is permitted to occur or the Borrower determines in good faith that such material adverse tax consequence would no longer be incurred) applied (net of additional taxes payable or reserved against as a result thereof) apply an amount equal thereto to the repayment of the Term Loans as required pursuant to this Section 5.2.

5.3 Method and Place of Payment

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto, as the case may be, not later than 2:00 p.m., in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent’s Office or at such other office as the Administrative Agent shall specify for such purpose by written notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower’s account at the Administrative Agent’s Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Term Loans (whether of principal, interest or otherwise) hereunder and all other payments under each Credit Document shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. or, otherwise, on the next Business Day) like funds relating to the payment of principal or interest or fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

5.4 Net Payments

(a) Any and all payments made by or on behalf of the Borrower or any Guarantor under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes; provided that if the Borrower or any Guarantor or the Administrative Agent shall be required by Applicable Law (as determined in the good faith discretion of an applicable withholding agent) to deduct or withhold any Taxes from such payments, then (i) the Borrower or such Guarantor or the Administrative Agent shall make such deductions or withholdings and (ii) the Borrower or such Guarantor or the Administrative Agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority within the time allowed and in accordance with Applicable Law. If such a Tax is an Indemnified Tax, the sum payable by the Borrower or any Guarantor shall be increased as necessary so that after making all such required deductions and withholdings (including such deductions or withholdings applicable to additional sums payable under this Section 5.4), the Administrative Agent, the Collateral Agent or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made. Whenever any Indemnified Taxes are payable by the Borrower or such Guarantor, as promptly as practicable thereafter, the Borrower or Guarantor shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt (or other evidence acceptable to such Lender, acting reasonably) received by the Borrower or such Guarantor showing payment thereof..

(b) The Borrower shall timely pay to the relevant Governmental Authority Other Taxes in accordance with Applicable Law, or at the option of the Administrative Agent, timely reimburse it for the payment of any Other Taxes that are paid by the Administrative Agent to the relevant Governmental Authority in accordance with Applicable Law.

(c) The Borrower shall indemnify and hold harmless the Administrative Agent, the Collateral Agent and each Lender within fifteen Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on the Administrative Agent, the Collateral Agent or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower or any Guarantor hereunder or under any other Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) payable or paid by such Agent or Lender or required to be withheld or deducted from a payment to such Agent or Lender and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth reasonable detail as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), the Administrative Agent or the Collateral Agent (as applicable) on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.6 relating to the maintenance of a Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement or any Credit Document, and any reasonable expenses arising therefrom or with respect thereof, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Any Non-U.S. Lender claiming a basis for an exemption from or reduction of withholding Tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, to the extent it is legally able to do so, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding or as will permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the 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 this Section 5.4(d), the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.4(f), 5.4(i) and 5.4(j) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(f) Without limiting the generality of Section 5.4(e), each Non-U.S. Lender with respect to any amounts payable hereunder or under any other Credit Document shall, to the extent it is legally entitled to do so *:*

(i) deliver to the Borrower and the Administrative Agent, on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), two executed copies of (x) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding Tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN or W-8BEN-E (together with a certificate substantially in the form of Exhibit J-1 representing that such Non-U.S. Lender is not a bank within the meaning of Section 881(c)(3)(A) of the Code, is not a 10-percent shareholder (within the

meaning of Section 871(h)(3)(B) of the Code) of the Borrower, any interest payment received by such Non-U.S. Lender under this Agreement or any other Credit Document is not effectively connected with the conduct of a trade or business in the United States and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), (y) Internal Revenue Service Form W-8BEN, Form W-8-BEN-E or Form W-8ECI, in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding Tax on payments under any Credit Document or (z) to the extent a Non-U.S. Lender is not the beneficial owner with respect to any portion of any sums paid or payable to such Lender under any of the Credit Documents (for example, in the case of a typical participation or where Non-U.S. Lender is a pass through entity) Internal Revenue Service Form W-8IMY and all necessary attachments (including the forms described in clauses (x) and (y) above and in Section 5.4(i), Exhibit J-2, Exhibit J-3 and or other certification documents from each beneficial owner, as applicable); *provided* that if the Non-U.S. Lender is a partnership it may provide Exhibit J-4 on behalf of one or more of its direct or indirect partners that are claiming the portfolio interest exemption; and

(ii) deliver to the Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete or inaccurate in any respect and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower or the Administrative Agent.

If in any such case any Change in Law has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Non-U.S. Lender from duly completing and delivering any such form with respect to it, such Non-U.S. Lender shall promptly so advise the Borrower and the Administrative Agent.

(g) If any Lender, the Administrative Agent or the Collateral Agent, as applicable, determines, in its sole discretion exercised in good faith, that it had received and retained a refund of an Indemnified Tax or additional sums payable under this Section 5.4 (including an Other Tax) for which a payment has been made by the Borrower pursuant to this Agreement, which refund in the good faith judgment of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, is attributable to such payment made by the Borrower, then the Lender, the Administrative Agent or the Collateral Agent, as the case may be, shall reimburse the Borrower for such amount (net of all out-of-pocket expenses of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, and without interest other than any interest received thereon from the relevant Governmental Authority with respect to such refund) as the Lender, the Administrative Agent or the Collateral Agent, as the case may be, determines in its sole discretion exercised in good faith to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any Taxes imposed on the refund) than it would have been in if the payment had not been required; *provided* that the Borrower, upon the request of the Lender, the Administrative Agent or the Collateral Agent, agrees to repay the amount paid over to the Borrower (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender, the Administrative Agent or the Collateral Agent in the event the Lender, the Administrative Agent or the Collateral Agent is required to repay such refund to such

Governmental Authority. A Lender, the Administrative Agent or the Collateral Agent shall claim any refund that it determines is available to it, unless it concludes in its sole discretion that it would be adversely affected by making such a claim. None of any Lender, the Administrative Agent or the Collateral Agent shall be obliged to disclose any information regarding its tax affairs that it deems confidential to any Credit Party in connection with this clause (g).

(h) If the Borrower determines that a reasonable basis exists for contesting a Tax, each Lender or Agent, as the case may be, shall use reasonable efforts to cooperate with the Borrower as the Borrower may reasonably request in challenging such Tax. Subject to the provisions of Section 2.12, each Lender and Agent agrees to use reasonable efforts to cooperate with the Borrower as the Borrower may reasonably request to minimize any amount payable by the Borrower or any Guarantor pursuant to this Section 5.4. The Borrower shall indemnify and hold each Lender and Agent harmless against any out-of-pocket expenses incurred by such Person in connection with any request made by the Borrower pursuant to this Section 5.4(h). Nothing in this Section 5.4(h) shall obligate any Lender or Agent to take any action that such Person, in its sole judgment, determines may result in a material detriment to such Person.

(i) Without limiting the generality of Section 5.4(d), with respect to any amounts payable hereunder or under any other Credit Document, each Lender or Agent that is a United States person under Section 7701(a)(30) of the Code (each, a " **U.S. Lender** ") shall deliver to the Borrower and the Administrative Agent two United States Internal Revenue Service Forms W-9 (or substitute or successor form), properly completed and duly executed, certifying that such Lender or Agent is exempt from United States backup withholding (i) on or prior to the Closing Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before the date that such form expires or becomes obsolete or inaccurate in any respect, (iii) after the occurrence of a change in such Agent's or Lender's circumstances requiring a change in the most recent form previously delivered by it to the Borrower and the Administrative Agent and (iv) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent.

(j) If a payment made to any Agent or Lender would be subject to U.S. federal withholding Tax imposed under FATCA if such Agent or 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 Agent or Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent, such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such other documentation reasonably requested by the Administrative Agent and the Borrower as may be necessary for the Administrative Agent and the Borrower to comply with their obligations under FATCA, to determine whether such Agent or Lender has or has not complied with such Agent's or Lender's FATCA obligations and to determine the amount, if any, to deduct and withhold from such payment and deliver to the Borrower and the Administrative Agent two further copies of any such documentation on or before the date that any such documentation expires or becomes obsolete or inaccurate in any respect and after the occurrence of any event requiring a change in the documentation previously delivered by it to the Borrower or the Administrative Agent. Solely for purposes of this subsection (j), "FATCA" shall include any amendments made to FATCA after the date of this Agreement and any current or future intergovernmental agreements and any Applicable Law implementing such agreement entered into in connection therewith.

(k) The agreements in this Section 5.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of this Agreement and the payment of the Term Loans and all other amounts payable hereunder and under any other Credit Document.

5.5 Computations of Interest and Fees

Except as provided in the next succeeding sentence, interest on LIBOR Loans and ABR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans in respect of which the rate of interest is calculated on the basis of the rate of interest in effect for such day as publicly announced from time to time by the Wall Street Journal as the "U.S. prime rate" and interest on overdue interest shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

5.6 Limit on Rate of Interest

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obligated to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any Applicable Law.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with Applicable Laws.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any Applicable Law, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8.

(d) Spreading. In determining whether the interest hereunder is in excess of the amount or rate permitted under or consistent with any Applicable Law, the total amount of interest shall be spread throughout the entire term of this Agreement until its payment in full.

(e) Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any Applicable Law, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

SECTION 6 Conditions Precedent to the Closing Date

The initial Borrowing under this Agreement is subject to the satisfaction in all material respects of the conditions set forth below, except as otherwise agreed between the Borrower and the Commitment Parties (as defined in the Commitment Letter).

6.1 Credit Documents

The Administrative Agent shall have received (a) this Agreement, executed and delivered by an Authorized Officer of Holdings and the Borrower, (b) the Guarantee, executed and delivered by an Authorized Officer of each Guarantor as of the Closing Date, (c) the Security Agreement, executed and delivered by an Authorized Officer of each grantor party thereto as of the Closing Date and (d) a duly executed Notice of Borrowing delivered pursuant to Section 2.3(a).

6.2 Collateral

(a) All outstanding Stock of the Borrower and all Stock of each Subsidiary of the Borrower directly owned by the Borrower or any Subsidiary Guarantor, in each case, as of the Closing Date, shall have been pledged pursuant to the Security Agreement (except that such Credit Parties shall not be required to pledge any Excluded Stock and Stock Equivalents) and the Collateral Agent shall have received all certificates, if any, representing such securities pledged under the Security Agreement, accompanied by instruments of transfer and undated stock powers endorsed in blank.

(b) All Indebtedness of the Borrower and each Subsidiary of the Borrower that is owing to the Borrower or a Subsidiary Guarantor shall, to the extent exceeding $10,000,000 in aggregate principal amount, be evidenced by one or more global promissory notes and shall have been pledged pursuant to the Security Agreement, and the Collateral Agent shall have received all such promissory notes, together with instruments of transfer with respect thereto endorsed in blank.

(c) All documents and instruments, including Uniform Commercial Code or other applicable personal property financing statements, reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by any Security Document to be executed on the Closing Date and to perfect such Liens to the extent required by, and with the priority required by, such Security Document shall have been delivered to the Collateral Agent in proper form for filing, registration or recording and none of the Collateral shall be subject to any other pledges, security interests or mortgages, except for Liens permitted hereunder.

(d) The Borrower shall deliver to the Collateral Agent a completed Perfection Certificate, executed and delivered by an Authorized Officer of the Borrower, together with all attachments contemplated thereby.

Notwithstanding anything set forth above, to the extent any security interest (other than to the extent that a lien on the Collateral may be perfected by the filing of a financing statement under the Uniform Commercial Code or by the delivery of stock or other equity

certificates of the Borrower or a Material Subsidiary of the Borrower constituting a Wholly Owned Domestic Subsidiary that is part of the Collateral and such stock or other equity certificates have been received from the Borrower) is not or cannot be provided or perfected on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, or without undue burden or expense, the creation or perfection of such security interest shall not constitute a condition precedent to the availability of the Initial Term Loans on the Closing Date but shall instead be required to be delivered or provided within 90 days after the Closing Date (or such later date as may be reasonably agreed by the Borrower and the Administrative Agent (with respect to Term Priority Collateral) or the ABL Administrative Agent (with respect to ABL Priority Collateral)) pursuant to arrangements to be mutually agreed by the Borrower and the Administrative Agent or the ABL Administrative Agent.

6.3 Legal Opinions

The Administrative Agent shall have received the executed customary legal opinions of Kirkland & Ellis LLP, special New York counsel to the Credit Parties. Holdings, the Borrower, the other Credit Parties and the Administrative Agent hereby instruct such counsel to deliver such legal opinions.

6.4 Closing Certificates

The Administrative Agent shall have received a certificate of the Credit Parties, dated the Closing Date, in respect of the conditions set forth in Sections 6.7, 6.8, 6.11, 6.12 and 6.13.

6.5 Authorization of Proceedings of Each Credit Party

The Administrative Agent shall have received (a) a copy of the resolutions of the board of directors, other managers or general partner of each Credit Party (or a duly authorized committee thereof) authorizing (i) the execution, delivery and performance of the Credit Documents referred to in Section 6.1 (and any agreements relating thereto) to which it is a party and (ii) in the case of the Borrower, the extensions of credit contemplated hereunder, (b) true and complete copies of the Organizational Documents of each Credit Party as of the Closing Date, and (c) good standing certificates (to the extent such concept exists in the relevant jurisdiction of organization) of the Borrower and the Guarantors.

6.6 Fees

All fees required to be paid on the Closing Date pursuant to the Fee Letter and reasonable and documented out-of-pocket expenses required to be paid on the Closing Date pursuant to the Commitment Letter, in the case of expenses, to the extent invoiced at least three (3) Business Days prior to the Closing Date, shall have been paid, or shall be paid substantially concurrently with, the initial Borrowings hereunder.

6.7 Representations and Warranties

All Specified Representations shall be true and correct in all material respects on the Closing Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, it shall be true and correct in all material respects as of such earlier date).

6.8 Company Material Adverse Change

No Company Material Adverse Change shall have occurred since October 23, 2017.

6.9 Solvency Certificate

On the Closing Date, the Administrative Agent shall have received a certificate from the chief financial officer of Holdings substantially in the form of Annex I to Exhibit D of the Commitment Letter.

6.10 Financial Statements

(a) The Joint Lead Arrangers shall have received copies of (i) the audited consolidated balance sheet and the related audited consolidated statements of income, cash flows and shareholders' equity of the Borrower and its Subsidiaries as of and for the fiscal years ended September 30, 2015 and September 30, 2016 and (ii) the unaudited consolidated balance sheet and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries as of and for each subsequent fiscal quarter (other than the fourth fiscal quarter of the Borrower's Fiscal Year) ended at least 45 days before the Closing Date.

(b) The Joint Lead Arrangers shall have received an unaudited pro forma consolidated balance sheet and related unaudited pro forma consolidated statement of income of the Borrower and its Subsidiaries as of and for the twelve-month period ending on June 30, 2017, prepared after giving effect to the Transactions as if the Transactions had occurred on such date (in the case of such pro forma balance sheet) or on the first day of such period (in the case of such pro forma statement of income), as applicable (which need not be prepared in compliance with Regulations S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting (including adjustments of the type contemplated by Financial Accounting Standards Board Accounting Standards Codification 805, Business Combinations (formerly SFAS 141R)).

6.11 Plan Consummation

The Plan shall not have been amended, modified or supplemented after October 23, 2017 in any manner or any condition to the effectiveness thereof shall not have been waived that, individually or in the aggregate, would reasonably be expected to adversely affect the interests of the Joint Lead Arrangers and the Lenders (taken as a whole and in their capacities as such) in any material respect. The Confirmation Order shall be in form and substance materially consistent with the Plan and the Commitment Letter and otherwise reasonably satisfactory to the Joint Lead Arrangers and shall have been entered confirming the Plan. Each of the Approval Order and the Confirmation Order shall be in full force and effect and not have been stayed, reversed, or vacated, amended, supplemented, or modified except that such applicable order may be further amended, supplemented or otherwise modified in any manner that would not reasonably be expected to adversely affect the interests of the Joint Lead Arrangers and the

Lenders (taken as a whole and in their capacities as such) in any material respect and shall not be subject to any pending appeals, except for any of the following, which shall be permissible appeals the pendency of which shall not prevent the occurrence of the Closing Date: (i) any appeal brought (A) by or on behalf of any member of the Ad Hoc Crossover Group (as defined in the Disclosure Statement (as defined the Plan)), whether individually or as a group, asserting objections described in [Docket No. 955] in the Case, (B) by or on behalf of the Second Lien Notes Trustee (as defined in the Plan) asserting objections described in [Docket No. 957] or [Docket No. 954] in the Case, (C) by or on behalf of Ms. Marlene Clark asserting objections with respect to the subject matter addressed by the Bankruptcy Court's opinion at [Docket No. 1182] in the Case, (D) by or on behalf of SAE Power Inc. and/or SAE Power Co. asserting the claims described in [Docket No. 925] in the Case, or (E) asserting objections of the type described in [Docket No. 1195] and similar objections, (ii) any appeal with respect to or relating to the distributions (or the allocation of such distributions) between and among creditors under the Plan, or (iii) any other appeal, the result of which would not have a materially adverse effect on the rights and interests of the Joint Lead Arrangers and the Lenders (taken as a whole and in their capacities as such). The Confirmation Order shall authorize the Avaya Debtors and the Credit Parties to execute, deliver and perform all of their obligations under all Credit Documents and shall contain no term or provision that contradicts such authorization. The Avaya Debtors shall be and shall have been in compliance with the Confirmation Order in all material respects. The Plan shall have become effective in accordance with its terms and all conditions to the effectiveness of the Plan shall have been satisfied or waived without giving effect to any waiver that would reasonably be expected to adversely affect the interests of the Joint Lead Arrangers and the Lenders in any material respect unless consented to by the Joint Lead Arrangers (such consent not to be unreasonably withheld, conditioned or delayed), and all transactions contemplated therein or in the Confirmation Order to occur on the effective date of the Plan shall have been (or concurrently with the Closing Date, shall be) substantially consummated in accordance with the terms thereof and in compliance with Applicable Laws.

6.12 Refinancing

The Closing Refinancing shall have been made or consummated prior to, or shall be made or consummated substantially concurrently with, the initial borrowing of the Initial Term Loans. The principal amount of all third party indebtedness for borrowed money (which, for the avoidance of doubt, does not include intercompany loans or comfort letters reinstated pursuant through the Plan) of the Avaya Debtors on the Closing Date that is incurred, issued, or reinstated or otherwise not discharged in connection with consummation of the Plan (giving effect to any amendments thereto), excluding all such amounts that are (i) not impaired under the Plan (without giving effect to any amendments thereto) and (ii) not required to be paid in full upon the consummation of the Plan (without giving effect to any amendments thereto) (such exclusion to include, without limitation, all Capital Leases in existence on the Closing Date), shall not exceed in the aggregate (x) $2,925 million *plus* all additional amounts incurred to fund OID and/or upfront fees as contemplated hereunder and (y) the Initial ABL Facility.

6.13 PBGC Settlement

The PBGC Settlement Order (as defined in the Plan) shall have been entered and be in effect and the PBGC Settlement (as defined in the Plan) shall have been entered into and consummated, in each case, without giving effect to any amendment, modification or supplement that would, individually or in the aggregate, reasonably be expected to adversely affect the interests of the Joint Lead Arrangers or the Lenders in any material respect.

6.14 Patriot Act

The Administrative Agent shall have received (at least 3 Business Days prior to the Closing Date) all documentation and other information about the Borrower and each Guarantor as has been reasonably requested in writing at least 10 Business Days prior to the Closing Date by the Administrative Agent or the Lenders that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act.

For purposes of determining compliance with the conditions specified in Section 6 on the Closing Date, each Lender that has signed or authorized the signing of this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required under this Section 6 to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

SECTION 7 [Reserved]

SECTION 8 Representations and Warranties.

In order to induce the Lenders to enter into this Agreement and to make the Term Loans, each of Holdings and the Borrower makes the following representations and warranties to the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Term Loans:

8.1 Corporate Status; Compliance with Laws

Each of Holdings, the Borrower and each Material Subsidiary of the Borrower that is a Restricted Subsidiary (a) is a duly organized and validly existing corporation or other entity in good standing (as applicable) under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, except as would not reasonably be expected to result in a Material Adverse Effect, (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect and (c) is in compliance with all Applicable Laws, except to the extent that the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority

Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law) (*provided* that, with respect to the creation and perfection of security interests with respect to Indebtedness, Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent the creation and perfection of such obligation is governed by the UCC).

8.3 No Violation

Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor the compliance with the terms and provisions thereof nor the consummation of the financing transactions contemplated hereby and thereby will (a) contravene any applicable provision of any material Applicable Law (including material Environmental Laws) other than any contravention which would not reasonably be expected to result in a Material Adverse Effect, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any Lien upon any of the property or assets of Holdings, the Borrower or any Restricted Subsidiary (other than Liens permitted hereunder) pursuant to the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust or other material debt agreement or instrument to which Holdings, the Borrower or any Restricted Subsidiary is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a " **Contractual Requirement** ") other than any such breach, default or Lien that would not reasonably be expected to result in a Material Adverse Effect, or (c) violate any provision of the Organizational Documents of any Credit Party.

8.4 Litigation

Except as set forth on Schedule 8.4, there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened in writing with respect to Holdings, the Borrower or any of the Restricted Subsidiaries that have a reasonable likelihood of adverse determination and such determination would reasonably be expected to result in a Material Adverse Effect.

8.5 Margin Regulations

Neither the making of any Term Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals

The execution, delivery and performance of the Credit Documents does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such licenses, authorizations, consents, approvals, registrations, filings or other actions the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

8.7 Investment Company Act

None of the Credit Parties is an "investment company" within the meaning of, and subject to registration under, the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure

(a) None of the written factual information and written data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of Holdings, the Borrower, any of the Subsidiaries of the Borrower or any of their respective authorized representatives to the Administrative Agent, any Joint Lead Arranger and/or any Lender on or before the Closing Date (including all such information and data contained in the Credit Documents) regarding Holdings, the Borrower and its Restricted Subsidiaries in connection with the Transactions for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished, it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include projections or estimates (including financial estimates, forecasts and other forward-looking information) and information of a general economic or general industry nature.

(b) The projections posted to the Lenders on November 2, 2017 are based upon good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, it being recognized by the Agents, Joint Lead Arrangers and the Lenders that such projections, forward-looking statements, estimates and pro forma financial information are not to be viewed as facts or a guarantee of performance, and are subject to material contingencies and assumptions, many of which are beyond the control of the Credit Parties, and that actual results during the period or periods covered by any such projections, forward-looking statements, estimates and pro forma financial information may differ materially from the projected results.

8.9 Financial Condition; Financial Statements

The financial statements described in Section 6.10 present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries, in each case, as of the dates thereof and for such period covered thereby in accordance with GAAP, consistently applied throughout the periods covered thereby, except as otherwise noted therein, and subject, in the case of any unaudited financial statements, to changes resulting from normal year-end adjustments and the absence of footnotes. There has been no Material Adverse Effect since the Closing Date.

8.10 Tax Matters

Except where the failure of which would not be reasonably expected to have a Material Adverse Effect, (a) each of Holdings, the Borrower and each of the Restricted Subsidiaries has filed all federal income Tax returns and all other Tax returns, domestic and foreign, required to be filed by it (after giving effect to all applicable extensions) and has paid all material Taxes payable by it that have become due (whether or not shown on such Tax return), other than those (i) not yet delinquent or (ii) contested in good faith as to which adequate reserves have been provided to the extent required by law and in accordance with GAAP, (b) each of Holdings, the Borrower and each of the Restricted Subsidiaries has provided adequate reserves in accordance with GAAP for the payment of, all federal, state, provincial and foreign Taxes not yet due and payable, and (c) each of Holdings, the Borrower and each of the Restricted Subsidiaries has satisfied all of its Tax withholding obligations.

8.11 Compliance with ERISA

(a) No ERISA Event has occurred or is reasonably expected to occur; and no Lien imposed under the Code or ERISA on the assets of the Borrower or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Borrower or any ERISA Affiliate been notified in writing that such a Lien will be imposed on the assets of Holdings, the Borrower or any ERISA Affiliate on account of any Pension Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 8.11(a) would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No Pension Plan has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 8.11(a), be reasonably likely to have a Material Adverse Effect.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and Applicable Law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.12 Subsidiaries

Schedule 8.12 lists each Subsidiary of Holdings (and the direct and indirect ownership interest of Holdings therein), in each case existing on the Closing Date (after giving effect to the Transactions).

8.13 Intellectual Property

Each of Holdings, the Borrower and the Restricted Subsidiaries has good and marketable title to, or a valid license or right to use, all patents, trademarks, servicemarks, trade names, copyrights and all applications therefor and licenses thereof, and all other intellectual property rights, free and clear of all Liens (other than Liens permitted hereunder), that are necessary for the operation of their respective businesses as currently conducted, except where the failure to have any such title, license or rights would not reasonably be expected to have a Material Adverse Effect.

8.14 Environmental Laws

Except as would not reasonably be expected to have a Material Adverse Effect: (a) Holdings, the Borrower and the Restricted Subsidiaries and all Real Estate are in compliance with all Environmental Laws; (b) Holdings, the Borrower and the Restricted Subsidiaries have, and have timely applied for renewal of, all permits under Environmental Law to construct and operate their facilities as currently constructed; (c) except as set forth on Schedule 8.14, neither Holdings, the Borrower nor any Restricted Subsidiary is subject to any pending or, to the knowledge of the Borrower, threatened Environmental Claim or any other liability under any Environmental Law, including any such Environmental Claim, or, to the knowledge of the Borrower, any other liability under Environmental Law related to, or resulting from the business or operations of any predecessor in interest of any of them; (d) none of Holdings, the Borrower or any Restricted Subsidiary is conducting or financing or, to the knowledge of the Borrower, is required to conduct or finance, any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; (e) to the knowledge of the Borrower, no Hazardous Materials have been released into the environment at, on or under any Real Estate currently owned or leased by Holdings, the Borrower or any Restricted Subsidiary, and (f) neither Holdings, the Borrower nor any Restricted Subsidiary has treated, stored, transported, released, disposed or arranged for disposal or transport for disposal of Hazardous Materials at, on, under or from any currently or, to the knowledge of the Borrower, formerly owned or leased Real Estate or facility. Except as provided in this Section 8.14, Holdings, the Borrower and the Restricted Subsidiaries make no other representations or warranties regarding Environmental Laws.

8.15 Properties

Except as set forth on Schedule 8.15, Holdings, the Borrower and the Restricted Subsidiaries have good title to or valid leasehold or easement interests or other license or use rights in all properties that are necessary for the operation of their respective businesses as currently conducted, free and clear of all Liens (other than any Liens permitted under this Agreement) and except where the failure to have such good title, leasehold or easement interests or other license or use rights would not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, the Borrowers and the Restricted Subsidiaries do not own in fee any Real Estate with a fair market value of $10,000,000 or more.

8.16 Solvency

On the Closing Date, after giving effect to the Transactions, immediately following the making of the Term Loans on such date and after giving effect to the application of the proceeds of such Term Loans, Holdings on a consolidated basis with its Subsidiaries will be Solvent.

8.17 Security Interests

Subject to the qualifications set forth in Section 6.2 and the terms and conditions of any Applicable Intercreditor Agreement then in effect, with respect to each Credit Party, the Security Documents, taken as a whole, are effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority security interest (subject to Liens permitted hereunder) in the Collateral described therein, in each case, to the

extent required under the Security Documents, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. In the case of (i) the Stock described in the Security Agreement that is in the form of securities represented by stock certificates or otherwise constituting certificated securities within the meaning of Section 8-102(a)(15) of the New York UCC (" **Certificated Securities** "), when certificates representing such Stock are delivered to the Collateral Agent along with instruments of transfer in blank or endorsed to the Collateral Agent, and (ii) all other Collateral constituting personal property described in the Security Agreement, when financing statements, intellectual property security agreements and other required filings, recordings, agreements and actions in appropriate form are executed and delivered, performed, recorded or filed in the appropriate offices, as the case may be, the Collateral Agent, for the benefit of the applicable Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Credit Parties in all Collateral that may be perfected by filing, recording or registering a financing statement, an intellectual property security agreement or analogous document (to the extent such Liens may be perfected by possession of the Certificated Securities by the Collateral Agent or such filings, agreements or other actions or perfection is otherwise required by the terms of any Credit Document), in each case, to the extent required under the Security Documents, as security for the Obligations, in each case prior and superior in right to any other Lien (except, in the case of Liens permitted hereunder).

8.18 Labor Matters

Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against Holdings, the Borrower or any Restricted Subsidiary pending or, to the knowledge of the Borrower, threatened in writing; and (b) hours worked by and payment made for such work to employees of Holdings, the Borrower and each Restricted Subsidiary have not been in violation of the Fair Labor Standards Act or any other Applicable Law dealing with such matters.

8.19 Sanctioned Persons; Anti-Corruption Laws; Patriot Act

None of Holdings, the Borrower or any of its Subsidiaries or any of their respective directors or officers is subject to any economic embargoes or similar sanctions administered or enforced by the U.S. Department of State or the U.S. Department of the Treasury (including the Office of Foreign Assets Control) or any other applicable sanctions authority (collectively, " **Sanctions** ", and the associated laws, rules, regulations and orders, collectively, " **Sanctions Laws** "). Each of Holdings, the Borrower and its Subsidiaries and their respective officers and directors is in compliance, in all material respects, with (i) all Sanctions Laws, (ii) the United States Foreign Corrupt Practices Act of 1977, as amended, and any other applicable anti-bribery or anti-corruption laws, rules, regulations and orders (collectively, " **Anti-Corruption Laws** ") and (iii) the Patriot Act and any other applicable anti-terrorism and anti-money laundering laws, rules, regulations and orders. No part of the proceeds of the Term Loans will be used, directly or indirectly, in violation of the Patriot Act, the Anti-Corruption Laws, Sanctions Laws and/or any other anti-terrorism or anti-money laundering laws in any material respect.

8.20 Use of Proceeds

The Borrower will use the proceeds of the Term Loans in accordance with Section 9.13 of this Agreement.

SECTION 9 Affirmative Covenants

The Borrower hereby covenants and agrees that on the Closing Date (immediately after giving effect to the Transactions) and thereafter, until all Commitments have terminated and the Term Loans, together with interest, fees and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations), are paid in full:

9.1 Information Covenants

The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event on or before the date that is 90 days after the end of each Fiscal Year (or, in the case of the Fiscal Years ended September 30, 2017 and September 30, 2018, the date that is 120 days after the end of such Fiscal Year), the consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such Fiscal Year, and the related consolidated statements of operations and cash flows for such Fiscal Year, setting forth comparative consolidated figures for the preceding Fiscal Year (commencing with the Fiscal Year ended September 30, 2019), all in reasonable detail and prepared in accordance with GAAP in all material respects and, in each case, except with respect to any such reconciliation, certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower and its consolidated Subsidiaries as a going concern (other than any exception or qualification that is a result of (x) a current maturity date of any Indebtedness or (y) any actual or prospective default of a financial maintenance covenant (including the ABL Financial Covenant)), all of which shall be (i) certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its consolidated Subsidiaries(or Holdings or an indirect parent of the Borrower and its consolidated Subsidiaries, as the case may be) in accordance with GAAP in all material respects and (ii) accompanied by a Narrative Report with respect thereto.

(b) Quarterly Financial Statements. As soon as available and in any event on or before the date that is 45 days after the end of each of the first three fiscal quarters of any Fiscal Year (or, in the case of financial statements for the fiscal quarters ending December 31, 2017, March 31, 2018 and June 30, 2018, on or before the date that is 60 days after the end of such fiscal quarter), the consolidated balance sheets of the Borrower and its consolidated Subsidiaries, in each case, as at the end of such quarterly period and the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the Fiscal Year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for such quarterly accounting period and for the elapsed portion of the

Fiscal Year ended with the last day of such quarterly period, and, commencing with the fiscal quarter ended on March 31, 2019, setting forth comparative consolidated figures for the related periods in the prior Fiscal Year or, in the case of such consolidated balance sheet, for the last day of the prior Fiscal Year, all of which shall be (i) certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its consolidated Subsidiaries (or Holdings or an indirect parent of the Borrower and its consolidated Subsidiaries, as the case may be) in accordance with GAAP in all material respects, subject to changes resulting from audit, normal year-end audit adjustments and absence of footnotes and (ii) accompanied by a Narrative Report with respect thereto.

(c) Officer's Certificates. Within five Business Days of the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth (x) with specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such Fiscal Year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Closing Date or the most recent Fiscal Year or period, as the case may be and (y) commencing with the Fiscal Year ended on September 30, 2019, in the case of the financial statements provided for in Section 9.1(a), with customary details, the calculation of the Excess Cash Flow for the most recent Fiscal Year. Within five Business Days of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth (A) in reasonable detail the Available Amount and the Available Equity Amount as at the end of the Fiscal Year to which such financial statements relate and (B) the information required pursuant to Sections I and II of the Perfection Certificate or confirming that there has been no change in such information since the Closing Date or the date of the most recent certificate delivered pursuant to this clause (c)(B), as the case may be.

(d) Notice of Default; Litigation; ERISA Event. Promptly after an Authorized Officer of the Borrower or any Restricted Subsidiary obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto, (ii) any litigation, regulatory or governmental proceeding pending against the Borrower or any Restricted Subsidiary that has a reasonable likelihood of adverse determination and such determination would reasonably be expected to be determined adversely and, if so determined, to result in a Material Adverse Effect and (iii) the occurrence of any ERISA Event or any ERISA Event that is reasonably expected to occur, that would reasonably be expected to result in a Material Adverse Effect.

(e) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements (other than drafts of pre-effective versions of registration statements) with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by Holdings, the Borrower or any Restricted Subsidiary (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies

of all financial statements, proxy statements, notices and reports that Holdings, the Borrower or any Restricted Subsidiary shall send to the ABL Administrative Agent or lenders under the ABL Credit Agreement or the holders of any publicly issued debt with a principal amount in excess of $300,000,000 of Holdings, the Borrower and/or any Restricted Subsidiary in their capacity as such holders (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement).

(f) Requested Information. With reasonable promptness, following the reasonable request of the Administrative Agent, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; *provided* that, notwithstanding anything to the contrary in this Section 9.1(f), none of Holdings, the Borrower or any of its Restricted Subsidiaries will be required to provide any such other information pursuant to this Section 9.1(f) to the extent that (i) the provision thereof would violate any attorney client privilege (as reasonably determined by counsel (internal or external) to the Credit Parties), law, rule or regulation, or any contractual obligation of confidentiality binding on the Credit Parties or their respective Affiliates (so long as not entered into in contemplation hereof) or (ii) such information constitutes attorney work product (as reasonably determined by counsel (internal or external) to the Credit Parties).

(g) Projections. Within 90 days (or 120 days for the Fiscal Year ended on September 30, 2018) after the end of each Fiscal Year of the Borrower ended after the Closing Date, a reasonably detailed consolidated budget for the following Fiscal Year as customarily prepared by management of the Borrower for its internal use (including a projected consolidated balance sheet of the Borrower and the Restricted Subsidiaries as of the end of such Fiscal Year, the related consolidated statements of projected cash flow and projected income and a summary of the material underlying assumptions applicable thereto) (collectively, the " **Projections** "), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of the Borrower stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were based on good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time of preparation of such Projections, it being understood that such Projections and assumptions as to future events are not to be viewed as facts or a guarantee of performance, are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and its Subsidiaries, and that actual results may vary from such Projections and such differences may be material.

(h) Reconciliations. Simultaneously with the delivery of each set of consolidated financial statements referred to in Sections 9.1(a) and (b) above, reconciliations for such consolidated financial statements or other consolidating information reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements; *provided* that the Borrower shall be under no obligation to deliver the reconciliations or other information described in this clause (h) if the Consolidated Total Assets and the Consolidated EBITDA of the Borrower and its consolidated Subsidiaries (which Consolidated Total Assets and Consolidated EBITDA shall be calculated in accordance with the definitions of such terms, but determined based on the financial information of the Borrower and its consolidated Subsidiaries, and not the financial information of the Borrower and its Restricted Subsidiaries) do not differ from the Consolidated Total Assets and the Consolidated EBITDA, respectively, of the Borrower and its Restricted Subsidiaries by more than 2.5%.

Notwithstanding the foregoing, the obligations in clauses (a), (b), (e) and (g) of this Section 9.1 may be satisfied with respect to financial information of the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of Holdings or any direct or indirect parent of Holdings or (B) the Borrower's (or Holdings' or any direct or indirect parent thereof), as applicable, Form 8-K, 10-K or 10-Q, as applicable, filed with the SEC; *provided* that, with respect to each of clauses (A) and (B) of this paragraph, to the extent such information relates to Holdings or a direct or indirect parent of Holdings, such information is accompanied by consolidating or other information that explains in reasonable detail the differences between the information relating to Holdings or such parent, on the one hand, and the information relating to the Borrower and its consolidated Restricted Subsidiaries on a standalone basis, on the other hand (*provided* , *however* , that the Borrower shall be under no obligation to deliver such consolidating or other explanatory information if the Consolidated Total Assets and the Consolidated EBITDA of the Borrower and its consolidated Restricted Subsidiaries do not differ from the Consolidated Total Assets and the Consolidated EBITDA, respectively, of Holdings or any direct or indirect parent of Borrower and its consolidated Subsidiaries by more than 2.5%). Documents required to be delivered pursuant to clauses (a), (b) and (e) of this Section 9.1 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website as notified to the Administrative Agent; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, or filed with the SEC, and available in EDGAR (or any successor) to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

9.2 Books, Records and Inspections

(a) The Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Required Lenders (as accompanied by the Administrative Agent) to visit and inspect any of the properties or assets of the Borrower or such Restricted Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Restricted Subsidiary and discuss the affairs, finances and accounts of the Borrower and of any such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or Required Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); *provided* that, excluding any such visits and inspections during the continuation of an Event of Default (i) only the Administrative Agent, whether on its own or in conjunction with the Required Lenders, may exercise rights of the Administrative Agent and the Lenders under this Section 9.2, (ii) the Administrative Agent shall not exercise

such rights more than one time in any calendar year and (iii) only one such visit shall be at the Borrower's expense; *provided* , *further* , that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. Notwithstanding anything to the contrary in this Section 9.2, neither the Borrower nor any Restricted Subsidiary will be required under this Section 9.2 to disclose or permit the inspection or discussion of any document, information or other matter to the extent that such action would violate any attorney-client privilege (as reasonably determined by counsel (internal or external) to the Credit Parties), law, rule or regulation, or any contractual obligation of confidentiality (not created in contemplation thereof) binding on the Credit Parties or their respective Affiliates or constituting attorney work product (as reasonably determined by counsel (internal or external) to the Credit Parties).

(b) The Borrower will, and will cause each Restricted Subsidiary to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity, in all material respects, with GAAP shall be made of all material financial transactions and matters involving the assets of the business of the Borrower or such Restricted Subsidiary, as the case may be (it being understood and agreed that any Restricted Subsidiary may maintain its individual books and records in conformity with local standards or customs and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

9.3 Maintenance of Insurance

The Borrower will, and will cause each Material Subsidiary that is a Restricted Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower, as applicable) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower, as applicable) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower, as applicable) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, upon written reasonable request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried, *provided* , *however* , that for so long as no Event of Default has occurred and is continuing, the Administrative Agent shall be entitled to make such request only once in any calendar year. With respect to each Mortgaged Property, obtain flood insurance in such total amount as the Administrative Agent may from time to time 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.

9.4 Payment of Taxes

The Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims in respect of any Taxes imposed, assessed or levied that, if unpaid, could reasonably be expected to become a material Lien upon any properties of the Borrower or any Restricted Subsidiary; *provided* that neither the Borrower nor any such Restricted Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim (i) that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto in accordance with GAAP or (ii) with respect to which the failure to pay would not reasonably be expected to result in a Material Adverse Effect.

9.5 Consolidated Corporate Franchises

The Borrower will do, and will cause each Material Subsidiary that is a Restricted Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided* , *however* , that the Borrower and the Restricted Subsidiaries may consummate any transaction otherwise permitted hereby, including under Section 10.2, 10.3, 10.4 or 10.5.

9.6 Compliance with Statutes, Regulations, Etc

The Borrower will, and will cause each Restricted Subsidiary to, comply with all Applicable Laws applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.7 Lender Calls

At the reasonable request of the Administrative Agent, the Borrower shall conduct a conference call that Lenders may attend to discuss the financial condition and results of operations of the Borrower and its Restricted Subsidiaries for the most recently ended measurement period for which financial statements have been delivered pursuant to Section 9.1(a) or (b) (beginning with the fiscal period of the Borrower ended March 31, 2018), at a date and time to be determined by the Borrower with reasonable advance notice to the Administrative Agent, limited to one conference call per fiscal quarter.

9.8 Maintenance of Properties

The Borrower will, and will cause the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition (ordinary wear and tear, casualty and condemnation excepted), except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates

The Borrower will conduct, and will cause the Restricted Subsidiaries to conduct, all transactions with any of its or their respective Affiliates (other than (x) any transaction or series of related transactions with an aggregate value that is equal to or less than $25,000,000 or (y) transactions between or among (i) the Borrower and the Restricted Subsidiaries or any Person that becomes a Restricted Subsidiary as a result of such transactions and (ii) the Borrower, the Restricted Subsidiaries and to the extent in the ordinary course or consistent with past practice, Holdings) on terms that are, taken as a whole, not materially less favorable to the Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate (as determined in good faith by the Borrower); *provided* that the foregoing restrictions shall not apply to:

(a) transactions permitted by Section 10 (other than Section 10.6(m) and any provision of Section 10 permitting transactions by reference to Section 9.9),

(b) the Transactions and the payment of the Transaction Expenses,

(c) the issuance of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) to the management of the Borrower (or any direct or indirect parent thereof) or any Subsidiary of the Borrower in connection with the Transactions or pursuant to arrangements described in clause (e) of this Section 9.9,

(d) loans, advances and other transactions between or among the Borrower, any Subsidiary of the Borrower or any joint venture (regardless of the form of legal entity) in which the Borrower or any Subsidiary of the Borrower has invested (and which Subsidiary or joint venture would not be an Affiliate of the Borrower but for the Borrower's or such Subsidiary's Subsidiary ownership of Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Section 10,

(e) (i) employment, consulting and severance arrangements between the Borrower and the Restricted Subsidiaries (or any direct or indirect parent of the Borrower) and their respective officers, employees, directors or consultants in the ordinary course of business (including payments, loans and advances in connection therewith) and (ii) issuances of securities, or other payments, awards or grants in cash, securities or otherwise and other transactions pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement,

(f) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Borrower (or, to the extent attributable to the ownership of the Borrower and its Restricted Subsidiaries, any direct or indirect parent thereof) and the Subsidiaries of the Borrower,

(g) the issuance of Stock or Stock Equivalents (other than Disqualified Stock) of the Borrower (or any direct or indirect parent thereof) to Holdings or to any director, officer, employee or consultant,

(h) any customary transactions with a Receivables Entity effected as part of a Permitted Receivables Financing and any customary transactions with a Securitization Subsidiary effected as part of a Qualified Securitization Financing,

(i) transactions pursuant to permitted agreements in existence on the Closing Date and, to the extent each such transaction is valued in excess of $25,000,000, set forth on Schedule 9.9 or any amendment, modification, supplement, replacement, extension, renewal or restructuring thereto to the extent such an amendment, modification, supplement, replacement, extension renewal or restructuring (together with any other amendment or supplemental agreements) is not materially adverse, taken as a whole, to the Lenders (in the good faith determination of the Borrower),

(j) transactions in which Holdings (or any indirect parent of the Borrower), the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 9.9,

(k) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such transaction was not entered into in contemplation of such designation or redesignation, as applicable,

(l) Affiliate repurchases of the Term Loans or Commitments to the extent permitted hereunder and the payments and other transactions reasonably related thereto, and

(m) transactions constituting any part of a Permitted Reorganization.

9.10 End of Fiscal Years

The Borrower will, for financial reporting purposes, cause its Fiscal Year to end on September 30 of each year (each a " **Fiscal Year** ") and cause its Restricted Subsidiaries to maintain their fiscal years as in effect on the Closing Date; *provided* , *however* , that the Borrower may, upon written notice to the Administrative Agent change the Fiscal Year or the fiscal years of its Restricted Subsidiaries with the prior written consent of the Administrative Agent (not to be unreasonably withheld, conditioned, delayed or denied), in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional Guarantors and Grantors

Subject to any applicable limitations set forth in the Guarantee, the Security Documents, or any Applicable Intercreditor Agreement and this Agreement (including Section 9.12), the Borrower will cause each direct or indirect Wholly Owned Domestic Subsidiary of the Borrower (excluding any Excluded Subsidiary) formed or otherwise purchased or acquired after

the Closing Date and each other Domestic Subsidiary of the Borrower that ceases to constitute an Excluded Subsidiary to, within 60 days from the date of such formation, acquisition or cessation (which in the case of any Subsidiary ceasing to constitute an Excluded Subsidiary pursuant to clause (a) thereof, commencing on the date of delivery of the applicable compliance certificate pursuant to Section 9.1(c)), as applicable (or such longer period as the Administrative Agent may agree in its reasonable discretion), execute (A) a supplement to each of the Guarantee and the Security Agreement in order to become a Guarantor under such Guarantee and a grantor/pledgor under the Security Agreement and (B) a joinder to the Intercompany Subordinated Note.

9.12 Further Assurances

(a) Subject to the applicable limitations set forth in this Agreement (including Section 9.11) and the Security Documents and any Applicable Intercreditor Agreement, the Borrower will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents) that may be required under any Applicable Law, or that the Collateral Agent may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrower and the Restricted Subsidiaries.

(b) Subject to any applicable limitations set forth in the Security Documents (including in any Mortgage), if any assets that are of the nature secured by any Security Documents (including any owned Real Estate or improvements thereto constituting Collateral with a fair market value in excess of $10,000,000) are acquired by the Borrower or any Subsidiary Guarantor after the Closing Date or are held by any Subsidiary on or after the time it becomes a Guarantor pursuant to Section 9.11 (other than assets constituting Collateral under the Security Documents that become subject to the Lien of any Security Document upon acquisition thereof or assets subject to a Lien granted pursuant to Section 10.2(d) or 10.2(g)), the Borrower will promptly notify the Collateral Agent thereof and, if requested by the Collateral Agent, will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the other Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 120 days, unless extended by the Collateral Agent in its reasonable discretion, to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in paragraph (a) of this Section, all at the expense of the Credit Parties.

(c) Any Mortgage delivered to the Collateral Agent in accordance with the preceding clause (b) shall be accompanied by those items set forth in clause (d) that are customary for the type of assets covered by such Mortgage. Any items that are customary for the type of assets covered by such Mortgage may be delivered within a commercially reasonable period of time after the delivery of a Mortgage if they are not reasonably available at the time the Mortgage is delivered.

(d) With respect to any Mortgaged Property, within 120 days, unless extended by the Collateral Agent in its reasonable discretion, the Borrower will deliver, or cause to be delivered, to the Collateral Agent (i) a Mortgage with respect to each Mortgaged Property, executed by an Authorized Officer of each obligor party thereto, (ii) a policy or policies of title insurance insuring the Lien of each such Mortgage as a valid Lien on the Mortgaged Property described therein, free of any other Liens except Permitted Encumbrances or consented to in writing (including via email) by the Collateral Agent, together with such endorsements and reinsurance as the Collateral Agent may reasonably request, together with evidence reasonably acceptable to the Collateral Agent of payment of all title insurance premiums, search and examination charges, escrow charges and related charges, fees, costs and expenses required for the issuance of the title insurance policies referred to above, (iii) a Survey, to the extent reasonably necessary to satisfy the requirements of clause (ii) above, (iv) all other documents and instruments, including Uniform Commercial Code or other applicable fixture security financing statements, reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by any such Mortgage and perfect such Liens to the extent required by, and with the priority required by, such Mortgage shall have been delivered to the Collateral Agent in proper form for filing, registration or recording and (v) written opinions of legal counsel in the states in which each such Mortgaged Property is located in customary form and substance. If any building or other improvement included in any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or as hereafter in effect or successor act thereto), then the Borrower shall, prior to delivery of the Mortgages, deliver or cause to be delivered, (i) a completed Federal Emergency Management Agency Standard Flood Determination with respect to each Mortgaged Property, in each case in form and substance reasonably satisfactory to the Collateral Agent and (ii) evidence of flood insurance with respect to each Mortgaged Property, to the extent and in amounts required by Applicable Laws, in each case in form and substance reasonably satisfactory to the Collateral Agent.

(e) Notwithstanding anything herein to the contrary, if the Borrower and the Collateral Agent mutually agree in their reasonable judgment (confirmed in writing to the Borrower and the Administrative Agent) that the cost or other consequences (including adverse tax and accounting consequences) of creating or perfecting any Lien on any property is excessive in relation to the benefits afforded to the Secured Parties thereby, then such property may be excluded from the Collateral for all purposes of the Credit Documents.

(f) Notwithstanding anything herein or in any other Credit Document to the contrary, the Borrower and the Guarantors shall not be required, nor shall the Collateral Agent be authorized, (i) to perfect the above-described pledges, security interests and mortgages by any means other than by (A) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar central filing office) of the relevant State(s), (B) filings in United States government offices with respect to intellectual property as expressly required herein and under the other Credit Documents, (C) delivery to the Collateral Agent, for its possession, of all Collateral consisting of material intercompany notes, stock certificates of the Borrower and its Restricted Subsidiaries or (D) Mortgages required to be delivered pursuant to this Section 9.12, (ii) to enter into any control agreement with respect to any deposit account, securities account or commodities account or contract (other than for which control agreements are required to be obtained or for which the ABL Collateral Agent has obtained control, in each case, to the extent required by the ABL Credit Documents; *provided* that in such case, the ABL Collateral Agent

will act as the agent for perfection on behalf of the Secured Parties without causing the Collateral Agent or the Administrative Agent to become a party to such control agreements), (iii) to take any action in any non-U.S. jurisdiction or pursuant to the requirements of the laws of any non-U.S. jurisdiction in order to create any security interests or to perfect any security interests, including with respect to any intellectual property registered outside of the United States (it being understood that there shall be no security agreements or pledge agreements governed by the laws of any non-U.S. jurisdiction), (iv) except as expressly set forth above, to take any other action with respect to any Collateral to perfect through control agreements or to otherwise perfect by "control" or (v) to provide any notice to obtain the consent of governmental authorities under the Federal Assignment of Claims Act (or any state equivalent thereof).

9.13 Use of Proceeds

The Borrower will use the proceeds of the Initial Term Loans to fund, together with cash on hand at the Borrower and its Subsidiaries (a) to pay the Transaction Expenses, (b) to fund the Closing Refinancing, (c) to fund distributions in connection with the consummation of, or as required by, the Plan, (d) for working capital and general corporate purposes, (e) to pay fees, expenses and costs relating to the consummation of the Plan and funding the transactions contemplated by the Plan and (f) to cash collateralize any letters of credit and/or cash management obligations existing on the Closing Date. The Borrower will use the proceeds of other Term Loans or Commitments for purposes as agreed with the Lenders thereof.

9.14 Maintenance of Ratings

The Borrower will use commercially reasonable efforts to obtain and maintain (but not maintain any specific rating) a public corporate family and/or corporate credit rating, as applicable, and public ratings in respect of the Initial Term Loans provided pursuant to this Agreement, in each case, from each of S&P and Moody's.

9.15 Changes in Business

The Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date and other business activities which are extensions thereof or otherwise similar, incidental, complementary, synergistic, reasonably related or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Borrower in good faith.

SECTION 10 Negative Covenants

The Borrower hereby covenants and agrees that on the Closing Date (immediately after giving effect to the Transactions) and thereafter, until all Commitments and all Term Loans, together with interest, fees and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreement or Contingent Obligations), are paid in full:

10.1 Limitation on Indebtedness

The Borrower will not, and will not permit the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness. Notwithstanding the foregoing, the limitations set forth in the immediately preceding sentence shall not apply to any of the following:

(a) Indebtedness arising under the Credit Documents (including any Indebtedness incurred as permitted by Sections 2.14, 2.15 and 13.1);

(b) Indebtedness under the ABL Credit Documents and any Refinancing Indebtedness thereof, in an aggregate principal amount not to exceed the sum of (i) $300,000,000 *plus* (ii) the principal amount of "Incremental Facilities" (as defined in the ABL Credit Agreement) measured at the time of incurrence pursuant to the ABL Credit Agreement as in effect on the Closing Date *plus* (iii) solely in the case of any such Refinancing Indebtedness, the Refinancing Increased Amount with respect thereto;

(c) [reserved];

(d) subject to compliance with Section 10.5, Indebtedness of the Borrower or any Restricted Subsidiary owed to the Borrower or any Restricted Subsidiary; *provided* that all such Indebtedness of any Credit Party owed to any Person that is not a Credit Party shall be (x) evidenced by the Intercompany Subordinated Note (*provided* that any Person becoming a Restricted Subsidiary after the Closing Date may enter into the Intercompany Subordinated Note within the time period set forth in Section 9.11) or (y) otherwise be subject to subordination terms substantially identical to the subordination terms set forth in the Intercompany Subordinated Note or otherwise reasonably acceptable to the Administrative Agent;

(e) subject to compliance with Section 10.5, Guarantee Obligations incurred by (i) Restricted Subsidiaries in respect of Indebtedness of the Borrower or any other Restricted Subsidiary that is permitted to be incurred under this Agreement and (ii) the Borrower in respect of Indebtedness of Restricted Subsidiaries that is permitted to be incurred under this Agreement; *provided* that (x) if the Indebtedness being guaranteed under this Section 10.1(e) is subordinated to the Obligations, such Guarantee Obligations shall be subordinated to the Guarantee of the Obligations on terms (taken as a whole) at least as favorable to the Lenders as those contained in the subordination of such Indebtedness and (y) a Restricted Subsidiary that is not a Credit Party may not, by virtue of this Section 10.1(e), guarantee Indebtedness that such Restricted Subsidiary could not otherwise incur under this Section 10.1;

(f) Indebtedness in respect of any bankers' acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business (including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims and similar obligations);

(g) Guarantee Obligations (i) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees, (ii) otherwise constituting Investments permitted by Section 10.5 (other than Investments permitted by Section 10.5(l) by reference to Section 10.1 and Section 10.5(q)); *provided* that this clause (ii) shall not be construed to limit the requirements of Section 10.1(d) and (e), or (iii) contemplated by the Plan;

(h) Indebtedness (including Indebtedness arising under Capital Leases) incurred to finance the purchase price, cost of design, acquisition, construction, repair, restoration, replacement, expansion, installation or improvement of fixed or capital assets or otherwise in respect of Capital Expenditures, so long as such Indebtedness is incurred concurrently with or within 270 days of the acquisition, construction, repair, restoration, replacement, expansion, installation or improvement of such fixed or capital assets or incurrence of such Capital Expenditure, and any Refinancing Indebtedness thereof, in an aggregate principal amount not to exceed (i) the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance *plus* the principal amount of Capital Leases outstanding on the Closing Date, in each case at any time outstanding *plus* (ii) solely in the case of any such Refinancing Indebtedness, the Refinancing Increased Amount with respect thereto;

(i) Indebtedness permitted to remain outstanding under the Plan, and to the extent such Indebtedness exceeds $5,000,000, set forth on Schedule 10.1 and any Refinancing Indebtedness thereof; *provided* that in the case of any Refinancing Indebtedness of any such Indebtedness, each obligor of such Refinancing Indebtedness is an obligor of such Indebtedness;

(j) Indebtedness in respect of Hedging Agreements; *provided* that such Hedging Agreements are not entered into for speculative purposes (as determined by the Borrower in good faith);

(k) (i) Permitted Other Debt assumed or incurred for any purpose, including to finance a Permitted Acquisition, other permitted Investments or Capital Expenditures; *provided* that (A) if such Indebtedness is incurred or assumed by a Restricted Subsidiary that is not a Credit Party, such Indebtedness is not guaranteed in any respect by the Borrower or any other Guarantor except as permitted under Section 10.5, (B) the aggregate principal amount of Indebtedness incurred or assumed under this Section 10.1(k)(i) shall not exceed (1) the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance *plus* (2) additional amounts if, on a Pro Forma Basis after giving effect to the incurrence or assumption of such Indebtedness and the application of proceeds thereof and, if applicable, the Permitted Acquisition, permitted Investment or Capital Expenditure, the Consolidated Total Net Leverage Ratio is not greater than 3.30 to 1.00 or, to the extent incurred or assumed in connection with a Permitted Acquisition or similar Investment, the Consolidated Total Net Leverage Ratio (on a Pro Forma Basis for such transaction and the incurrence or assumption of such Indebtedness) is not greater than (I) 3.30 to 1.00 or (II) the Consolidated Total Net Leverage Ratio immediately prior to such Permitted Acquisition or similar Investment and (C) if such Permitted Other Debt incurred (and for the avoidance of doubt, not "assumed") pursuant to this clause (k)(i) constitutes a Permitted Other Loan that ranks *pari passu* with the Initial Term Loans as to right of payment and security with respect to the Collateral, the Initial Term Loans shall be subject to the adjustment (if applicable) set forth in the proviso to Section 2.14(d)(iv) as if such Permitted Other Loan were an Incremental Term Loan incurred hereunder and (ii) any Refinancing Indebtedness in respect of the Indebtedness under clause (i) above; *provided* that Indebtedness

incurred or assumed by Restricted Subsidiaries that are not Subsidiary Guarantors under this Section 10.1(k), when combined with the total amount of Indebtedness incurred by Restricted Subsidiaries that are not Subsidiary Guarantors pursuant to Section 10.1(ee), shall not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding;

(l) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business or consistent with past practice, including those incurred to secure health, safety and environmental obligations in the ordinary course of business (including in respect of construction or restoration activities) or consistent with past practice;

(m) additional Indebtedness; *provided* that the aggregate amount of Indebtedness incurred or issued pursuant to this Section 10.1(m) shall not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding;

(n) Cash Management Obligations and other Indebtedness in respect of overdraft facilities, employee credit card programs, netting services, automatic clearinghouse arrangements and other cash management and similar arrangements in the ordinary course of business;

(o) (i) Indebtedness incurred in the ordinary course of business in respect of obligations of the Borrower or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services and (ii) Indebtedness in respect of intercompany obligations of the Borrower or any Restricted Subsidiary with the Borrower or any Restricted Subsidiary in respect of accounts payable incurred in connection with goods sold or services rendered in the ordinary course of business and not in connection with the borrowing of money;

(p) Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations (including earn-outs), in each case entered into in connection with Permitted Acquisitions, other Investments and the Disposition of any business, assets or Stock or Stock Equivalents permitted hereunder;

(q) Indebtedness of the Borrower or any Restricted Subsidiary consisting of (i) financing of insurance premiums or (ii) take or pay obligations contained in supply agreements, in each case arising in the ordinary course of business;

(r) Indebtedness representing deferred compensation, or similar arrangement, to employees, consultants or independent contractors of the Borrower and the Restricted Subsidiaries incurred in the ordinary course of business;

(s) Indebtedness consisting of promissory notes issued by the Borrower or any Restricted Subsidiary to present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) to finance the purchase or redemption of Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) permitted by Section 10.6(b);

(t) Indebtedness consisting of obligations of the Borrower and the Restricted Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions and Permitted Acquisitions or any other Investment permitted hereunder;

(u) Indebtedness in respect of (i) Permitted Receivables Financings owed by a Receivables Entity or Qualified Securitization Financings owed by a Securitization Subsidiary and (ii) accounts receivable factoring facilities in the ordinary course of business; *provided* that the aggregate amount of Receivables Indebtedness pursuant to this clause (u) shall not exceed $160,000,000 at any time outstanding;

(v) Indebtedness in respect of (i) Permitted Other Debt issued or incurred to the extent that the Net Cash Proceeds therefrom are applied to the prepayment of the Term Loans in the manner set forth in Section 5.2(a)(iii)(A); (ii) other Permitted Other Debt (such Indebtedness incurred pursuant to this clause (ii), " **Incremental Equivalent Debt** ") in an aggregate principal amount not to exceed the then-available Maximum Incremental Facilities Amount; *provided* that (x) if such Permitted Other Debt incurred pursuant to this clause (ii) is a Permitted Other Loan that ranks *pari passu* with the Initial Term Loans as to right of payment and security, the Initial Term Loans shall be subject to the adjustment (if applicable) set forth in the proviso to Section 2.14(d)(iv) as if such Permitted Other Loan were an Incremental Term Loan incurred hereunder and (y) if such Permitted Other Debt incurred pursuant to this clause (ii) is unsecured or secured on a junior basis to the Obligations, such Permitted Other Debt shall not have a maturity date earlier than 91 days after the Initial Term Loan Maturity Date; and (iii) any Refinancing Indebtedness in respect of Indebtedness incurred pursuant to clauses (i) and (ii) above;

(w) (i) Indebtedness in respect of Permitted Debt Exchange Instruments incurred pursuant to a Permitted Debt Exchange in accordance with Section 2.17 and (ii) any Refinancing Indebtedness thereof;

(x) Indebtedness in an amount not to exceed the Available Equity Amount;

(y) Indebtedness of any Minority Investments or Indebtedness incurred on behalf thereof or representing guarantees of such Indebtedness of any Minority Investment, in an amount not to exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding;

(z) intercompany Indebtedness among the Borrower and its Subsidiaries constituting any part of any Permitted Reorganization;

(aa) to the extent constituting Indebtedness, customer deposits and advance payments (including progress payments) received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(bb) (i) Indebtedness of the Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Borrower or any Subsidiary of the Borrower in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than the United States;

(cc) Indebtedness owing to the seller of any business or assets permitted to be acquired by the Borrower or any Restricted Subsidiary under this Agreement; *provided* that the aggregate amount of Indebtedness permitted under this clause (cc) shall not exceed the greater of $160,000,000 and 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) outstanding at any time;

(dd) obligations in respect of Disqualified Stock in an amount not to exceed the greater of $25,000,000 and 3% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) outstanding at any time;

(ee) Indebtedness incurred by Restricted Subsidiaries that are not Subsidiary Guarantors under this clause (ee), when combined with the total amount of Indebtedness incurred by Restricted Subsidiaries that are not Subsidiary Guarantors pursuant to Section 10.1(k), shall not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding; and

(ff) all premiums (if any), interest (including post-petition interest), fees, expenses, charges, and additional or contingent interest on obligations described in clauses (a) through (ee) above.

For the avoidance of doubt, any Indebtedness permitted to be incurred under any clause of this Section 10.1 may be used to modify, refinance, refund, renew, replace, exchange or extend any outstanding Indebtedness, including any such Indebtedness incurred under any other clause of this Section 10.1 and any such Indebtedness with respect to which the incurrence of Refinancing Indebtedness is expressly permitted under this Section 10.1, in each case, subject to the restrictions set forth in Section 10.7.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness or Disqualified Stock will not be deemed to be an incurrence or issuance of Indebtedness or Disqualified Stock for purposes of this covenant.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior lien priority with respect to the same collateral.

10.2 Limitation on Liens

The Borrower will not, and will not permit the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or such Restricted Subsidiary, whether now owned or hereafter acquired, except:

(a) Liens arising under the Security Documents;

(b) Liens securing Indebtedness permitted to be incurred pursuant to Section 10.1(b), and Hedging Obligations and Cash Management Obligations permitted to be secured on a *pari passu* basis with the ABL Loans under the ABL Credit Documents; *provided* that such Lien over the Collateral shall be subject to the Applicable Intercreditor Agreements reflecting its *pari passu* status as compared with the Liens securing the ABL Loans;

(c) [reserved];

(d) Liens securing Indebtedness permitted pursuant to Section 10.1(h); *provided* that except as otherwise permitted hereby, such Liens attach at all times only to the assets so financed except (1) for accessions to the property financed with the proceeds of such Indebtedness and the proceeds and the products thereof and (2) that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender;

(e) Liens permitted to remain outstanding under the Plan; *provided* that any Lien securing Indebtedness or other obligations in excess of $5,000,000 shall only be permitted to the extent such Lien is listed on Schedule 10.2;

(f) (i) Liens securing Indebtedness permitted to be incurred under clause (B)(2) of the proviso to Section 10.1(k)(i), Section 10.1(v)(i), Section 10.1(v)(ii) or Section 10.1(w)(i); *provided* that (A) the representative of such Indebtedness shall have entered into the Applicable Intercreditor Agreements to the extent secured by the Collateral reflecting its *pari passu* or junior (but not senior) priority status as compared with the Liens securing the Obligations and (B) (I) with respect to Indebtedness incurred in reliance on clause (B)(2) of the proviso to Section 10.1(k)(i) that is secured by Liens on a *pari passu* basis with any Liens securing the Initial Term Loans (without regard to control of remedies), immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated First Lien Net Leverage Ratio is no greater than 3.30 to 1.00 and (II) with respect to Indebtedness incurred in reliance on clause (B)(2) of the proviso to Section 10.1(k)(i) that is secured by Liens that are junior in right of security to the Liens securing the Initial Term Loans, immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated Secured Net Leverage Ratio is no greater than 3.30 to 1.00 and (ii) Liens securing Refinancing Indebtedness permitted to be incurred under Section 10.1(k)(ii), Section 10.1(v)(iii) and Section 10.1(w)(ii);

(g) Liens existing on the assets of any Person that becomes a Restricted Subsidiary (or is a Restricted Subsidiary that survives a merger with such Person or any of its Subsidiaries) pursuant to a Permitted Acquisition or other permitted Investment or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or existing on assets acquired after the Closing Date, to the extent the Liens on such assets secure Indebtedness permitted by Section 10.1; *provided* that such Liens (i) are not created or incurred in connection with, or in contemplation of, such Person becoming such a Restricted Subsidiary or such assets being acquired and (ii) attach at all times only to the same assets to which such Liens attached and after-acquired property, property that is affixed or incorporated into the property covered by such Lien and accessions thereto and products and proceeds thereof, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment financed by such lender, it being understood that such requirement to pledge such after-acquired property shall not be permitted to apply to any such after-acquired property to which such requirement would not have applied but for such acquisition except as otherwise permitted hereunder, and any Refinancing Indebtedness thereof permitted by Section 10.1;

(h) additional Liens on assets of any Restricted Subsidiary that is not a Credit Party securing Indebtedness of such Restricted Subsidiary permitted pursuant to Section 10.1 (or other obligations of such Restricted Subsidiary not constituting Indebtedness);

(i) additional Liens on assets that do not constitute Collateral prior to the creation of such Liens, so long as the Credit Facilities hereunder are equally and ratably secured thereby and the aggregate amount of Indebtedness secured thereby at any time outstanding does not exceed $160,000,000; *provided* that such Liens are subject to intercreditor arrangements reasonably satisfactory to the Borrower and the Collateral Agent, it being understood and agreed that intercreditor arrangements in substantially the form of the Applicable Intercreditor Agreements are satisfactory;

(j) additional *pari passu* or junior Liens securing Indebtedness, so long as (i)(x) with respect to Indebtedness that is secured by Liens on a *pari passu* basis with any Liens securing the Initial Term Loans (without regard to control of remedies), immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated First Lien Net Leverage Ratio is no greater than 3.30 to 1.00 and (y) with respect to Indebtedness that is secured by Liens that are junior in right of security to the Liens securing any Initial Term Loans, immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated Secured Net Leverage Ratio is no greater than 3.30 to 1.00 and (ii) the holder(s) of such Liens (or a representative thereof) shall have entered into the Applicable Intercreditor Agreements;

(k) additional Liens, so long as the aggregate amount of obligations secured thereby at any time outstanding does not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance;

(l) (i) Liens on accounts receivable, other Receivables Facility Assets, or accounts into which collections or proceeds of Receivables Facility Assets are deposited, in each case arising in connection with a Permitted Receivables Financing permitted under Section 10.1(u) and (ii) Liens on Securitization Assets and related assets arising in connection with a Qualified Securitization Financing permitted under Section 10.1(u);

(m) Permitted Encumbrances; and

(n) the supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, extension or renewal of any Lien permitted by clause (e), clause (g) and clause (i) of this Section 10.2 upon or in the same assets theretofore subject to such Lien (or upon or in after-acquired property that is affixed or incorporated into the property covered by such Lien and accessions thereto or any proceeds or products thereof) or the Refinancing Indebtedness (without a change in any obligor, except to the extent otherwise permitted hereunder) of the Indebtedness or other obligations secured thereby (including any unused commitments), to the extent such Refinancing Indebtedness is permitted by Section 10.1; *provided* that in the case of any such supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, extension or renewal of any Lien permitted by clause (g) and clause (i) of this Section 10.2, the requirements set forth in the proviso to clause (g) or clause (i), as applicable, shall have been satisfied.

10.3 Limitation on Fundamental Changes

The Borrower will not, and will not permit the Restricted Subsidiaries to, consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise consummate the Disposition of, all or substantially all its business units, assets or other properties, except that:

(a) so long as both before and after giving effect to such transaction, no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into the Borrower; *provided* that (A) the Borrower shall be the continuing or surviving company or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Borrower (such other Person, the " **Successor Borrower** "), (1) the Successor Borrower (if other than the Borrower) shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (2) the Successor Borrower (if other than the Borrower) shall expressly assume all the obligations of the Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger or consolidation, shall have by a supplement to the Guarantee confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each grantor and each pledgor, unless it is the other party to such merger or consolidation, shall have by a supplement to the Security Agreement, affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a Mortgaged Property, unless it is the other party to such merger or consolidation, shall have affirmed that its obligations under the applicable Mortgage shall apply to its

Guarantee as reaffirmed pursuant to clause (3) and (6) the Successor Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger or consolidation and such supplements preserve the enforceability of this Agreement and the Guarantee and the perfection and priority of the Liens under the applicable Security Documents;

(b) so long as no Event of Default has occurred and is continuing, or would result therefrom, any Subsidiary of the Borrower or any other Person (in each case, other than the Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower; provided that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) the Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Guarantors, a Guarantor shall be the continuing or surviving Person or the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Guarantor) shall execute a supplement to the Guarantee and the relevant Security Documents each in form and substance reasonably satisfactory to the Administrative Agent in order to become a Guarantor and pledgor, mortgagor and grantor, as applicable, thereunder for the benefit of the Secured Parties and to acknowledge and agree to the terms of the Intercompany Subordinated Note, and (iii) Borrower shall have delivered to the Administrative Agent an officers' certificate stating that such merger, amalgamation or consolidation and any such supplements to the Guarantee and any Security Document preserve the enforceability of the Guarantee and the perfection and priority of the Liens under the applicable Security Documents to the extent otherwise required;

(c) any Permitted Reorganization may be consummated;

(d) any Restricted Subsidiary that is not a Credit Party may sell, lease, transfer or otherwise Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any other Restricted Subsidiary;

(e) the Borrower or any Subsidiary of the Borrower may sell, lease, transfer or otherwise Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any Credit Party; *provided* that the consideration for any such Disposition by any Person other than a Guarantor shall not exceed the fair value of such assets;

(f) any Restricted Subsidiary may liquidate or dissolve if (i) the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Credit Party, any assets or business of such Restricted Subsidiary not otherwise disposed of or transferred in accordance with Section 10.4 or 10.5, or in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, a Credit Party after giving effect to such liquidation or dissolution;

(g) the Borrower or any Restricted Subsidiary may change its legal form, so long as (i) no Event of Default has occurred and is continuing or would result therefrom and (ii) the Liens granted pursuant to any Security Documents to which such Person is a party remain perfected and in full force and effect, to the extent otherwise required hereby;

(h) any merger, consolidation or amalgamation the purpose and only substantive effect of which is to reincorporate or reorganize the Borrower or any Restricted Subsidiary in a jurisdiction in the United States, any state thereof or the District of Columbia, so long as the Liens granted pursuant to the Security Documents to which the Borrower is a party remain perfected and in full force and effect, to the extent otherwise required hereby;

(i) the Transactions and any transactions as contemplated by the Plan may be consummated; and

(j) the Borrower and the Restricted Subsidiaries may consummate a merger, amalgamation dissolution, liquidation, windup, consolidation or Disposition, constituting, or otherwise resulting in, a transaction permitted by Section 10.4 (other than pursuant to (x) Section 10.4(d) and (y) the Disposition of all or substantially all of the assets of the Borrower and its Restricted Subsidiaries, taken as a whole, to any Person other than the Borrower or any Guarantor), an Investment permitted pursuant to Section 10.5 (other than Section 10.5(l)), and any Restricted Payments permitted pursuant to Section 10.6 (other than Section 10.6(f)).

10.4 Limitation on Disposition

The Borrower will not, and will not permit the Restricted Subsidiaries to make any Disposition, except that:

(a) the Borrower and the Restricted Subsidiaries may sell, transfer or otherwise Dispose of (i) obsolete, negligible, immaterial, worn-out, uneconomical, scrap, used, or surplus or mothballed assets (including any such equipment that has been refurbished in contemplation of such Disposition) or assets no longer used or useful in the business or no longer commercially desirable to maintain, (ii) inventory or goods (or other assets) held for sale in the ordinary course of business, (iii) cash and Cash Equivalents, (iv) immaterial assets (including allowing any registrations or any applications for registration of any intellectual property rights to lapse or go abandoned in the ordinary course of business), and (v) assets for the purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Borrower and the Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the Borrower and the Restricted Subsidiaries may make Dispositions of assets; *provided* that (i) to the extent required, the Net Cash Proceeds thereof received by the Borrower and the Restricted Subsidiaries are promptly applied to the prepayment of Term Loans as provided for in Section 5.2(a)(i), (ii) as of the date of signing of the definitive agreement for such Disposition, no Event of Default shall have occurred and be continuing, (iii) with respect to any Disposition pursuant to this clause (b) for a purchase price in excess of $50,000,000, the Person making such Disposition shall receive fair market value and not less than 75% of such consideration in the form of cash or Cash Equivalents; *provided* that for the purposes of this clause (iii) the following shall be deemed to be cash: (A) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in

the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower's or such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the payment in cash of the Obligations (other than intercompany liabilities owing to a Restricted Subsidiary being Disposed of) and that are (1) assumed by the transferee (or a third party in connection with such transfer) with respect to the applicable Disposition and for which the Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing or indemnified from such liabilities or (2) otherwise cancelled or terminated in connection therewith, (B) any securities, notes or other obligations received by the Person making such Disposition from the purchaser that are converted by such Person into cash or Cash Equivalents or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of the applicable Disposition, (C) consideration consisting of Indebtedness of any Credit Party (other than subordinated Indebtedness) received after the Closing Date from Persons who are not Restricted Subsidiaries (so long as such Indebtedness is not cancelled or forgiven) and (D) any Designated Non-Cash Consideration received by the Person making such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 10.4(b) that is at that time outstanding, not in excess of the greater of $160,000,000 and 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value and (iv) any non-cash proceeds received in the form of Real Estate, Indebtedness or Stock and Stock Equivalents are pledged to the Collateral Agent to the extent required under Section 9.11, 9.12 or the Security Agreement;

(c) (i) the Borrower and the Restricted Subsidiaries may make Dispositions to the Borrower or any other Credit Party, (ii) any Restricted Subsidiary that is not a Credit Party may make Dispositions to the Borrower or any other Subsidiary of the Borrower; *provided* that with respect to any such Disposition to an Unrestricted Subsidiary, such Disposition shall be for fair value and (iii) any Credit Party may make Dispositions to a non-Credit Party to the extent constituting an Investment permitted under Section 10.5 (other than Section 10.5(l));

(d) the Borrower and any Restricted Subsidiary may effect any transaction permitted by Sections 10.2, 10.3 (other than Section 10.3(j)), 10.5 (other than Section 10.5(l)) or 10.6 (other than Section 10.6(f));

(e) the Borrower and any Restricted Subsidiary may lease, sublease, license (only on a non-exclusive basis, with respect to any intellectual property) or sublicense (only on a non-exclusive basis, with respect to any intellectual property) real, personal or intellectual property in the ordinary course of business;

(f) Dispositions of property (including like-kind exchanges) to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property (excluding any boot thereon) or (ii) the proceeds of such Disposition are applied to the purchase price of such replacement property, in each case under Section 1031 of the Code or otherwise;

(g) the Borrower and any other Credit Party may transfer or otherwise Dispose of any intellectual property for fair market value to any Restricted Subsidiary of the Borrower that is not a Credit Party; *provided* that (i) the transferee shall be (A) a direct or indirect Wholly Owned Restricted Subsidiary and (B) a special purpose entity that does not incur any third-party Indebtedness for borrowed money (for the avoidance of doubt, such entity may have employees managing its intellectual property assets and conducting internal research and development activities) and (ii) the consideration received by the Credit Party from such Disposition shall be in the form of (A) cash and Cash Equivalents, (B) intercompany notes owed to the Credit Party transferor/licensor by the non-Credit Party transferee/licensee, which intercompany notes are pledged to secure the Obligations and/or (C) Stock and Stock Equivalent of the transferee/licensee (or a parent entity of such transferee/licensee so long as such parent entity and any intermediate holding entity otherwise satisfies the requirements set forth in clause (i) above) and the Stock and Stock Equivalents of such transferee/licensee (or the parent entity) are pledged to secure the Obligations (subject to the limitation set forth in the Security Agreement on the pledge of Voting Stock of any CFC or CFC Holding Company); *provided* that in the case of this clause (ii)(C), the aggregate fair market value of any and all intellectual property so Disposed of shall not exceed $100,000,000;

(h) Dispositions of (i) Investments in joint ventures (regardless of the form of legal entity) to the extent required by, or made pursuant to, customary buy/sell arrangements or put/call arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements or (ii) to joint ventures in connection with the dissolution or termination of a joint venture to the extent required pursuant to joint venture and similar arrangements;

(i) (i) Dispositions of Receivables Facility Assets in connection with any Permitted Receivables Financing, and any Disposition of Securitization Assets in connection with any Qualified Securitization Financing and (ii) Dispositions in connection with accounts receivable factoring facilities in the ordinary course of business, *provided* that the Indebtedness arising in connection therewith shall not exceed the amount of Indebtedness permitted by Section 10.1(u);

(j) Dispositions listed on Schedule 10.4 or to consummate the Transactions, including transactions contemplated by the Plan;

(k) transfers of property subject to a Recovery Event or in connection with any condemnation proceeding upon receipt of the Net Cash Proceeds of such Recovery Event or condemnation proceeding;

(l) Dispositions or discounts of accounts receivable or notes receivable in connection with the collection or compromise thereof or the conversion of accounts receivable to notes receivable;

(m) Dispositions of any assets not constituting Collateral in an aggregate amount not to exceed $160,000,000;

(n) the execution of (or amendment to), settlement of or unwinding of any Hedging Agreement;

(o) any issuance or sale of Stock or Stock Equivalent in, or Indebtedness or other securities of, any Unrestricted Subsidiary;

(p) the surrender or waiver of contractual rights and settlement or waiver of contractual or litigation claims;

(q) Dispositions of any assets (including Stock and Stock Equivalents) acquired in connection with any Permitted Acquisition or other Investment not prohibited hereunder, which assets are not used or useful to the core or principal business of the Borrower and its Restricted Subsidiaries (as determined by the Borrower in good faith); and

(r) other Dispositions (including those of the type otherwise described herein) made for fair market value in an aggregate amount not to exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(s) the Borrower and any Restricted Subsidiary may (i) terminate or otherwise collapse its cost sharing agreements with the Borrower or any Subsidiary and settle any crossing payments in connection therewith, (ii) convert any intercompany Indebtedness to Stock or any Stock to intercompany Indebtedness, (iii) settle, discount, write off, forgive or cancel any intercompany Indebtedness or other obligation owing by the Borrower or any Restricted Subsidiary or (iv) settle, discount, write off, forgive or cancel any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of Holdings, the Borrower, any direct or indirect parent thereof, or any Subsidiary thereof or any of their successors or assigns;

(t) any Disposition of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is purchased within 270 days thereof or (2) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually purchased within 270 days thereof);

(u) any Disposition in connection with a Permitted Reorganization;

(v) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater fair market value or usefulness to the business of the Borrower and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Borrower; and

(w) Dispositions of any asset between or among the Borrower and/or any Restricted Subsidiary as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (v) above; *provided* that after giving effect to any such Disposition, to the extent the assets subject to such Dispositions constituted Collateral, such assets shall remain subject to, or be rejoined to, the Lien of the Security Documents.

Notwithstanding the foregoing, no transfer or other Disposition of any intellectual property by a Credit Party to a Subsidiary that is not a Credit Party may be made except pursuant to Section 10.4(c)(iii) (solely in respect of Investments permitted by the proviso to Section 10.5(w)), (e) or (g).

10.5 Limitation on Investments

The Borrower will not, and will not permit the Restricted Subsidiaries, to make any Investment except:

(a) extensions of trade credit, asset purchases (including purchases of inventory, supplies, materials and equipment) and the licensing or contribution of intellectual property pursuant to joint marketing arrangements, original equipment manufacturer arrangements or development agreements with other Persons, in each case in the ordinary course of business;

(b) Investments in cash or Cash Equivalents when such Investments were made;

(c) loans and advances to officers, managers, directors, employees, consultants and independent contractors of the Borrower (or any direct or indirect parent thereof) or any Subsidiary of the Borrower (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances), (ii) in connection with such Person's purchase of Stock or Stock Equivalents of Holdings (or any direct or indirect parent thereof; *provided* that, to the extent such loans and advances are made in cash, the amount of such loans and advances used to acquire such Stock or Stock Equivalents shall be contributed to the Borrower in cash) and (iii) for purposes not described in the foregoing clauses (i) and (ii); *provided* that the aggregate principal amount outstanding pursuant to clause (iii) shall not exceed $25,000,000 at any one time outstanding;

(d) Investments (i) contemplated by the Plan or to consummate the Transactions and (ii) existing on, or made pursuant to legally binding written commitments in existence on, the Closing Date and, to the extent such Investments exceed $5,000,000, set forth on Schedule 10.5 and any supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, renewal or extension thereof, only to the extent that the amount of any Investment made pursuant to this clause (d)(ii) does not at any time exceed the amount of such Investment set forth on Schedule 10.5 (except by an amount equal to the unpaid accrued interest and premium thereon *plus* any unused commitments *plus* amounts paid in respect of fees, premiums, costs and expenses incurred in connection with such supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, renewal or extension or as otherwise permitted hereunder);

(e) any Investment acquired by the Borrower or any Restricted Subsidiary (i) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of, or settlement of delinquent accounts or disputes with or judgments against, the issuer, obligor or borrower of such original Investment or accounts receivable, (ii) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (iii) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates or in satisfaction or judgments against other Persons;

(f) Investments to the extent that payment for such Investments is made with (i) Stock or Stock Equivalents (other than Disqualified Stock) of the Borrower (or any direct or indirect parent thereof) or (ii) the proceeds from the issuance of Stock or Stock Equivalents (other than Disqualified Stock, any sale or issuance to any Subsidiary and any issuance applied pursuant to Section 10.6(a) or Section 10.6(b)(i)) of the Borrower (or any direct or indirect parent thereof); *provided* that such Stock or Stock Equivalents or proceeds of such Stock or Stock Equivalents will not increase the Available Equity Amount;

(g) Investments (other than in the form of direct or indirect transfers or Dispositions of intellectual property from a Credit Party to a non-Credit Party) by the Borrower or any Restricted Subsidiary in the Borrower or any Restricted Subsidiary or any Person that will, upon such Investment become a Restricted Subsidiary;

(h) Investments constituting Permitted Acquisitions;

(i) Investments constituting (i) Minority Investments and Investments in Unrestricted Subsidiaries and (ii) Investments in joint ventures (regardless of the form of legal entity) or similar Persons that do not constitute Restricted Subsidiaries, in each case valued at the fair market value (determined by the Borrower acting in good faith) of such Investment at the time each such Investment is made, in an aggregate amount at any one time outstanding pursuant to this clause (i) that, at the time each such Investment is made, would not exceed an amount equal to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(j) Investments constituting non-cash proceeds received from Dispositions of assets pursuant to Section 10.4;

(k) Investments made to repurchase or retire Stock or Stock Equivalents of the Borrower or any direct or indirect parent thereof owned by any employee or any stock ownership plan or key employee stock ownership plan of the Borrower (or any direct or indirect parent thereof) in an aggregate amount, when combined with distributions made pursuant to Section 10.6(b), not to exceed the limitations set forth in such Section;

(l) Investments consisting of or resulting from Indebtedness, Liens, Restricted Payments, fundamental changes and Dispositions permitted by Section 10.1 (other than Sections 10.1(d), 10.1(e) and 10.1(g)(ii)), 10.2, 10.3 (other than Section 10.3(j)), 10.4 (other than Section 10.4(d)), 10.6 (other than Section 10.6(f)), 10.7 or 10.8, as applicable;

(m) loans and advances to any direct or indirect parent of the Borrower in lieu of, and not in excess of the amount of, Restricted Payments to the extent permitted to be made to such parent in accordance with Section 10.6; *provided* that the aggregate amount of such loans and advances shall reduce the ability of the Borrower and the Restricted Subsidiaries to make Restricted Payments under the applicable clauses of Section 10.6 by such amount;

(n) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(o) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(p) advances of payroll payments to employees, consultants or independent contractors or other advances of salaries or compensation to employees, consultants or independent contractors, in each case in the ordinary course of business;

(q) Guarantee Obligations of the Borrower or any Restricted Subsidiary of leases (other than Capital Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(r) Investments held by a Person acquired (including by way of merger, amalgamation or consolidation) after the Closing Date otherwise in accordance with this Section 10.5 to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(s) Investments in Hedging Agreements permitted by Section 10.1;

(t) Investments in or by a Receivables Entity or a Securitization Subsidiary arising out of, or in connection with, any Permitted Receivables Financing or Qualified Securitization Financing, as applicable; *provided* that any such Investment in a Receivables Entity or a Securitization Subsidiary is in the form of a contribution of additional Receivables Facility Assets or Securitization Assets, as applicable, or as equity;

(u) Investments consisting of deposits of cash and Cash Equivalents as collateral support permitted under Section 10.2;

(v) other Investments not to exceed an amount equal to (x) the Available Equity Amount at the time such Investments are made *plus* (y) the Available Amount at the time such Investments are made, *provided* that in respect of any Investments made in reliance of clause (ii) of the definition of "Available Amount", no Event of Default shall have occurred and be continuing or would result therefrom;

(w) other Investments in an amount at any one time outstanding not to exceed an amount equal to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis); *provided* that up to an amount equal to the greater of (i) $80,000,000 and (ii) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) may be made in the form of Disposition of intellectual property by a Credit Party to a Restricted Subsidiary that is not a Credit Party;

(x) Investments consisting of purchases and acquisitions of assets and services in the ordinary course of business;

(y) Investments in the ordinary course of business consisting of Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practice;

(z) Investments made as a part of, or in connection with or to otherwise fund the Transactions;

(aa) contributions in connection with compensation arrangements to a "rabbi" trust for the benefit of employees, directors, partners, members, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower or any of its Restricted Subsidiaries;

(bb) Investments relating to pension trusts;

(cc) Investments in Similar Business in an amount at any one time outstanding not to exceed an amount equal to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(dd) Investments in connection with Permitted Reorganizations;

(ee) Investments in deposit accounts, commodities and securities accounts opened in the ordinary course of business;

(ff) Investments solely to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this Agreement;

(gg) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(hh) Term Loans repurchased by the Borrower or a Restricted Subsidiary pursuant to and in accordance with Section 13.6(g); and

(ii) other Investments in an unlimited amount, *provided* that the Borrower shall be in compliance on a Pro Forma Basis with a Consolidated Total Net Leverage Ratio not greater than 2.8 to 1.0.

Notwithstanding the foregoing, no Investment consisting of or resulting from any transfer or other Disposition of any intellectual property by a Credit Party to a Subsidiary that is not a Credit Party may be made except pursuant to (i) Section 10.5(l) (solely in respect of Dispositions permitted by Section 10.4(e) or (g)) or (ii) the proviso to Section 10.5(w).

10.6 Limitation on Restricted Payments

The Borrower will not, and will not permit the Restricted Subsidiaries to, declare or pay any Restricted Payments except that:

(a) the Borrower may (or may make Restricted Payments to permit any direct or indirect parent thereof to) redeem in whole or in part any of its Stock or Stock Equivalents for another class of its (or such parent's) Stock or Stock Equivalents or with proceeds from substantially concurrent equity contributions or issuances of new Stock or Stock Equivalents (other than any Disqualified Stock, any sale or issuance to any Subsidiary and any contribution or issuance applied pursuant to Section 10.5(f)(ii) or Section 10.6(b)(i)); *provided* that (i) such new Stock or Stock Equivalents contain terms and provisions (taken as a whole) at least as advantageous to the Lenders, taken as a whole, in all respects material to their interests as those contained in the Stock or Stock Equivalents redeemed thereby and (ii) the cash proceeds from any such contribution or issuance shall not increase the Available Equity Amount;

(b) the Borrower may (or may make Restricted Payments to permit any direct or indirect parent thereof to) redeem, acquire, retire or repurchase shares of its (or such parent's) Stock or Stock Equivalents held by any present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) of the Borrower (or any direct or indirect parent thereof) and any Subsidiaries, so long as such repurchase is pursuant to, and in accordance with the terms of, any stock option or stock appreciation rights plan, any management, director and/or employee benefit, stock ownership or option plan, stock subscription plan or agreement, employment termination agreement or any employment agreements or stockholders' or shareholders' agreement; *provided* , *however* , that the aggregate amount of payments made under this Section 10.6(b), when combined with Investments made pursuant to Section 10.5(k), do not exceed in any Fiscal Year $20,000,000 (with unused amounts in any Fiscal Year being carried over to succeeding Fiscal Years subject to a maximum (without giving effect to the following proviso) of $30,000,000 in any Fiscal Year); *provided* , *further* , that such amount in any Fiscal Year may be increased by an amount not to exceed:

(i) the cash proceeds from the sale of Stock (other than Disqualified Stock, any sale or issuance to any Subsidiary and any contribution or issuance applied pursuant to Section 10.5(f)(ii) or Section 10.6(a)) of the Borrower and, to the extent contributed to the Borrower, Stock of any of the Borrower's direct or indirect parent companies, in each case to present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) of the Borrower (or any of its direct or indirect parent companies) or any Subsidiary of the Borrower that occurs after the Closing Date; *provided* that such Stock or proceeds of such Stock will not increase the Available Equity Amount; *plus*

(ii) the cash proceeds of key man life insurance policies received by the Borrower or any Restricted Subsidiary after the Closing Date; less

(iii) the amount of any Restricted Payment previously made with the cash proceeds described in clauses (i) and (ii) above;

and *provided* , *further* , that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) of the Borrower (or any of its direct or indirect parent companies), or any Subsidiary of the Borrower in connection with a repurchase of Stock or Stock Equivalents of the Borrower or any of its direct or indirect parent companies will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement;

(c) so long as no Specified Default shall have occurred and be continuing or would result therefrom, the Borrower make Restricted Payments; *provided* that the amount of all such Restricted Payments paid from the Closing Date pursuant to this clause (c) shall not exceed an amount equal to (x) the Available Equity Amount at the time such Restricted Payments are paid *plus* (y) the Available Amount at the time such Restricted Payments are paid, *provided* that in respect of any Restricted Payments made in reliance of clause (ii) of the definition of Available Amount, no Event of Default shall have occurred and be continuing or would result therefrom;

(d) the Borrower may make Restricted Payments to any direct or indirect parent company of the Borrower in amount required for any such direct or indirect parent to pay, in each case without duplication:

(i) foreign, federal, state and local income Taxes for any taxable period in respect of which a consolidated, combined, unitary or affiliated return is filed by such direct or indirect parent that includes the Borrower and/or any of its Subsidiaries; *provided* that for purposes of this Section 10.6(d)(i), such Taxes shall be deemed to equal the amount that the Borrower and its Subsidiaries would be required to pay in respect of foreign, federal, state and local income Taxes if the Borrower were the parent of a standalone consolidated, combined, affiliated, unitary or similar tax group including its Subsidiaries (any such Restricted Payments, " **Tax Distributions** ");

(ii) (A) such parents' general operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties) to the extent such costs and expenses are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries and (to the extent of cash actually paid by Unrestricted Subsidiaries to the Borrower or its Restricted Subsidiaries for such purposes) Unrestricted Subsidiaries, (B) any indemnification claims made by directors or officers of the Borrower (or any parent thereof) to the extent such claims are attributable to the ownership or operation of the Borrower or any Restricted Subsidiary and (to the extent of cash actually paid by Unrestricted Subsidiaries to the Borrower or its Restricted Subsidiaries for such purposes) Unrestricted Subsidiaries or (C) fees and expenses otherwise due and payable by the Borrower (or any parent thereof) or any Restricted Subsidiary and not prohibited to be paid by the Borrower and its Restricted Subsidiaries hereunder;

(iii) franchise and excise Taxes and other fees, Taxes and expenses required to maintain the corporate existence of any direct or indirect parent of the Borrower;

(iv) to any direct or indirect parent of the Borrower to finance any Investment permitted to be made by the Borrower or any Restricted Subsidiary pursuant to Section 10.5; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets, Stock or Stock Equivalents) to be contributed to the Borrower or such Restricted Subsidiary or (2) the merger, amalgamation or consolidation (to the extent permitted in Section 10.5) of the Person formed or acquired into the Borrower or any Restricted Subsidiary, (C) the Borrower or such Restricted Subsidiary shall comply with Section 9.11, Section 9.12 and the Security Agreement to the extent applicable, (D) the aggregate amount of such Restricted Payments shall reduce the ability of the Borrower and the Restricted Subsidiary to make Investments under the applicable clauses of Section 10.5 by such amount and (E) any property received by the Borrower or the Restricted Subsidiaries in connection with such transaction shall only increase the Available Equity Amount to the extent the fair market value of such property as determined in good faith by the Board of Directors of the Borrower exceeds the aggregate amount of Restricted Payments made pursuant to this clause (iv);

(v) customary costs, fees and expenses (other than to Affiliates) related to any unsuccessful equity or debt offering or acquisition or Disposition payable by the Borrower or the Restricted Subsidiaries;

(vi) customary salary, bonus, severance and other benefits payable to officers, employees or consultants of any direct or indirect parent company of the Borrower to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Borrower, its Restricted Subsidiaries and (to the extent of cash actually paid by Unrestricted Subsidiaries to the Borrower or its Restricted Subsidiaries for such purposes) Unrestricted Subsidiaries;

(vii) AHYDO Catch-Up Payments with respect to Indebtedness of any direct or indirect parent of the Borrower; *provided* that the Net Cash Proceeds of such Indebtedness have been contributed to the Borrower as a capital contribution; and

(viii) expenses incurred by any direct or indirect parent of the Borrower in connection with any public offering or other sale of Stock or Stock Equivalents (including in respect of the listing of Avaya Holdings on the Closing Date) or Indebtedness (i) other than in connection with the listing of Avaya Holdings on the Closing Date, where the Net Cash Proceeds of such offering or sale are intended to be received by or contributed to the Borrower or a Restricted Subsidiary, (ii) in a pro-rated amount of such expenses in proportion to the amount of such Net Cash Proceeds intended to be so received or contributed or (iii) otherwise on an interim basis prior to completion of such offering so long as any direct or indirect parent of the Borrower shall cause the amount of such expenses to be repaid to the Borrower or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(e) Restricted Payments made to dissenting equityholders in connection with their exercise of appraisal rights or the settlement of any claim or actions with respect thereto in connection with any Permitted Acquisition or similar Investment permitted under Section 10.5 (other than Section 10.5(l));

(f) Restricted Payments consisting of or resulting from Liens, fundamental changes, Dispositions, Investments or other payments permitted by 10.2, 10.3 (other than Section 10.3(j)), 10.4 (other than Section 10.4(d)), 10.5 (other than Section 10.5(l)), 10.7 or 10.8, as applicable;

(g) the Borrower may repurchase Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) deemed to occur upon exercise of stock options or warrants if such Stock or Stock Equivalents represents a portion of the exercise price of such options or warrants, and the Borrower may pay Restricted Payments to any direct or indirect parent thereof as and when necessary to enable such parent to effect such repurchases;

(h) the Borrower may (i) pay cash in lieu of fractional shares in connection with any Restricted Payment, distribution, split, reverse share split, merger, consolidation, amalgamation or other combination thereof or any Permitted Acquisition, and any Restricted Payment to the Borrower's direct or indirect parent in order to effect the same and (ii) honor any conversion request by a holder of convertible Indebtedness and make cash payments in lieu of fractional shares in connection with any such conversion and may make payments on convertible Indebtedness in accordance with its terms;

(i) the Borrower may make any Restricted Payment within 60 days after the date of declaration thereof or giving irrevocable notice thereof, if at the date of declaration or notice such payment would have complied with the provisions of this Agreement;

(j) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Borrower may make Restricted Payments, so long as the aggregate amount of all such Restricted Payments in any Fiscal Year does not exceed 6% of the market capitalization of the Public Reporting Entity calculated on a trailing twelve month average basis;

(k) the Borrower may make Restricted Payments in an amount equal to withholding or similar Taxes payable or expected to be payable by present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) and any repurchases of Stock or Stock Equivalents in consideration of such payments including deemed repurchases in connection with the exercise of stock options;

(l) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Borrower may (or may make Restricted Payments to permit any direct or indirect parent thereof to) make Restricted Payments in an aggregate amount not to exceed $5 million per fiscal quarter;

(m) the Borrower may make payments described in Section 9.9 (other than Section 9.9(a) and Section 9.9(d) (to the extent expressly permitted by reference to Section 10.6));

(n) the Borrower may make Restricted Payments in connection with the Transactions or contemplated by the Plan;

(o) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Borrower may make Restricted Payments in amounts up to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(p) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Borrower may make Restricted Payments in an unlimited amount, *provided* that the Borrower shall be in compliance on a Pro Forma Basis with a Consolidated Total Net Leverage Ratio not greater than 2.3 to 1.0;

(q) Restricted Payments in respect of working capital adjustments or purchase price adjustments pursuant to any Permitted Acquisition or other Investment permitted hereunder and to satisfy indemnity and other similar obligations in connection with any Permitted Acquisition or other Investment permitted hereunder;

(r) the distribution, by dividend or otherwise, of shares of Stock or Stock Equivalents of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries or the proceeds thereof;

(s) [reserved]; and

(t) each Restricted Subsidiary may make Restricted Payments to the Borrower and other Restricted Subsidiaries of the Borrower (and, in the case of a Restricted Payment by a non-Wholly Owned Restricted Subsidiary, to the Borrower and any other Restricted Subsidiary, as compared to the other owners of Stock in such Restricted Subsidiary, on a pro rata or more than pro rata basis based on their ownership interests of the relevant class of Stock).

Notwithstanding the foregoing, no Restricted Payment consisting of or resulting from any transfer or other Disposition of any intellectual property by a Credit Party to a Subsidiary that is not a Credit Party may be made except pursuant to Section 10.6(f) solely in respect of Dispositions permitted by Section 10.4(c)(iii) (solely in respect of Investments permitted by the proviso to Section 10.5(w)), (e) or (g).

10.7 Limitations on Debt Prepayments and Amendments

(a) The Borrower will not, and will not permit the Restricted Subsidiaries to, voluntarily prepay, repurchase or redeem or otherwise defease prior to the schedule maturity thereof any Indebtedness (other than the ABL Obligations) that is subordinated in right of payment or lien to the Obligations with a principal amount in excess of $50,000,000 (the " **Junior Indebtedness** "), except that the Borrower and its Restricted Subsidiaries may (i) make payments of regularly scheduled principal and interest, (ii) make AHYDO Catch-Up Payments; (iii) prepay, repurchase or redeem or otherwise defease Junior Indebtedness in an aggregate principal amount from the Closing Date not in excess of the sum of (1) so long as no Event of Default shall have occurred and be continuing or would result therefrom, (I) the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) and (II) additional unlimited amounts so long as the Borrower shall be in compliance on a Pro Forma Basis with a Consolidated Total Net Leverage Ratio not greater than 2.3 to 1.0 *plus* (2) the Available Equity Amount at the time of such prepayment, repurchase, redemption or other defeasance *plus* (3) the Available Amount at the time of such prepayment, repurchase, redemption or other defeasance; *provided* that in respect of any prepayments, repurchases or redemptions or defeasances made in reliance of clause (ii) of the definition of Available Amount, no Event of Default shall have occurred and be continuing or would result therefrom; (iv) refinance Junior Indebtedness with any Refinancing Indebtedness, to the extent not required to prepay any Term Loans pursuant to Section 5.2(a); (v) convert, exchange, redeem, repay or prepay such Junior Indebtedness into, for or with, as applicable, Stock or Stock Equivalents of any direct or indirect parent of the Borrower (other than Disqualified Stock except as permitted hereunder); (vi) prepay, repurchase, redeem or otherwise defease Junior Indebtedness within 60 days of the applicable Redemption Notice if, at the date of any payment, redemption, repurchase, retirement, termination or cancellation notice in respect thereof (each, a " **Redemption Notice** "), such payment, redemption, repurchase, retirement, termination or cancellation would have complied with another provision of this Section 10.7(a); *provided* that such payment, redemption, repurchase, retirement, termination or cancellation shall reduce capacity under such other provision; (vii) repay or prepay intercompany subordinated Indebtedness (including under the Intercompany Subordinated Note) owed among the Borrower and/or the Restricted Subsidiaries, in either case unless a Specified Default has occurred and is continuing and the Borrower has received a written notice from the Collateral Agent instructing it not to make or permit any such repayment or prepayment; and (viii) transfer credit positions in connection with intercompany debt restructurings so long as such Indebtedness is permitted by Section 10.1 after giving effect to such transfer.

(b) The Borrower will not, and will not permit the Restricted Subsidiaries to waive, amend, or modify the definitive documentation in respect of any Junior Indebtedness with a principal amount in excess of $50,000,000, to the extent that any such waiver, amendment or modification, taken as a whole, would be adverse to the Lenders in any material respect; *provided* that this Section 10.7(b) would not prohibit a refinancing or replacement of such Indebtedness with Refinancing Indebtedness so long as (1) such Refinancing Indebtedness is permitted to be incurred under Section 10.1 and (2) the prepayment of such Junior Indebtedness is permitted under Section 10.7(a) above.

10.8 Limitation on Subsidiary Distributions

The Borrower will not, and will not permit any Restricted Subsidiary that is not a Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such

Restricted Subsidiary to (x) (i) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary that is a Guarantor on its Stock or Stock Equivalents or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to the Borrower or any Restricted Subsidiary that is a Guarantor, (y) make loans or advances to the Borrower or any Restricted Subsidiary that is Guarantor or (z) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary that is a Guarantor, except (in each case) for such encumbrances or restrictions (A) which the Borrower has reasonably determined in good faith will not materially impair the Borrower's ability to make payments under this Agreement when due or (B) existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Closing Date, including pursuant to this Agreement, the ABL Credit Documents and the related documentation and related Hedging Obligations and Cash Management Obligations;

(b) purchase money obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (x), (y) or (z) above on the property so acquired, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender (it being understood that such restriction shall not be permitted to apply to any property to which such restriction would not have applied but for such acquisition);

(c) Applicable Laws or any applicable rule, regulation or order, or any request of any Governmental Authority having regulatory authority over the Borrower or any of its Subsidiaries;

(d) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such agreement or instrument, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender (it being understood that such encumbrance or restriction shall not be permitted to apply to any property to which such encumbrance or restriction would not have applied but for such acquisition);

(e) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or Disposition of all or substantially all of the Stock or Stock Equivalents or assets of such Subsidiary and restrictions on transfer of assets subject to Liens permitted hereunder;

(f) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to Dispose of the assets securing such Indebtedness and (y) restrictions or encumbrances on transfers of assets subject to Liens permitted hereunder (but, with respect to any such Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Lien);

(g) restrictions or encumbrances on cash or other deposits or net worth imposed by customers under, or made necessary or advisable by, contracts entered into in the ordinary course of business;

(h) restrictions or encumbrances imposed by other Indebtedness or Disqualified Stock of Restricted Subsidiaries permitted to be incurred subsequent to the Closing Date pursuant to the provisions of Section 10.1;

(i) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture (including its assets and Subsidiaries) and the Stock or Stock Equivalents issued thereby;

(j) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(k) restrictions created in connection with any Permitted Receivables Financing or any Qualified Securitization Financing that, in the good faith determination of the Borrower, are necessary or advisable to effect such Permitted Receivables Financing or Qualified Securitization Financing, as the case may be;

(l) customary restrictions on leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to property interest, rights or the assets subject thereto;

(m) customary provisions restricting assignment or transfer of any agreement entered into in the ordinary course of business;

(n) restrictions contemplated by the Plan or created in connection with the consummation of the Transaction, including restrictions imposed by the PBGC Stipulation of Settlement; or

(o) any encumbrances or restrictions of the type referred to in clauses (x), (y) and (z) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, extensions, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (n) above; *provided* that such amendments, modifications, restatements, renewals, increases, extensions, supplements, refundings, extensions, replacements, restructurings or refinancings (x) are, in the good faith judgment of the Borrower, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, extension, restructuring, supplement, refunding, replacement or refinancing or (y) do not materially impair the Borrower's ability to pay its obligations under the Credit Documents as and when due (as determined in good faith by the Borrower);

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Borrower or any Restricted Subsidiary that is a Guarantor to other Indebtedness incurred by the Borrower or any Restricted Subsidiary that is a Guarantor shall not be deemed to constitute such an encumbrance or restriction.

10.9 Amendment of Organizational Documents

The Borrower will not, nor will the Borrower permit any Credit Party to, amend or otherwise modify any of its Organizational Documents in a manner that is materially adverse to the Lenders, except as required by Applicable Laws.

10.10 Permitted Activities

Holdings will not engage in any material operating or business activities; *provided* that the following and any activities incidental thereto shall be permitted in any event: (i) its ownership of the Stock of the Borrower, including receipt and payment of dividends and payments in respect of Indebtedness and other amounts in respect of Stock, (ii) the maintenance of its legal existence (including the ability to incur and pay, as applicable, fees, costs and expenses and taxes relating to such maintenance), (iii) the performance of its obligations with respect to the Transactions, the Credit Documents and any other documents governing Indebtedness permitted hereby, (iv) any public offering of its or its direct or indirect parent entity's common equity or any other issuance or sale of its or its direct or indirect parent entity's Stock, (v) financing activities, including the issuance of securities, incurrence of debt, receipt and payment of dividends and distributions, making contributions to the capital of the Borrower and guaranteeing the obligations of the Borrower and the Subsidiaries, (vi) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group and the provision of administrative and advisory services (including treasury and insurance services) to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, (vii) holding any cash or other property (but not operate any property), (viii) making and receiving of any dividends, payments in respect of Indebtedness or Investments permitted hereunder, (ix) providing indemnification to officers and directors, (x) activities relating to any Permitted Reorganization, (xi) activities related to the Plan and the consummation of the Transactions and activities contemplated thereby, (xii) merging, amalgamating or consolidating with or into any direct or indirect parent of Holdings (in compliance with the definition of "Holdings" in this Agreement), (xiii) repurchases of Indebtedness through open market purchases and Dutch auctions, (xiv) activities incidental to Permitted Acquisitions or similar Investments consummated by the Borrower and the Restricted Subsidiaries, including the formation of acquisition vehicle entities and intercompany loans and/or Investments incidental to such Permitted Acquisitions or similar Investments, (xv) any transaction with the Borrower or any Restricted Subsidiary to the extent expressly permitted under this Section 10, (xvi) making any AHYDO Catch-Up Payments, (xvii) paying any Taxes it is obligated to pay and (xviii) any activities incidental or reasonably related to the foregoing.

SECTION 11 Events of Default

Upon the occurrence of any of the following specified events (each an " **Event of Default** "):

11.1 Payments

The Borrower shall (a) default in the payment when due of any principal of the Term Loans, (b) default, and such default shall continue for more than five Business Days, in the payment when due of any interest on the Term Loans or (c) default, and such default shall continue for more than ten Business Days, in the payment when due of any Fees or any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, Etc.

Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be materially untrue on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation and warranty shall remain incorrect in any material respect for a period of thirty days after written notice thereof from the Administrative Agent to the Borrower; or

11.3 Covenants

Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(d)(i) (*provided* that notice of such default at any time shall timely cure the failure to provide such notice), Section 9.5 (solely with respect to the Borrower) or Section 10; or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement or any other Credit Document and such default shall continue unremedied for a period of at least 30 calendar days after receipt of written notice by the Borrower from the Administrative Agent; or

11.4 Default Under Other Agreements

(a) The Borrower or any Restricted Subsidiary shall (i) default in any payment with respect to any Indebtedness (other than any Indebtedness described in Section 11.1, Hedging Obligations or Indebtedness under any Permitted Receivables Financing) in excess of $100,000,000 in the aggregate for the Borrower and such Restricted Subsidiaries beyond the period of grace or cure and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the

observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (other than any agreement or condition relating to, or provided in any instrument or agreement, under which such Hedging Obligations or such Permitted Receivables Financing was created) beyond the period of grace or cure and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created, if the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its Stated Maturity; or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (other than any Hedging Obligations or Indebtedness under any Permitted Receivables Financing) or as a mandatory prepayment, prior to the Stated Maturity thereof; *provided* that clauses (a) and (b) above shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; *provided* , *further* , that this Section 11.4 shall not apply to (i) any Indebtedness if the sole remedy of the holder thereof following such event or condition is to elect to convert such Indebtedness into Stock or Stock Equivalents (other than Disqualified Stock) and cash in lieu of fractional shares, (ii) any such default that is remedied by or waived (including in the form of amendment) by the requisite holders of the applicable item of Indebtedness or contested in good faith by the Borrower or the applicable Restricted Subsidiary in either case, prior to acceleration of all the Term Loans pursuant to this Section 11 or (ii) any failure to perform or observe the ABL Financial Covenant unless and until the lenders under the ABL Credit Agreement have affirmatively declared all obligations thereunder to be immediately due and payable and terminated the ABL Obligations and such declaration has not been rescinded; or

11.5 Bankruptcy

Except as otherwise permitted under Section 10.3, (i) the Borrower or any Material Subsidiary shall commence a voluntary case, proceeding or action concerning itself under (a) Title 11 of the United States Code entitled “Bankruptcy,” or (b) in the case of any Foreign Subsidiary that is a Material Subsidiary, any domestic or foreign law relating to bankruptcy, judicial management, insolvency, reorganization, administration or relief of debtors in effect in its jurisdiction of incorporation, in each case as now or hereafter in effect, or any successor thereto (collectively, the “ **Bankruptcy Code** ”); (ii) an involuntary case, proceeding or action is commenced against the Borrower or any Material Subsidiary and the petition is not controverted within 60 days after commencement of the case, proceeding or action; (iii) an involuntary case, proceeding or action is commenced against the Borrower or any Material Subsidiary and the petition is not dismissed or stayed within 60 consecutive days after commencement of the case, proceeding or action; (iv) a custodian (as defined in the Bankruptcy Code), judicial manager, receiver, receiver manager, trustee, administrator or similar person is appointed for, or takes charge of, all or substantially all of the property of the Borrower or any Material Subsidiary; (v) the Borrower or any Material Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief

of debtors, dissolution, insolvency, administration or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or any Material Subsidiary; (vi) there is commenced against the Borrower or any Material Subsidiary any such proceeding or action that remains undismissed or unstayed for a period of 60 consecutive days; (vii) the Borrower or any Material Subsidiary is adjudicated insolvent or bankrupt; (viii) any order of relief or other order approving any such case or proceeding or action is entered; (ix) the Borrower or any Material Subsidiary suffers any appointment of any custodian, receiver, receiver manager, trustee, administrator or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 consecutive days; (x) the Borrower or any Material Subsidiary makes a general assignment for the benefit of creditors; or (xi) any corporate action is taken by the Borrower or any Material Subsidiary for the purpose of authorizing any of the foregoing; or

11.6 ERISA

(a) The occurrence of any ERISA Event; (b) there could result from any event or events set forth in clause (a) of this Section 11.6 the imposition of a Lien, the granting of a security interest, or a liability, or the reasonable likelihood of incurring a Lien, security interest or liability; and (c) such ERISA Event, Lien, security interest or liability will or would be reasonably likely to have a Material Adverse Effect; or

11.7 Guarantee

Any Guarantee provided by Holdings, the Borrower or any Material Subsidiary or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof) or any such Guarantor thereunder or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under the Guarantee; or

11.8 Security Agreement

The Security Agreement or any other material Security Document pursuant to which the assets of any Credit Party are pledged as Collateral or any material provision thereof shall cease to be in full force or effect in respect of a material portion of the Collateral (other than pursuant to the terms hereof or thereof or any defect arising as a result of acts or omissions of the Collateral Agent or any Lender which do not result from a material breach by a Credit Party of its obligations under the Credit Documents) or any grantor thereunder or any other Credit Party shall deny or disaffirm in writing such grantor's obligations under the Security Agreement or any other such Security Document; or

11.9 Judgments

One or more final judgments or decrees shall be entered against the Borrower or any Restricted Subsidiary involving a liability requiring the payment of $100,000,000 or more in the aggregate for all such final judgments and decrees for the Borrower and the Restricted Subsidiaries (to the extent not paid or covered by indemnity or insurance provided by a carrier that has not denied coverage) and any such final judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 consecutive days after the entry thereof; or

11.10 Change of Control

A Change of Control shall occur:

(a) then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent shall, at the written request of the Required Lenders, by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower, except as otherwise specifically provided for in this Agreement (*provided* that, if an Event of Default specified in Section 11.5 shall occur with respect to the Borrower, the result that would occur upon the giving of written notice by the Administrative Agent as specified below shall occur automatically without the giving of any such notice): (i) declare the principal of and any accrued interest and Fees in respect of any or all Term Loans and any or all Obligations owing hereunder and under any other Credit Document to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; (ii) direct the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Security Documents and (iii) enforce any and all of the Administrative Agent's rights under the Guarantee.

(b) Notwithstanding anything to the contrary contained herein, any Event of Default under this Agreement or similarly defined term under any other Credit Document, other than any Event of Default which cannot be waived without the written consent of each Lender directly and adversely affected thereby, shall be deemed not to be "continuing" if the events, act or condition that gave rise to such Event of Default have been remedied or cured (including by payment, notice, taking of any action or omitting to take any action) or have ceased to exist and the Borrower is in compliance with this Agreement and/or such other Credit Document.

11.11 Application of Proceeds

Any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default under Section 11.5 shall be applied in accordance with any Applicable Intercreditor Agreement. In the event that either (x) any Applicable Intercreditor Agreement directs the application with respect to such amount be made with reference to this Agreement or the other Credit Documents or (y) no Applicable Intercreditor Agreement is then in effect that is applicable to such amount, any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral), in each case, following any acceleration of the Obligations under this Agreement or any Event of Default under Section 11.5 shall be applied:

(i) 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 Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith and all amounts for which the Administrative Agent and Collateral Agent is entitled to indemnification pursuant to the provisions of any Credit Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(ii) Second, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including 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 highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(iii) Third, without duplication of amounts applied pursuant to clauses (i) and (ii) above, to the indefeasible payment in full in cash, *pro rata* , of interest and other amounts constituting Obligations hereunder (other than principal or premium) and any fees, premiums and scheduled periodic payments due under Secured Hedging Agreement and Secured Cash Management Agreements to the extent constituting Obligations and any interest accrued thereon (excluding any breakage, termination or other payments thereunder), in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(iv) Fourth, to the payment in full in cash, *pro rata* , of principal amount of the Obligations hereunder and any premium thereon and any breakage, termination or other payments under Secured Hedging Agreement or Secured Cash Management Agreements to the extent constituting Obligations; and

(v) Fifth, the balance, if any, to the person lawfully entitled thereto (including the applicable Credit Party or its successors or assigns) or as a court of competent jurisdiction may direct.

SECTION 12 The Agents

12.1 Appointment

(a) Each Secured Party (other than the Administrative Agent) hereby irrevocably designates and appoints the Administrative Agent as the agent of such Secured Party under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than this Section 12.1 and Sections 12.2, 12.9, 12.12 and 12.13, in each case, with respect to the Borrower) are solely for the benefit of the Agents and the other Secured Parties, and the Borrower shall not have any rights as a third party beneficiary of such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Agent shall have any duties or responsibilities, except those expressly set forth herein or in any other Credit Document, any fiduciary relationship with any other Secured Party or any agency or trust obligations with respect to any Credit Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against such Agent.

(b) The Secured Parties hereby irrevocably designate and appoint the Collateral Agent as the agent with respect to the Collateral, and each of the Secured Parties hereby irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall have no duties or responsibilities except those expressly set forth herein or in any other Credit Document, any fiduciary relationship with any of the other Secured Parties or any agency or trust obligations with respect to any Credit Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) Each of the Joint Lead Arrangers and Co-Managers, each in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

12.2 Delegation of Duties

The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, sub-agents or attorneys-in-fact selected by it in the absence of gross negligence or willful misconduct by such agents, sub-agents or attorneys-in-fact (as determined in the final judgment of a court of competent jurisdiction).

12.3 Exculpatory Provisions

(a) No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any of Holdings, the Borrower, any other Guarantor, any other Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document, or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of Holdings, the Borrower, any other Guarantor or any other Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any other Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof.

(b) Each Lender confirms to the Administrative Agent, the Collateral Agent, each other Lender and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance on the Administrative Agent, the Collateral Agent, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Agreement, (y) making Term Loans and other extensions of credit hereunder and under the other Credit Documents and (z) in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risks and (iii) has determined that entering into this Agreement and making Term Loans and other extensions of credit hereunder and under the other Credit Documents is suitable and appropriate for it.

(c) Each Lender acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Credit Documents, (ii) that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Lender or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Agreement based on such documents and information, as it has deemed appropriate and (iii) it will, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Lender or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own credit analysis and decision to take or not take action under, this Agreement and the other Credit Documents based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

(i) the financial condition, status and capitalization of the Borrower and each other Credit Party;

(ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Credit Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Credit Document;

(iii) determining compliance or non-compliance with any condition hereunder to the making of a Term Loan and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition; and

(iv) the adequacy, accuracy and/or completeness of any information delivered by the Administrative Agent, the Collateral Agent, any other Lender or by any of their respective Related Parties under or in connection with this Agreement or any other Credit Document, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Credit Document.

12.4 Reliance by Agents

The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex, electronic mail, or teletype message, statement, order or other document or instruction believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings and/or the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Term Loans; *provided* that none of the Administrative Agent or the Collateral Agent shall be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or Applicable Law.

12.5 Notice of Default

Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent, as applicable, has received written notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent or the Collateral Agent receives such a notice, it shall give notice thereof to the Lenders, the Administrative Agent or the Collateral Agent, as applicable. The Administrative Agent and the Collateral Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; *provided* that unless and until the Administrative Agent or the Collateral Agent, as applicable, shall have received such directions, the Administrative Agent or the Collateral Agent, as applicable, may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as is within its authority to take under this Agreement and otherwise as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable.

12.6 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders

Each Lender expressly acknowledges that none of the Administrative Agent, the Collateral Agent or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of Holdings, the Borrower, any other Guarantor or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender. Each Lender represents to Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of Holdings, the Borrower, each other Guarantor and each other Credit Party and made its own decision to make its Term Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, Collateral Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of Holdings, the Borrower, each other Guarantor and each other Credit Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, none of the Administrative Agent or the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of Holdings, the Borrower, any other Guarantor or any other Credit Party that may come into the possession of the Administrative Agent, the Collateral Agent or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 Indemnification

The Lenders agree to indemnify each Agent, each in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Term Loans in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Term Loans shall have been paid in full, ratably in accordance with their respective portions of the Term Loans in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Term Loans) be imposed on, incurred by or asserted against such Agent, including all fees, disbursements and other charges of counsel to the extent required to be reimbursed by the Credit Parties pursuant to Section 13.5, in any way relating to or arising out of the making of the Term Loans, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing (**SUBJECT TO THE PROVISOS BELOW, WHETHER OR NOT CAUSED BY OR ARISING IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE ORDINARY NEGLIGENCE OF THE INDEMNIFIED PERSON**); *provided* that no Lender shall be liable to any Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as

determined by a final judgment of a court of competent jurisdiction; *provided* , *further* , that no action taken in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur, be imposed upon, incurred by or asserted against the Administrative Agent or the Collateral Agent in any way relating to or arising out of the making of the Term Loans, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing (including at any time following the payment of the Term Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse such Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrower; *provided* that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; *provided* that in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's *pro rata* portion thereof; and *provided* , *further* , this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such Agent's gross negligence or willful misconduct (as determined by a final judgment of court of competent jurisdiction). The agreements in this Section 12.7 shall survive the payment of the Term Loans and all other amounts payable hereunder.

12.8 Agents in their Individual Capacities

Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with Holdings, the Borrower, any other Guarantor, and any other Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Term Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

12.9 Successor Agents

Each of the Administrative Agent and Collateral Agent may resign at any time by notifying the other Agent, the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Specified Default has occurred and is continuing, 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, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrower's consent); *provided* that if such Agent shall notify the Borrower and the Lenders that no qualifying Person (including as a result of the absence of consent of the Borrower) has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (x) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Secured Parties under any of the Credit Documents, the retiring Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed) and (y) all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders with (except after the occurrence and during the continuation of a Specified Default) the consent of the Borrower (not to be unreasonably withheld) appoint successor Agents as provided for above in this paragraph. Upon the acceptance of a successor's appointment as the Administrative Agent or Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, 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 Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 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 an Agent.

12.10 Withholding Tax

To the extent required by any Applicable Law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative

Agent or of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower (solely to the extent required by this Agreement) and without limiting the obligation of the Borrower to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

12.11 Administrative Agent May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Secured Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Secured Parties, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 4.1 and 13.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Secured Party or to authorize the Administrative Agent to vote in respect of the claim of any Secured Party in any such proceeding.

12.12 Intercreditor Agreements

Each of the Collateral Agent and the Administrative Agent is hereby authorized to enter into any Applicable Intercreditor Agreement contemplated hereby, and the parties hereto acknowledge that any such Applicable Intercreditor Agreement to which the Collateral Agent

and/or the Administrative Agent is a party are each binding upon them. Each Secured Party (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any such Applicable Intercreditor Agreement and (b) hereby authorizes and instructs the Collateral Agent and the Administrative Agent to enter into any such Applicable Intercreditor Agreement and to subject the Liens on the Collateral securing the Obligations to the provisions thereof. In addition, each Secured Party hereby authorizes the Collateral Agent and the Administrative Agent to enter into any other intercreditor arrangements to the extent required to give effect to the establishment of intercreditor rights and privileges as contemplated and required by Section 10.2 of this Agreement.

12.13 Security Documents and Guarantee; Agents under Security Documents and Guarantee

(a) Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Guarantee, the Collateral and the Security Documents, as applicable. Subject to Section 13.1, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may (or otherwise instruct the Collateral Representative to) execute any documents or instruments necessary to (x) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clauses (d), (g) and (l) of Section 10.2 or (y) enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement (including the Applicable Intercreditor Agreements). The Secured Parties hereby irrevocably agree that the Liens granted to the Collateral Agent by the Credit Parties on any Collateral shall be automatically released (i) upon the termination of this Agreement and the payment of all Obligations hereunder (except for Hedging Obligations in respect of any Secured Hedging Agreement, Cash Management Obligations in respect of Secured Cash Management Agreements and Contingent Obligations) and the termination of all Commitments, (ii) upon the sale or other Disposition of such Collateral (including as part of or in connection with any other sale or other Disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other Disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 13.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the Guarantee, (vi) as required to effect any sale or other Disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Security Documents and (vii) if such assets constitute Excluded Collateral. Any such release shall not in any manner discharge, affect or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to

the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Secured Parties hereby irrevocably agree that the Subsidiary Guarantors shall be automatically released from the Guarantee upon consummation of any transaction resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary or upon becoming an Excluded Subsidiary. The Lenders hereby authorize the Administrative Agent and the Collateral Agent, as applicable, and the Administrative Agent and the Collateral Agent agree to execute and deliver any instruments, documents, and agreements necessary or desirable or reasonably requested by the Borrower to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

(b) *Right to Realize on Collateral and Enforce Guarantee* . Anything contained in any of the Credit Documents to the contrary notwithstanding, Holdings, the Borrower, the Agents and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights and remedies hereunder and under the Guarantee may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Collateral Agent on behalf of the Secured Parties, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other Disposition, the Collateral Agent or any Secured Party may be the purchaser or licensor of any or all of such Collateral at any such sale or other Disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other Disposition. No holder of Hedging Obligations under Secured Hedging Agreements or Cash Management Obligations under Secured Cash Management Agreements shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Hedging Obligations under Secured Hedging Agreements or Cash Management Obligations under Secured Cash Management Agreements that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to or vote on, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedging Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

SECTION 13 Miscellaneous

13.1 Amendments, Waivers and Releases

Except as otherwise expressly set forth in the Credit Documents (including Section 2.10(e)), neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 13.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; *provided* , *however* , that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and *provided* , *further* , that no such waiver and no such amendment, supplement or modification shall:

(i) forgive or reduce any portion of any Term Loan or extend the final scheduled maturity date of any Term Loan or reduce the stated rate, or forgive any portion thereof, or extend the date for the payment of any principal, any interest or Fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Lender's Commitment, or increase the aggregate amount of the Commitments of any Lender, in each case without the written consent of each Lender directly and adversely affected thereby; *provided* that, in each case for purposes of this clause (i), a waiver of any condition precedent in Section 6 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment to the financial definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute an increase of any Commitment of a Lender, a reduction or forgiveness of any portion of any Term Loan or in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal or interest or an extension of the final maturity of any Term Loan, or the scheduled termination date of any Commitment; or

(ii) (x) reduce the percentages specified in the definition of the term "Required Lenders" without the consent of each Lender, or (y) consent to the assignment or transfer by Holdings or the Borrower of their respective rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3 or as contemplated by the definition of "Holdings"), alter the order of application set forth in Section 5.2(c) during the continuance of an Event of Default or Section 11.11 or change Section 13.8 or any other provision requiring pro rata sharing among the Lenders, in each case of this clause (y) without the written consent of each Lender directly and adversely affected thereby, or

(iii) amend, modify or waive any provision of Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent or any other former or current Agent to whom Section 12 then applies in a manner that directly and adversely affects such Person, or

(iv) release all or substantially all of the value of the Guarantors under the Guarantee (except as expressly permitted by the Guarantee or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents or this Agreement), in either case without the prior written consent of each Lender.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon Holdings, the Borrower, the applicable Credit Parties, such Lenders, the Administrative Agent and all future holders of the affected Term Loans. In the case of any waiver, Holdings, the Borrower, the applicable Credit Parties, the Lenders, the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, modification, supplement, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Term Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders, except as expressly provided for by this Agreement).

Notwithstanding the foregoing, in addition to any credit extensions and related Incremental Amendment(s) effectuated without the consent of Lenders in accordance with Section 2.14, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, Holdings and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and Commitments and the accrued interest and Fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Term Loans and Commitments. Notwithstanding the foregoing, except as otherwise set forth in clauses (i) through (iv) above, this Agreement may be amended, modified or supplemented with respect to any matter that only affects the Lenders under a particular Class of Term Loans and/or Commitments but not any other Class of Term Loans or Commitments upon the consent of Lenders holding more than 50% of the aggregate amount of Term Loans and Commitments of Term Loans in such Class.

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to (i) add syndication or documentation agents and make customary changes and references related thereto and (ii) if applicable, add or modify "parallel debt" language in any jurisdiction in favor of the Collateral Agent or add sub-agents, in each case under clauses (i) and (ii), with the consent of only the Borrower and the Administrative Agent, and in the case of clause (ii), the Collateral Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an Incremental Facility, Refinancing Facility or establish any Extension Series pursuant to Section 2.14 or Section 2.15 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any such incremental facility, refinancing facility or extension facility); (ii) no Lender's consent is required to effect any amendment or supplement to any Applicable Intercreditor Agreement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of such Applicable Intercreditor Agreement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to such Applicable Intercreditor Agreement as, in the good faith determination of the Administrative Agent and the Borrower, are required to effectuate the foregoing; *provided* that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Credit Document) may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent (A) to cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower), (B) to effect administrative changes of a technical or immaterial nature (as reasonably determined by the Administrative Agent and the Borrower), (C) to correct incorrect cross-references or similar inaccuracies, (D) to add benefit to all or any Class of Term Loans if adding such benefit is a condition to the incurrence of any Indebtedness permitted to be incurred under the Credit Documents or (E) for the purpose of causing any Incremental Term Loans to be fungible with any other existing Class of Term Loans; *provided* that in the case of clauses (A), (B) and (E) above, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; (iv) guarantees, collateral documents and related documents executed by the Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion if applicable, (A) 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, (B) as required by local law or advice of counsel 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 the Applicable Law or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents; and (v) the Credit Parties and the Collateral Agent, without the consent of any other Secured Party, shall be permitted to enter into amendments and/or supplements to any Security Documents in order to include customary provisions permitting the Collateral Agent to appoint sub-collateral agents or representatives to act with respect to Collateral matters thereunder in its stead.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time (and direct the Collateral Agent to grant such extensions) for the satisfaction of any of the requirements under Sections 9.11, Section 9.12 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of Holdings, the Borrower and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

13.2 Notices

Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile or other electronic transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or e-mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrower, the Administrative Agent, the Collateral Agent, to the address, facsimile number, e-mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, e-mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings, the Borrower, the Administrative Agent, the Collateral Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by e-mail, when delivered; *provided* that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

13.4 Survival of Representations and Warranties

All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Term Loans hereunder.

13.5 Payment of Expenses; Indemnification

The Borrower agrees, within thirty (30) days after written demand therefor (including documentation reasonably supporting such request), or, in the case of expenses of the type described in clause (a) below incurred prior to the Closing Date, on the Closing Date, (a) if the Closing Date occurs, to pay or reimburse the Agents and the Joint Lead Arrangers for all their reasonable and documented out-of-pocket costs and expenses incurred (i) in connection with the syndication, preparation, execution, delivery, negotiation and administration of this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith (including any amendment or waiver with respect thereto), and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable and documented fees, disbursements and other charges of Davis Polk & Wardwell LLP and to the extent reasonably necessary, one local counsel in each relevant material jurisdiction, excluding in each case allocated costs of in-house counsel and fees and solely to the extent the Borrower has consented to the retention of such other Person, expenses with respect to any other advisor or consultant, and (ii) upon the occurrence and during the continuation of an Event of Default, in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable and documented out-of-pocket fees, disbursements and other charges of Advisors (limited, in the case of Advisors, as set forth in the definition thereof), (b) to pay, indemnify, and hold harmless each Lender and each Agent from, any and all recording and filing fees and (c) to pay, indemnify, and hold harmless each Lender and each Agent and their respective Affiliates, and the directors, officers, partners, employees and agents of any of the foregoing, from and against any and all other liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable and documented out-of-pocket fees, disbursements and other charges of Advisors related to the Transactions or, with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law (other than by such indemnified person or any of its Related Parties (other than trustees and advisors)) or to any actual or alleged presence, release or threatened release into the environment of Hazardous Materials attributable

to the operations of Holdings, the Borrower, any of the Borrower's Subsidiaries or any of the Real Estate (all the foregoing in this clause (c), collectively, the "**indemnified liabilities**") (**SUBJECT TO THE PROVISO BELOW, WHETHER OR NOT CAUSED BY OR ARISING IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE ORDINARY NEGLIGENCE OF THE INDEMNIFIED PERSON**); *provided* that neither the Borrower nor any other Credit Party shall have any obligation hereunder to any Agent or any Lender or any of their respective Related Parties with respect to indemnified liabilities to the extent they result from (A) the gross negligence, bad faith or willful misconduct of such indemnified Person or any of its Related Parties as determined by a final non-appealable judgment of a court of competent jurisdiction, (B) a material breach of the obligations of such indemnified Person or any of its Related Parties under the Credit Documents as determined by a final non-appealable judgment of a court of competent jurisdiction, (C) disputes not involving an act or omission of Holdings, the Borrower or any other Credit Party and that is brought by an indemnified Person against any other indemnified Person, other than any claims against any indemnified Person in its capacity or in fulfilling its role as an Agent or any similar role under the Credit Facilities or (D) any settlement effected without the Borrower's prior written consent, but if settled with the Borrower's prior written consent (not to be unreasonably withheld, delayed, conditioned or denied) or if there is a final non-appealable judgment in any such proceeding, the Borrower will indemnify and hold harmless such indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with this Section 13.5. All amounts payable under this Section 13.5 shall be paid within 30 days of receipt by the Borrower of an invoice relating thereto setting forth such expense in reasonable detail. The agreements in this Section 13.5 shall survive repayment of the Term Loans and all other amounts payable hereunder.

No Credit Party nor any indemnified Person shall have any liability for any special, punitive, indirect or consequential damages resulting from this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (except, in the case of the Borrower's obligation hereunder to indemnify and hold harmless the indemnified Person, to the extent of any losses, claims, damages, liabilities and expenses incurred or paid by such indemnified Person to a third party unaffiliated with such indemnified Person). No indemnified Persons 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 Credit Documents or the transactions contemplated hereby or thereby, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of any indemnified Person or any of its Related Parties (as determined by a final non-appealable judgment of a court of competent jurisdiction). This Section 13.5 shall not apply to Taxes.

Each indemnified Person, by its acceptance of the benefits of this Section 13.5, agrees to refund and return any and all amounts paid by the Borrower (or on its behalf) to it if, pursuant to limitations on indemnification set forth in this Section 13.5, such indemnified Person was not entitled to receipt of such amounts.

13.6 Successors and Assigns; Participations and Assignments

(a) 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 (i) except as expressly permitted by Section 10.3, neither Holdings nor the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by Holdings or the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6. 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 clause (c) of this Section 13.6), to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) and (h) 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 Commitments and the Term Loans at the time owing to it) with the prior written consent (in each case, such consent not to be unreasonably withheld, delayed, conditioned or denied) of:

(A) the Borrower; *provided* that no consent of the Borrower shall be required for an assignment of Term Loans (1) to a Lender, an Affiliate of a Lender or an Approved Fund or (2) if a Specified Default has occurred and is continuing, to any other assignee; *provided* , *further* , that consent of the Borrower shall be deemed obtained if the Borrower has not denied its consent to the requesting party within 10 Business Days after receipt of written request thereof; and

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for any assignment of any Term Loan to (x) a Lender, an Affiliate of a Lender, an Approved Fund or (y) Holdings, the Borrower, a Restricted Subsidiary thereof or an Affiliated Parent Company otherwise in accordance with clause (g) below.

Notwithstanding the foregoing, no such assignment shall be made to (x) a natural person, (y) any investment vehicle established primarily for the benefit of a natural person or (z) a Disqualified Institution (*provided* that the prohibition in clause (z) shall not apply retroactively to disqualify any entity that has previously acquired an assignment or participation interest in the Term Loans to the extent such entity was not a Disqualified Institution at the time of the applicable assignment or participation, as the case may be), and any attempted assignment in violation of clauses (x)—(z) shall be null and void. For the avoidance of doubt, (i) the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the ascertaining, monitoring, inquiring or enforcing of the list of Persons who are Disqualified Institutions (or any provisions relating thereto) at any time, and shall have, and shall have no liability with respect to or arising out of any assignment or participation of any Term Loans to any Disqualified Institution and (ii) the Administrative Agent may share a list of Persons who are Disqualified Institutions with any Lender upon request.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Term Loans of any Class, the amount of the Commitment or Term 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), shall not be less than $1,000,000, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld, delayed, conditioned or denied); *provided* that no such consent of the Borrower shall be required if a Specified Default has occurred and is continuing; *provided* , *further* , that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(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; *provided* that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Term Loans;

(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 in the amount of $3,500; *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and the applicable tax forms as required under Section 5.4.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 13.6, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto 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 2.10, 2.11, 5.4 and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 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 clause (c) of this Section 13.6 (other than attempted assignments or transfers in violation of the last paragraph of Section 13.6(b)(i) above, which shall be null and void as provided above).

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office in the United States 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 amount (and stated interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the " **Register** "). Further, each Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent 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 Holdings, the Borrower, the Collateral Agent and any Lender (solely with respect to its own outstanding Term Loans and Commitments), at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 13.6 (unless waived) and any written consent to such assignment required by clause (b) of this Section 13.6, the Administrative Agent shall promptly accept such Assignment and Assumption and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of Holdings, the Borrower, the Administrative Agent, sell participations to one or more banks or other entities that are not (x) a natural person, (y) any investment vehicle established primarily for the benefit of a natural person or (z) a Disqualified Institution (*provided* that the prohibition in clause (z) shall not apply retroactively to disqualify any entity that has previously acquired an assignment or participation interest in the Term Loans to the extent such entity was not a Disqualified Institution at the time of the applicable assignment or participation, as the case may be) (each, a " **Participant** ") (and any such attempted sales to the Persons identified in clauses (x)—(z) above shall be null and void) (*provided* that the last sentence of Section 13.6(b)(i) shall apply) in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Term Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) Holdings, the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the monitoring or enforcing of the list of Disqualified Institutions with respect to the sales of participations at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment,

modification or waiver of any provision of this Agreement or any other Credit Document; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any consent, amendment, modification, supplement or waiver described in clause (i) or (iv) of the second proviso of the first paragraph of Section 13.1 that directly and adversely affects such Participant. Subject to clause (c)(ii) of this Section 13.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender, and *provided* that such Participant agrees to be subject to the requirements and limitations of those Sections and Sections 2.12 and 13.7(a) as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; *provided* that such Participant agrees to be subject to Section 13.8(a) as though it were a Lender. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 13.7 with respect to any Participant.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the 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 Term Loans (or other rights or obligations) held by it (the " **Participant Register** "). 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. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person 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.

(d) Any Lender may, without the consent of Holdings, the Borrower or the Administrative Agent, 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, and this Section 13.6 shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 13.16, the Borrower authorizes each Lender to disclose (other than to any Disqualified Institutions) to any Participant, secured creditor of such Lender or assignee (each, a " **Transferee** "), any prospective Transferee and any prospective direct or

indirect contractual counterparties to any swap or derivative transactions to be entered into in connection with or relating to Term Loans made hereunder any and all financial information in such Lender's possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender's credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(f) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a " **Granting Lender** ") may grant to a special purpose funding vehicle (an " **SPV** "), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Term Loan that such Granting Lender would otherwise be obligated to make the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPV to make any Term Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Term Loan, the Granting Lender shall be obligated to make such Term Loan pursuant to the terms hereof. The making of a Term Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Term Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 13.6, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Term Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and the Administrative Agent) other than a Disqualified Institution providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Term Loans and (ii) disclose on a confidential basis any non-public information relating to its Term Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 13.6(f) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement, (x) no SPV shall be entitled to any greater rights under Sections 2.10, 2.11 and 5.4 than its Granting Lender would have been entitled to absent the use of such SPV and (y) each SPV agrees to be subject to the requirements of Sections 2.10, 2.11, and 5.4 as though it were a Lender and has acquired its interest by assignment pursuant to clause (b) of this Section 13.6.

(g) Notwithstanding anything to the contrary contained herein, (x) any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans to any Affiliated Parent Company, Holdings, the Borrower or any Subsidiary thereof and (y) any Affiliated Parent Company, Holdings, the Borrower and any Subsidiary may, from time to time, purchase or prepay Term Loans, in each case, on a non *pro rata* basis through (1) Dutch auction procedures open to all applicable Lenders on a *pro rata* basis in accordance with customary procedures to be mutually agreed between the Borrower and the Auction Agent and as set forth in Exhibit K or (2) open market purchases; *provided* that:

(i) any Term Loans or Commitments acquired by Holdings, the Borrower or any Restricted Subsidiary shall be retired and cancelled immediately upon acquisition thereof;

(ii) no assignment of Term Loans to Holdings, the Borrower or any Restricted Subsidiary (x) may be purchased with the proceeds of any ABL Loans or (y) may occur while an Event of Default has occurred and is continuing hereunder;

(iii) in connection with each assignment pursuant to this Section 13.6(g), none of any Affiliated Parent Company, Holdings, the Borrower or any Subsidiary purchasing any Lender's Term Loans shall be required to make a representation that it is not in possession of MNPI with respect to any Public Reporting Entity, Holdings, Borrower and its Subsidiaries or their respective securities, and all parties to such transaction may render customary "big boy" letters to each other (or to the Auction Agent, if applicable);

(iv) (A) the aggregate outstanding principal amount of the Term Loans of the applicable Class shall be deemed reduced by the full par value of the aggregate principal amount of such Term Loans acquired by, or contributed to, any Affiliated Parent Company, Holdings, the Borrower or such Subsidiary and (B) any scheduled principal repayment installments with respect to the Term Loans of such Class occurring pursuant to Sections 2.5(b) and (c), as applicable, prior to the final maturity date for Term Loans of such Class, shall be reduced *pro rata* by the par value of the aggregate principal amount of Term Loans so purchased or contributed (and subsequently cancelled and retired), with such reduction being applied solely to the remaining Term Loans of the Lenders which sold or contributed such Term Loans;

(v) no Affiliated Lender shall have any right to (x) attend or participate in (including, in each case, by telephone) any meeting (including "Lender only" meetings) or discussions (or portion thereof) among the Administrative Agent or any Lender to which representatives of the Borrower are not then present or invited thereto, (y) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders or any other material which is "Lender only", except to the extent such information or materials have been made available to the Borrower or its representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Term Loans required to be delivered to Lenders pursuant to Section 2) or receive any advice of counsel to the Administrative Agent or (z) make any challenge to the Administrative Agent's or any other Lender's attorney-client privilege on the basis of its status as a Lender;

(vi) except with respect to any amendment, modification, waiver, consent or other action (a) that pursuant to Section 13.1 requires the consent of all Lenders, all Lenders directly and adversely affected or specifically such Lender, (b) that alters the applicable Affiliated Lender's *pro rata* share of any payments given to all Lenders, or (c) affects the applicable Affiliated Lender (in its capacity as a Lender) in a manner that is disproportionate to the effect on any Lender in the same Class, the Term Loans held by the applicable Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Lender vote (and, in the case of a plan of reorganization that does not affect the applicable Affiliated Lender in a manner that is adverse to such Affiliated Lender relative to other Lenders, such Affiliated Lender shall be deemed to have voted its interest in the Term Loans in the same proportion as the other Lenders in the same Class) (and shall be deemed to have been voted in the same percentage as all other applicable Lenders voted if necessary to give legal effect to this paragraph) (but, in any event, in connection with any amendment, modification, waiver, consent or other action, shall be entitled to any consent fee, calculated as if all of the applicable Affiliated Lender's Term Loans had voted in favor of any matter for which a consent fee or similar payment is offered); and

(vii) no such acquisition by an Affiliated Lender shall be permitted if, after giving effect to such acquisition, the aggregate principal amount of Term Loans of any Class held by Affiliated Lenders would exceed 25% of the aggregate principal amount of all Term Loans, of such Class outstanding at the time of such purchase; *provided* that to the extent any assignment to an Affiliated Lender would result in the aggregate principal amount of the applicable Term Loans held by Affiliated Lenders exceeding such 25% threshold at the time of such purchase, the purchase of such excess amount will be void *ab* initio.

Each Lender that sells its Term Loans pursuant to this Section 13.6 acknowledges and agrees that (i) Holdings and its Subsidiaries may come into possession of additional information regarding the Term Loans or the Credit Parties at any time after a repurchase has been consummated pursuant to an auction or open market purchase hereunder that was not known to such Lender at the time such repurchase was consummated and may be information that would have been material to such Lender's decision to enter into an assignment of such Term Loans hereunder (" **Excluded Information** "), (ii) such Lender will independently make its own analysis and determination to enter into an assignment of its Term Loans and to consummate the transactions contemplated by an auction notwithstanding such Lender's lack of knowledge of Excluded Information and (iii) none of the direct or indirect equityholders of Holdings or any of its respective Affiliates, or any other Person, shall have any liability to such Lender with respect to the nondisclosure of the Excluded Information.

This Section 13.6 shall be construed so that all Term Loans are at all times maintained in "registered form" within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations.

13.7 Replacements of Lenders under Certain Circumstances

(a) The Borrower shall be permitted (x) to replace any Lender with a replacement bank or institution or (y) terminate the Commitment of such Lender, as the case may be, and repay all Obligations of the Borrower due and owing to such Lender relating to the Term Loans and participations held by such Lender as of such termination date that (a) requests

reimbursement for amounts owing pursuant to Section 2.10 or Section 5.4 (or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Agent or Lender or to any Governmental Authority on account of any Agent or Lender pursuant to Section 5.4), (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken, (c) becomes a Defaulting Lender or (d) refuses to make an Extension Election pursuant to Section 2.15; *provided* that, solely in the case of the foregoing clause (x), (i) no Specified Default shall have occurred and be continuing at the time of such replacement, (ii) the Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Term Loans and other amounts (other than any disputed amounts), pursuant to Section 2.10, 2.11 or 5.4, as the case may be, owing to such replaced Lender prior to the date of replacement, (iii) the replacement bank or institution, if not already a Lender, an Affiliate of a Lender or an Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent (solely to the extent such consent would be required under Section 13.6), (iv) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (*provided* that the Borrower shall be obligated to pay the registration and processing fee referred to therein unless otherwise agreed) and (v) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a " **Non-Consenting Lender** ") has failed to consent to a proposed amendment, modification, supplement, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires the consent of either (i) all of the Lenders of the applicable Class or Classes directly and adversely affected or (ii) all of the Lenders of the applicable Class or Classes, and, in each case, with respect to which the Required Lenders (or Lenders holding the majority of outstanding loans or commitments in respect of the applicable Class or Classes, as applicable) or a majority (in principal amount) of the directly and adversely affected Lenders shall, in each such case, have granted their consent, then so long as no Event of Default then exists, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Term Loans and its Commitments hereunder (in respect of any applicable Class only, at the election of the Borrower) to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) or (y) terminate the Commitment of such Lender (in respect of any applicable Class only, at the election of the Borrower), and in the case of a Lender, repay all Obligations of the Borrower due and owing to such Lender relating to the Term Loans and participations held by such Lender as of such termination date; *provided* that: (a) all Obligations of the Borrower hereunder owing to such Non-Consenting Lender being replaced (in respect of any applicable Class only, at the election of the Borrower) shall be paid in full to such Non-Consenting Lender concurrently with such assignment, and (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof *plus* accrued and unpaid interest thereon. In connection with any such assignment, the Borrower, Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6.

(c) Nothing in this Section 13.7 shall be deemed to prejudice any right or remedy that Holdings or the Borrower may otherwise have at law or at equity.

13.8 Adjustments; Set-off

(a) Except as contemplated in Section 13.6 or elsewhere herein or in any other Credit Document, if any Lender (a " **Benefited Lender** ") shall at any time receive any payment of all or part of its Term Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or Collateral received by any other Lender, if any, in respect of such other Lender's Term Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Term Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; *provided* , *however* , that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by Applicable Law, each Lender shall have the right, without prior notice to Holdings, the Borrower, any such notice being expressly waived by Holdings, the Borrower to the extent permitted by Applicable Law but with the prior written consent of the Administrative Agent, upon any amount becoming due and payable by the Borrower hereunder (whether at the Stated Maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust, tax, fiduciary, employee health and benefits, pension, 401(k) and petty cash accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

13.9 Counterparts; Electronic Execution

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or any other Credit Document 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 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.

13.10 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.11 INTEGRATION

THIS WRITTEN AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT OF HOLDINGS, THE BORROWER, THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT AND THE LENDERS WITH RESPECT TO THE SUBJECT MATTER HEREOF, AND (1) THERE ARE NO PROMISES, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES BY HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT OR ANY LENDER RELATIVE TO SUBJECT MATTER HEREOF NOT EXPRESSLY SET FORTH OR REFERRED TO HEREIN OR IN THE OTHER CREDIT DOCUMENTS, (2) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES AND (3) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES; PROVIDED THAT THE SYNDICATION PROVISIONS AND THE BORROWER'S AND HOLDINGS' CONFIDENTIALITY OBLIGATIONS IN THE COMMITMENT LETTER SHALL REMAIN IN FULL FORCE AND EFFECT PURSUANT TO THE TERMS THEREOF.

13.12 GOVERNING LAW

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13.13 Submission to Jurisdiction; Waivers

Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by Applicable Law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 or at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or, in the case of the Administrative Agent, the Collateral Agent and the Lenders, shall limit the right to sue in any other jurisdiction;

(e) subject to the last paragraph of Section 13.5, waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final judgment in any 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 Applicable Law.

13.14 Acknowledgments

Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between Holdings and the Borrower, on the one hand, and the Administrative Agent, the Lenders and the other Agents on the other hand, and Holdings, the Borrower and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each of the Administrative Agent and the other Agents, is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for any of Holdings, the Borrower, any other Credit Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the Administrative Agent nor any other Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of Holdings, the Borrower or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or any other Agent has advised or is currently advising Holdings, the Borrower, the other Credit Parties or their respective Affiliates on other matters) and neither the Administrative Agent or other Agent has any obligation to Holdings, the Borrower, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit

Documents; (iv) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of Holdings, the Borrower and their respective Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and Holdings and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Holdings and the Borrower agree not to claim that the Administrative Agent or any other Agent has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Holdings, the Borrower or any other Affiliates, in connection with the transactions contemplated hereby or the process leading hereto.

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings and the Borrower, on the one hand, and any Lender, on the other hand.

13.15 WAIVERS OF JURY TRIAL

HOLDINGS, THE BORROWER, EACH AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.16 Confidentiality

The Administrative Agent, each other Agent and each Lender shall hold all non-public information furnished by or on behalf of Holdings, the Borrower or any Subsidiary of the Borrower in connection with such Person's evaluation of whether to become an Agent or Lender hereunder or obtained by such Lender, the Administrative Agent, or such other Agent pursuant to the requirements of this Agreement or in connection with any amendment, supplement, modification or waiver or proposed amendment, supplement, modification or waiver hereto (including any Incremental Amendment, Refinancing Amendment or Extension Amendment) or the other Credit Documents (" **Confidential Information** "), confidential; *provided* that the Administrative Agent, each other Agent and each Lender may make disclosure (a) as required by the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by Applicable Law, regulation or compulsory legal process (in which case such Lender, the Administrative Agent or such other Agent shall use commercially reasonable efforts to inform the Borrower promptly thereof to the extent lawfully permitted to do so (except with respect to any audit or examination conducted by bank accountants or any self-regulatory authority or governmental or regulatory authority exercising examination or regulatory authority)), (b) to such Lender's or the Administrative Agent's or such other Agent's attorneys, professional advisors, independent auditors, trustees or Affiliates involved in the Transactions on a "need to know" basis and who are made aware of and agree to comply with the provisions of this Section 13.16, in each case on a confidential basis (with such

Lender, the Administrative Agent or such other Agent responsible for such persons' compliance with this Section 13.16), (c) on a confidential basis to any bona fide prospective Lender, prospective participant or swap counterparty (in each case, other than a Disqualified Institution or a Person who the Borrower has affirmatively denied assignment thereto in accordance with Section 13.6), (d) to the extent requested by any bank regulatory authority having jurisdiction over a Lender or its Affiliates (including in any audit or examination conducted by bank accountants or any self-regulatory authority or governmental or regulatory authority exercising examination or regulatory authority), (e) to the extent such information: (i) becomes publicly available other than as a result of a breach of this Section 13.16 or other confidential or fiduciary obligation owed by the Administrative Agent, such other Agent or such Lender to the Borrower or its Affiliates or (ii) becomes available to the Administrative Agent, such other Agent or such Lender on a non-confidential basis from a source other than Holdings, the Borrower or any Subsidiary or on behalf of Holdings, the Borrower or any Subsidiary that, to the knowledge (after due inquiry) the Administrative Agent, such other Agent or such Lender, is not in violation of any confidentiality obligation owed to the Borrower or its Affiliates, (f) to the extent the Borrower shall have consented to such disclosure in writing (which may include through electronic means), (g) as is necessary in protecting and enforcing the rights of the Administrative Agent, such other Agent or such Lender with respect to this Agreement or any other Credit Document, (h) for purposes of establishing any defense available under Applicable Laws, including, without limitation, establishing a "due diligence" defense, (i) to the extent independently developed by the Administrative Agent, such other Agent or such Lender or any Affiliates thereof without reliance on confidential information, (j) on a confidential basis, to the rating agencies in consultation with the Borrower, (k) on a confidential basis, to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Term Loans or market data collectors, similar services providers to the lending industry and service providers to the Administrative Agent in connection with the administration and management of this Agreement and the Credit Documents and (l) to ClearPar ® or any other pricing settlement provider. Each Lender, the Administrative Agent and each other Agent agrees that it will not provide to prospective Transferees or to any pledgee referred to in Section 13.6 or to prospective direct or indirect contractual counterparties to any swap or derivative transactions to be entered into in connection with or relating to Term Loans made hereunder any of the Confidential Information unless such Person is advised of and agrees to be bound by the provisions of this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16.

13.17 Direct Website Communications

(a) Holdings and the Borrower may, at their option, provide to the Administrative Agent any information, documents and other materials that they are obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication (*provided* that such communications described in clauses (A)—(D) will be delivered pursuant to Section 13.2, including by e-mail) 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 or Event of 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 thereunder (all such non-excluded communications being referred to herein collectively as " **Communications** "), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at an email address separately identified by the Administrative Agent; *provided* that: (i) upon written request by the Administrative Agent, Holdings or the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) Holdings or the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of Holdings, the Borrower, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(b) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(c) Holdings and the Borrower further agree that the Agents may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the " **Platform** "), so long as the access to such Platform is limited (i) to the Agents, the Lenders or any bona fide potential Transferee and (ii) remains subject the confidentiality requirements set forth in Section 13.16.

(d) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. In no event shall any Agent or their Related Parties (collectively, the " **Agent Parties** " and each an " **Agent Party** ") have any liability to Holdings, the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Holdings', the Borrower's or any Agent's transmission of

Communications through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than trustees or advisors)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents (as determined in a final non-appealable judgment of a court of competent jurisdiction).

(e) The Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to Holdings, the Borrower, the Subsidiaries of the Borrower or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that Holdings or the Borrower has indicated contains only publicly available information with respect to Holdings, the Borrower and the Subsidiaries of the Borrower and their securities may be posted on that portion of the Platform designated for such public-side Lenders. If Holdings or the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to Holdings, the Borrower, the Subsidiaries of the Borrower and their securities. Notwithstanding the foregoing, Holdings and the Borrower shall use commercially reasonable efforts to indicate whether any document or notice contains only publicly available information.

13.18 USA PATRIOT Act

Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " **Patriot Act** "), it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

13.19 Payments Set Aside

To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

13.20 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the " **Judgment Currency** ") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the " **Agreement Currency** "), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under Applicable Law).

13.21 Cashless Rollovers

Notwithstanding anything to the contrary contained in this Agreement or in any other Credit Document, to the extent that any Lender extends the maturity date of, or replaces, renews or refinances, any of its then-existing Term Loans by way of an Incremental Amendment, an Extension Amendment, a Refinancing Amendment or any other amendment to this Agreement, in each case, to the extent such extension, replacement, renewal or refinancing is effected by means of a "cashless roll" by such Lender, such extension, replacement, renewal or refinancing shall be deemed to comply with any requirement hereunder or any other Credit Document that such payment be made "in Dollars", "in immediately available funds", "in cash" or any other similar requirement.

13.22 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[*Signature Page Follows*]

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.

AVAYA HOLDINGS CORP., as Holdings

By: /s/ John P. Sullivan
Name: John P. Sullivan
Title: Vice President - Finance and Corporate Treasurer

AVAYA INC., as Borrower

By: /s/ John P. Sullivan
Name: John P. Sullivan
Title: Vice President - Finance and Corporate Treasurer

[Signature page to Avaya Term Loan Credit Agreement]

GOLDMAN SACHS BANK USA,
as a Lender and as Administrative Agent
and Collateral Agent

By: /s/ Robert Ehudin
Name: Robert Ehudin
Title: Authorized Signatory

[Signature page to the Term Loan Credit Agreement]

EXHIBIT A
TO THE CREDIT AGREEMENT

FORM OF NOTICE OF [BORROWING][CONVERSION][CONTINUATION]

To: Goldman Sachs Bank USA, as Administrative Agent
200 West Street, 16th Floor
New York, New York 10282
Attention: SBD Operations
Fax: (212) 428-9270
Email: gs-sbdagency-borrowernotices@ny.email.gs.com

[ ], 201[ ] [1]

Reference is hereby made to the Term Loan Credit Agreement [to be] dated as of December [•], 2017 (as the same may be amended, restated, amended and restated, supplemented, refinanced or otherwise modified from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Borrower "), the lending institutions from time to time parties thereto, and Goldman Sachs Bank USA, as Administrative Agent and as Collateral Agent. Terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

The Borrower hereby gives notice to the Administrative Agent, pursuant to Section [2.3][2.6] of the Credit Agreement, that the undersigned hereby requests a [Borrowing][conversion][continuation] under the Credit Agreement and sets forth below the information relating to such [Borrowing][conversion][continuation] (the " Proposed [Borrowing][conversion][continuation] "):

(i) The Business Day of the Proposed [Borrowing][conversion][continuation] is _____, 20 __.

(ii) The Facility under which the Proposed [Borrowing][conversion][continuation] is requested is the _____Facility. [2]

(iii) The Type of Loans comprising the Proposed [Borrowing][conversion][continuation] is [ABR Loans][LIBOR Loans].

(iv) The aggregate amount of the Proposed [Borrowing][conversion][continuation] is [$] _____. [3]

---

1 Each Borrowing, each conversion of Term Loans from one Type to the other, and each continuation of LIBOR Loans must be received by the Administrative Agent (i) not later than 2:00 p.m. one Business Day (or with respect to the second Borrowing, three Business Days) prior to the requested date of any Borrowing or continuation of LIBOR Loans or any conversion of ABR Loans to LIBOR Loans and (ii) not later than 1:00 p.m. on the requested date of any Borrowing of ABR Loans.

2 Insert Class of proposed Borrowing, conversion or continuation (e.g., "Term Loan", "Extended Term Loan", "Incremental Term Loan").

3 Must be a minimum of $1,000,000 or a whole multiple of $500,000 in excess thereof for LIBOR Loans or a minimum of $500,000 or a whole multiple of $100,000 in excess thereof for ABR Loans.

[(v) The location and number of the Borrower's account to which funds are to be disbursed is:

Bank: _____

ABA #: _____

Account #: _____

Account Name: _____] [4]

(vi) [The initial Interest Period for each LIBOR Loan made as part of the Proposed Borrowing is _____month[s].] [5]

[At the time of each Borrowing and also after giving effect thereto (a) no Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by any Credit Party contained in any Credit Document shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of each such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).] [6]

Delivery of an executed counterpart of this Notice of [Borrowing][Conversion][Continuation] by telecopier shall be effective as delivery of an original executed counterpart of this Committed Loan Notice.

[*Rest of page left intentionally blank*]

4 To include for Borrowings after the Closing Date only.

5 To include for LIBOR Loans only. Interest Period shall, at the option of the Borrower, be a one, two, three or six or (if available to all relevant Lenders participating in the relevant Credit Facility) a twelve month period or a period of less than one month.

6 To include for Borrowings after the Closing Date only.

AVAYA INC.

By: _____
Name:
Title:

[Signature Page to Notice of [Borrowing][Conversion][Continuation]]

EXHIBIT B
TO THE CREDIT AGREEMENT

FORM OF PROMISSORY NOTE

$ _____ New York, New York

[_____, 20 __]

FOR VALUE RECEIVED, the undersigned, Avaya Inc., a Delaware corporation (the " Borrower "), hereby unconditionally promises to pay to [Term Loan Lender] or its registered assigns (the " Lender "), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of (a) [AMOUNT] [($[ ])], or, if less, (b) the aggregate unpaid principal amount, if any, of Term Loans made by the Lender to the Borrower under that certain Term Loan Credit Agreement, dated as of December [__], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "; capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement), among Avaya Holdings Corp., a Delaware corporation, the Borrower, the Lenders party thereto from time to time and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent.

The Borrower hereby further promises to pay interest on the unpaid principal amount of the Term Loan made by the Lender from the date of such Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's office or such other place as the Administrative Agent shall have specified. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) at the Default Rate. The Term Loans evidenced hereby are subject to prepayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

This promissory note (this " Promissory Note ") is one of the promissory notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. The Term Loans evidenced hereby are guaranteed and secured as provided therein and in the other Credit Documents.

The Borrower, for itself, its successors and assigns, hereby waives presentment, protest, demand and notice of any kind whatsoever in connection with of this Promissory Note.

All payments in respect of the principal of and interest on this Promissory Note shall be made to the Person recorded in the Register as the holder of this Promissory Note, as described more fully in Section 2.5(e) of the Credit Agreement, and such Person shall be treated as the Term Loan Lender hereunder for all purposes of the Credit Agreement.

THIS PROMISSORY NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[*Signature page follows*]

AVAYA INC.

By: _____
Name:
Title:

[Signature Page to Promissory Note]

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Term Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C
TO THE CREDIT AGREEMENT

FORM OF GUARANTEE

[See attached]

GUARANTEE

GUARANTEE dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, this " **Guarantee** "), is made by each of the signatories listed on the signature pages hereto and each of the other entities that becomes a party hereto pursuant to Section 19 (the " **Guarantors** " and each, individually, a " **Guarantor** "), in favor of Goldman Sachs Bank USA, as the Administrative Agent (as defined below) for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, the Company (as defined herein) is party to the Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " **Credit Agreement** ") among Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), Avaya, Inc., a Delaware corporation (the " **Company** "), the lending institutions from time to time parties thereto (the " **Lenders** "), and Goldman Sachs Bank USA, as Administrative Agent (in such capacity, the " **Administrative Agent** ") and as Collateral Agent (in such capacity, the " **Collateral Agent** "), and the other agents and entities party thereto, pursuant to which, among other things, the Lenders have severally agreed to make Term Loans to the Company (collectively, the " **Extensions of Credit** ") upon the terms and subject to the conditions set forth therein and Cash Management Banks or Hedge Banks may from time to time enter into Secured Cash Management Agreements and Secured Hedging Agreements;

WHEREAS, the Company is a wholly-owned Subsidiary of Holdings and each Guarantor (other than Holdings or the Company) (each, a " **Subsidiary Guarantor** ") is a direct or indirect Wholly Owned Domestic Subsidiary of the Company;

WHEREAS, each Guarantor acknowledges that it has derived or will derive substantial direct and indirect benefit from the making of the Extensions of Credit and the provision of the Secured Cash Management Agreements and Secured Hedge Agreements; and

WHEREAS, it is a condition precedent to the Closing Date under the Credit Agreement that the Guarantors shall have executed and delivered this Guarantee to the Administrative Agent;

NOW, THEREFORE, in consideration of the premises and agreements set forth herein and to induce (i) the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the respective Lenders to make their respective Extensions of Credit to the Company under the Credit Agreement, (ii) each Cash Management Bank to enter into Secured Cash Management Agreements and (iii) each Hedge Bank to enter into Secured Hedging Agreements, the Guarantors hereby agree with the Administrative Agent, for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following terms have the following meanings:

" **Qualified ECP Guarantor** " shall mean, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

" **Termination Date** " shall mean the earliest date on which all Obligations are repaid in full (except for Hedging Obligations in respect of any Secured Hedging Agreement, Cash Management Obligations in respect of Secured Cash Management Agreements and Contingent Obligations) and all Commitments are terminated.

(c) Sections 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8 and 1.11 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis* .

2. Guarantee.

(a) Subject to the provisions of Section 2(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations of anyone other than such Guarantor (including amounts that would become due but for operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)).

(b) Anything herein or in any other Credit Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Credit Documents shall in no event exceed the amount that can be guaranteed by such Guarantor under the Bankruptcy Code or any Applicable Laws relating to fraudulent conveyances, fraudulent transfers or the insolvency of debtors.

(c) Each Guarantor further agrees to pay any and all reasonable and documented out-of-pocket costs and expenses (including all reasonable and documented out-of-pocket fees, disbursements and other charges) of Advisors that may be paid or incurred by the Administrative Agent or the Collateral Agent or any other Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Guarantor under this Guarantee, in each case within thirty (30) days after written demand therefor and in accordance with, and subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the Credit Agreement.

(d) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any other Secured Party hereunder.

(e) No payment or payments made by the Company, any of the other Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any other Secured Party from the Company, any of the other Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, which shall, notwithstanding any such payment or payments, other than payments made by such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations, remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the occurrence of the Termination Date.

(f) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any other Secured Party on account of its liability hereunder, it will notify the Administrative Agent in writing that such payment is made under this Guarantee for such purpose, but the failure to notify the Administrative Agent of any such payment will not create a breach or default hereunder or result in any liability to such Guarantor.

3. Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder (including by way of set-off rights being exercised against it), such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who 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 5 hereof. The provisions of this Section 3 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent and the other Secured Parties, and each Subsidiary Guarantor shall remain liable to the Administrative Agent and the other Secured Parties up to the maximum liability of such Guarantor hereunder.

4. Right of Set-off. In addition to any rights and remedies of the Secured Parties provided by law, each Guarantor hereby irrevocably authorizes each Secured Party at any time and from time to time following the occurrence and during the continuance of an Event of Default, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to the extent permitted by Applicable Law, upon any amount becoming due and payable by such Guarantor hereunder (whether at stated maturity, by acceleration or otherwise) to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Guarantor. Each Secured Party shall notify such Guarantor promptly of any such set-off and the appropriation and application made by such Secured Party, provided that the failure to give such notice shall not affect the validity of such set-off and application.

5. No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or appropriation and application of funds of any of the Guarantors by the Administrative Agent or any other Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights (or if subrogated by operation of law, such Guarantor hereby waives such rights to the extent permitted by Applicable Law) of the Administrative Agent or any other Secured Party against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any other Secured Party for the payment of any of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, in each case, until the Termination Date. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to the Termination Date, such amount shall be held by such Guarantor for the Administrative Agent and the other Secured Parties and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in accordance with Section 11.11 of the Credit Agreement.

6. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Unless and until the Termination Date has occurred or, with respect to any Guarantor, such Guarantor shall be released in accordance with Section 7(c), each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, (a) any demand for payment of any of the Obligations made by the Administrative Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith, the Secured Cash Management Agreements and Secured Hedging Agreements, and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Secured Cash Management Agreement or Secured Hedging Agreement, the party thereto) may deem advisable from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of any of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any Guarantor, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on the Company or any Guarantor or any other Person, and any failure by the Administrative Agent or any other Secured Party to make any such demand or to collect any payments from the Company or any Guarantor or any other Person or any release of the Company or any Guarantor or any other Person shall not relieve any Guarantor in respect of which a demand or collection is not made or any Guarantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any other Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. Guarantee Absolute and Unconditional.

(a) To the fullest extent permitted by Applicable Law, each Guarantor waives any and all notice of the creation, contraction, incurrence, renewal, extension, amendment, waiver or accrual of any of the Obligations, and notice of or proof of reliance by the Administrative Agent or any other Secured Party upon this Guarantee or acceptance of this Guarantee. All Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended, waived or accrued, in reliance upon this Guarantee, and all dealings between the Company and any of the other Guarantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. To the fullest extent permitted by Applicable Law, each Guarantor waives diligence, promptness, presentment, protest and notice of protest, demand for payment or performance, notice of default or nonpayment, notice of acceptance and any other notice in respect of the Obligations or any part of them, and any defense arising by reason of any disability or other defense of the Company or any of the other Guarantors with respect to the Obligations (other than the defense that the Termination Date has occurred or release of such Guarantor in accordance with Section 12.13 of the Credit Agreement). Each Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement, any other Credit Document, any Secured Cash Management Agreement, or Secured Hedging Agreement, any of the Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any other Secured Party, (b) any defense, set-off or counterclaim (other than the defense that the Termination Date has occurred or release of such Guarantor in accordance with Section 12.13 of the Credit Agreement) that may at any time be available to or be asserted by the Company against the Administrative Agent or any other Secured Party or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of the Company for the Obligations, or of such Guarantor under this Guarantee, in bankruptcy or in any other instance (in each case, other than the occurrence of the Termination Date). When pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent and any other Secured Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Company or any Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any other Secured Party to pursue such other rights or remedies or to collect any payments from the Company or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the other Secured Parties against such Guarantor.

(b) This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof and shall inure to the benefit of the Administrative Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until the Termination Date.

(c) A Guarantor shall automatically be released from its obligations hereunder, and the Guarantee of such Guarantor shall be automatically released, under the circumstances described in Section 12.13 of the Credit Agreement.

8. Reinstatement. Notwithstanding anything to the contrary contained herein, this Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim. Each Guarantor agrees that the provisions of Sections 5.4 and 13.19 of the Credit Agreement shall apply to such Guarantor's obligations under this Guarantee.

10. Representations and Warranties; Covenants.

(a) Each Guarantor hereby represents and warrants that the representations and warranties set forth in Section 8 of the Credit Agreement as they relate to such Guarantor and in the other Credit Documents to which such Guarantor is a party, all of which are hereby incorporated herein by reference, are true and correct in all material respects as of the Closing Date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date), and the Administrative Agent and each other Secured Party shall be entitled to rely on each of them as if they were fully set forth herein; provided that on the Closing Date, each such Guarantor's representations and warranties under this Section 10(a) shall be limited to the Specified Representations.

(b) Each Guarantor hereby covenants and agrees with the Administrative Agent and each other Secured Party that, from and after the date of this Guarantee until the Termination Date, such Guarantor shall take, or shall refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Section 9 or Section 10 of the Credit Agreement and so that no Default or Event of Default, is caused by any act or failure to act of such Guarantor or any of its Restricted Subsidiaries.

11. Authority of the Administrative Agent.

(a) The Administrative Agent enters into this Guarantee in its capacity as agent for the Secured Parties from time to time. The rights and obligations of the Administrative Agent under this Guarantee at any time are the rights and obligations of the Secured Parties at that time. Each of the Secured Parties has (subject to the terms of the Credit Documents) a several entitlement to each such right, and a several liability in respect of each such obligation, in the proportions described in the Credit Documents. The rights, remedies and discretions of the Secured Parties, or any of them, under this Guarantee may be exercised by the Administrative Agent. No party to this Guarantee is obliged to inquire whether an exercise by the Administrative Agent of any such right, remedy or discretion is within the Administrative Agent's authority as agent for the Secured Parties.

(b) Each party to this Guarantee acknowledges and agrees that any changes (in accordance with the provisions of the Credit Documents) in the identity of the Persons from time to time comprising the Secured Parties gives rise to an equivalent change in the Secured Parties, without any further act. Upon such an occurrence, the Persons then comprising the Secured Parties are vested with the rights, remedies and discretions and assume the obligations of the Secured Parties under this Guarantee. Each party to this Guarantee irrevocably authorizes the Administrative Agent to give effect to the change in Lenders contemplated in this Section 11(b) by countersigning an Assignment and Acceptance.

(c) Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable to any party for any action taken or omitted to be taken by any of them under or in connection with this Guarantee or any other Credit Document (except for its or such other Person's own gross negligence, willful misconduct, bad faith or material breach of any Credit Document, each as determined in the final non-appealable judgment of a court of competent jurisdiction).

12. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to any Guarantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

13. Counterparts. This Guarantee may be executed by one or more of the parties to this Guarantee on any number of separate counterparts (including by facsimile or other electronic transmission (e.g. a "pdf" or "tif" file)), and all of said counterparts taken together shall be deemed to be originals and shall constitute one and the same instrument.

14. Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

15. Integration. This Guarantee, together with the Credit Agreement and the other Credit Documents, represents the agreement of each Guarantor, the Administrative Agent and the other Secured Parties with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Guarantors, the Administrative Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein, in the Credit Agreement or in the other Credit Documents.

16. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except in accordance with Section 13.1 of the Credit Agreement.

(b) Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 16(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or any Secured Party would otherwise have on any future occasion.

(c) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

17. Section Headings. The Section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

18. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Administrative Agent or as otherwise permitted by the Credit Agreement.

19. Additional Guarantors. Each Subsidiary of the Company that is required to become a party to this Guarantee pursuant to Section 9.11 of the Credit Agreement shall become a Guarantor, with the same force and effect as if originally named as a Guarantor herein, for all purposes of this Guarantee upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto or in such other form reasonably satisfactory to the Administrative Agent. The execution and delivery of any instrument adding an additional Guarantor as a party to this Guarantee shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guarantee.

20. WAIVER OF JURY TRIAL. EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

21. Submission to Jurisdiction; Waivers; Service of Process. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by Applicable Law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to (i) the Administrative Agent at its address set forth in Section 13.2 of the Credit Agreement or (ii) any Guarantor in care of the Company at the Company's address set forth in the Credit Agreement, and each Guarantor hereby irrevocably authorizes and directs the Company to accept such service on its behalf;

(d) agrees that nothing herein shall affect the right of any party hereto or any Secured Party to effect service of process in any other manner permitted by law or shall limit the right of any party hereto or any Secured Party to sue in any other jurisdiction;

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 21 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final judgment in any 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 Applicable Law.

Each Guarantor hereby irrevocably and unconditionally appoints the Company as its agent for service of process in any suit, action or proceeding with respect to this Guarantee and agrees that service of process in any such suit, action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Guarantor in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

22. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

23. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Guarantee in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable for the maximum amount of such liability that can be hereby incurred without rendering its obligations hereunder voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Each Qualified ECP Guarantor intends that this Section 23 constitute, and this Section 23 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

24. Swap Obligations. Notwithstanding anything to the contrary contained herein or in the other Credit Documents, if a Swap Obligation arises under a Master Agreement governing more than one "swap", the exclusion set forth in the definition of Excluded Swap Obligation in the Credit Agreement with respect to such Swap Obligation shall apply only to the portion of such Swap Obligation that is attributable to swaps for which this Guarantee or a security interest is or becomes illegal.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer or other representative as of the day and year first above written.

AVAYA HOLDINGS, CORP., as a Guarantor

By: _____
Name: _____
Title: _____

AVAYA INC., as a Guarantor

By: _____
Name: _____
Title: _____

AVAYA CALA INC.
AVAYA EMEA LTD.
AVAYA FEDERAL SOLUTIONS, INC.
AVAYA HOLDINGS LLC
AVAYA HOLDINGS TWO, LLC
AVAYA INTEGRATED CABINET SOLUTIONS LLC
AVAYA MANAGEMENT SERVICES INC.
AVAYA SERVICES INC.
AVAYA WORLD SERVICES INC.
OCTEL COMMUNICATIONS LLC
SIERRA ASIA PACIFIC INC.
TECHNOLOGY CORPORATION OF AMERICA, INC.
UBIQUITY SOFTWARE CORPORATION
VPNET TECHNOLOGIES, INC.
ZANG, INC.,

By: _____
Name: _____
Title: _____

GOLDMAN SACHS BANK USA, as Administrative Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature Page to Guarantee]

SUPPLEMENT (this " **Supplement** "), dated as of [ ], to the GUARANTEE dated as of [ ], 2017, among each of the Persons listed on the signature pages thereto (each such Person individually, a " **Guarantor** " and, collectively, the " **Guarantors** "), and Goldman Sachs Bank USA, as Administrative Agent for the benefit of the Secured Parties.

A. Reference is made to the Credit Agreement, dated as of October 3, 2016 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " **Credit Agreement** ") among Avaya Inc., a Delaware corporation (the " **Company** "), Avaya Holdings, Corp., a Delaware corporation (" **Holdings** "), the lending institutions from time to time parties thereto (the " **Lenders** "), Goldman Sachs Bank USA, as Administrative Agent and as Collateral Agent, and the other agents and entities from time to time party thereto.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Guarantee.

C. The Guarantors have entered into the Guarantee in order to induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Company under the Credit Agreement and to induce one or more Cash Management Banks or Hedge Banks to enter into Secured Cash Management Agreements and Secured Hedging Agreements.

D. Section 9.11 of the Credit Agreement and Section 19 of the Guarantee provide that additional Subsidiaries may become Guarantors under the Guarantee by execution and delivery of an instrument in the form of this Supplement. Each undersigned Subsidiary (each a " **New Guarantor** ") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Guarantor under the Guarantee in order to induce the Lenders to make additional Extensions of Credit, and to induce one or more Cash Management Banks or Hedge Banks to enter into Secured Cash Management Agreements and Secured Hedging Agreements, and as consideration for Extensions of Credit previously made.

Accordingly, the Administrative Agent and each New Guarantor agree as follows:

SECTION 1. In accordance with Section 19 of the Guarantee, each New Guarantor by its signature below becomes a Guarantor under the Guarantee with the same force and effect as if originally named therein as a Guarantor and each New Guarantor hereby (a) agrees to all the terms and provisions of the Guarantee applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date). Each reference to a Guarantor in the Guarantee shall be deemed to include each New Guarantor. The Guarantee is hereby incorporated herein by reference.

SECTION 2. Each New Guarantor represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to be an original and shall constitute one and the same instrument.

SECTION 4. Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Guarantee, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to each New Guarantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Guarantor and the Administrative Agent have duly executed this Supplement to the Guarantee as of the day and year first above written.

_____
, as a Guarantor

By: _____
Name: _____
Title: _____

GOLDMAN SACHS BANK USA, as Administrative Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT D
TO THE CREDIT AGREEMENT

FORM OF SECURITY AGREEMENT

[See attached]

TERM LOAN SECURITY AGREEMENT

among

AVAYA HOLDINGS CORP.,

AVAYA INC.,

the other Grantors from time to time party hereto

and

GOLDMAN SACHS BANK USA,

as Collateral Agent

Dated as of December 15, 2017

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TERM LOAN SECURITY AGREEMENT

THIS TERM LOAN SECURITY AGREEMENT dated as of December 15, 2017, among Avaya, Inc., a Delaware corporation (the " **Company** "), Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), each of the Subsidiaries of the Company listed on the signature pages hereto or that becomes a party hereto pursuant to Section 8.13 (each such entity being a " **Subsidiary Grantor** " and, collectively, the " **Subsidiary Grantors** "; the Subsidiary Grantors, the Company and Holdings are referred to collectively as the " **Grantors** "), and Goldman Sachs Bank USA, as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " **Collateral Agent** ") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, Holdings, the Company and the other Grantors have entered into that certain Term Loan Credit Agreement, dated as of the date hereof (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " **Credit Agreement** "), among the Company, Holdings, the lending institutions from time to time party thereto and the Collateral Agent;

WHEREAS, Holdings, the Company (other than with respect to its own Obligations) and each Subsidiary Grantor is a Guarantor;

WHEREAS, each Grantor acknowledges that it has or will derive substantial direct and indirect benefit from entering into the Credit Documents to which it is a party; and

WHEREAS, it is a condition precedent to the effectiveness of the transactions contemplated by the Credit Agreement that the Grantors shall have executed and delivered this Security Agreement to the Collateral Agent;

NOW, THEREFORE, in consideration of the premises and to induce (i) the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the respective Lenders to make their respective extensions of credit to the Company under the Credit Agreement, (ii) each Cash Management Bank to enter into Secured Cash Management Agreements and (iii) each Hedge Bank to enter into Secured Hedging Agreements with the Company and/or its Subsidiaries, the Grantors hereby agree with the Collateral Agent, for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement (if in effect as of any date of determination).

(b) Terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC, including the following terms (which are capitalized herein): Account, Certificated Securities, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Money and Supporting Obligations.

(c) The following terms shall have the following meanings:

" **Collateral** " shall have the meaning provided in Section 3.

" **Collateral Account** " shall mean any collateral account established by the Collateral Agent as provided in Section 6.1(b) or Section 6.4.

" **Collateral Agent** " shall have the meaning provided in the preamble to this Security Agreement.

" **Copyright License** " shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by any Grantor (including all Copyrights) or that any Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

" **Copyrights** " shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all copyrights, whether as author, assignee, transferee or otherwise, including copyrights in Software, and (ii) all registrations and applications for registration of any such copyright, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office or similar offices in any other jurisdiction, including those U.S. registered copyrights owned by any Grantor and listed on Schedule 1.

" **Credit Agreement** " shall have the meaning provided in the preamble to this Security Agreement.

" **Excluded Accounts** " shall have the meaning assigned to such term in the ABL Credit Agreement.

" **Grantor** " shall have the meaning assigned to such term in the recitals hereto.

" **Intellectual Property** " shall mean all intellectual property, including all (i) (a) Patents, inventions, processes, developments, technology and know-how; (b) Copyrights; (c) Trademarks; (d) Trade Secrets; (e) Licenses; (f) proprietary rights in Software, data, databases and proprietary rights in confidential or non-public information; and (g) all other intellectual property rights, and (ii) all rights, priorities and privileges related thereto and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all Proceeds therefrom.

" **Lenders** " shall mean the lending institutions from time to time parties to the Credit Agreement.

“ **License** ” shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is a party.

“ **Patent License** ” shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Grantor (including all Patents) or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

“ **Patents** ” shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all patents, all registrations and recordings thereof, and all applications for patents, including issuances, recordings and pending applications in the United States Patent and Trademark Office or similar offices in any other jurisdiction, and (b) all reissues, reexaminations, continuations, divisions, continuations-in-part, or extensions thereof, and the inventions, discoveries or designs disclosed or claimed therein, including, those U.S. patents and applications therefor owned by any Grantor and listed on Schedule 2.

“ **Pledged Debt** ” shall have the meaning provided in Section 2.

“ **Pledged Collateral** ” shall have the meaning provided in Section 2.

“ **Pledged Interest** ” shall have the meaning provided in Section 2.

“ **Pledged Shares** ” shall have the meaning provided in Section 2.

“ **Proceeds** ” shall mean all “proceeds” as such term is defined in Article 9 of the UCC and, in any event, shall include with respect to any Grantor, any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Collateral Agent, (b) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor included in the Collateral, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor included in the Collateral or injury to the goodwill associated with or symbolized thereby, (iii) past, present or future infringement of any Copyright included in the Collateral now or hereafter owned by any Grantor, (iv) past, present or future misappropriation or violation of any other Intellectual Property included in the Collateral now or hereafter owned by any Grantor, or (v) past, present or future breach of any License included in the Collateral now or hereafter to which any Grantor is a party, and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

" **Security Agreement** " shall mean this Term Loan Security Agreement, as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time.

" **Security Interest** " shall have the meaning provided in Section 3.

" **Software** " shall mean computer programs, object code, source code and supporting documentation, including, without limitation, "software" as such term is defined in UCC and computer programs that may construed as included in the definition of "goods" in the UCC, together with all media upon which it is located.

" **Termination Date** " shall mean the earliest date on which all Obligations are repaid in full (except for Hedging Obligations in respect of any Secured Hedging Agreement, Cash Management Obligations in respect of Secured Cash Management Agreements and Contingent Obligations) and all Commitments are terminated.

" **Trade Secrets** " shall mean any trade secrets or other proprietary and confidential information, including unpatented inventions, invention disclosures, engineering or other technical data, financial data, procedures, know-how, designs personal information, supplier lists, customer lists, business, production or marketing plans, formulae, methods (whether or not patentable), processes, compositions, schematics, ideas, algorithms, techniques, analyses, proposals, source code, object code and data collections.

" **Trademark License** " shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by any Grantor (including any Trademark) or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

" **Trademarks** " shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all trademarks, service marks, trade names, brand names, domain names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, logos, other source or business identifiers and designs, now existing or hereafter adopted or acquired, all registrations and recordings thereof (if any), and all registration and applications filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other jurisdiction, and all extensions or renewals thereof, and (ii) all goodwill associated therewith or symbolized thereby, including those U.S. registered trademarks and applications therefor owned by any Grantor and listed on Schedule 3 hereto.

" **ULC** " shall have the meaning provided in Section 2(c).

" **ULC Interests** " shall have the meaning provided in Section 2(c).

" **Uniform Commercial Code** " or " **UCC** " shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that,

by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

(d) Sections 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8 and 1.11 of the Credit Agreement (as in effect on the date hereof) are incorporated herein by reference, *mutatis mutandis* .

2. Pledge of Debt and Equity.

(a) Each Grantor hereby collaterally assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties a lien on and security interest in (the " **Pledged Interest** "), all of its right, title and interest in, to and under all of the following, whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations:

(i) the Stock and Stock Equivalents described in Schedule 4 hereto and issued by the entities named therein (such Stock and Stock Equivalents are, together with any Stock and Stock Equivalents of the issuer thereof or any other Subsidiary directly held or acquired by any Grantor in the future, in each case subject to the terms herein, referred to collectively herein as the " **Pledged Shares** ") held by such Grantor and the certificates or instruments, if any, representing such Pledged Shares and any interest of such Grantor in the entries on the books of the issuer of the Pledged Shares or any financial intermediary pertaining to the Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(ii) the Indebtedness described in Schedule 5 hereto (together with any other Indebtedness owed to any Grantor in the future and required to be pledged pursuant to the applicable provisions of the Credit Agreement, the " **Pledged Debt** ") and the debt securities, promissory notes or any other instruments evidencing the Pledged Debt owed to such Grantor, and all principal, interest, cash, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Debt; and

(iii) to the extent not covered by clauses (i) and (ii) above, respectively, all Proceeds of any or all of the items set forth in clauses (i) and (ii) above (collectively, the " **Pledged Collateral** ").

Notwithstanding the foregoing or anything else to the contrary herein, the Collateral shall not include any Excluded Stock and Stock Equivalents or any other Excluded Collateral; provided, however, that the Collateral shall include any Proceeds, substitutions or replacements of any

Excluded Stock and Stock Equivalents or any Excluded Collateral to the extent they would otherwise constitute Collateral. The Grantors shall not be required to take any action intended to cause " **Excluded Collateral** " to constitute Collateral and none of the covenants or representations and warranties herein shall be deemed to apply to any property constituting Excluded Collateral.

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, subject to the terms and conditions set forth herein.

(b) Subject to any applicable limitations in the Credit Agreement, Guarantee or any Applicable Intercreditor Agreement:

(i) Each Grantor agrees promptly (but in any event with respect to Pledged Shares owned on the Closing Date, within the time period and subject to the conditions set forth in Section 6.2 of the Credit Agreement and in the case of Pledged Shares obtained after the date hereof, within 60 days after receipt by such Grantor or such longer period as the Collateral Agent may agree in its reasonable discretion) to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, any and all (A) certificates or instruments representing the Pledged Shares and (B) to the extent required to be delivered pursuant to paragraph (ii) below, the debt securities, promissory notes or any other instruments evidencing the Pledged Debt.

(ii) Each Grantor will cause any Indebtedness for borrowed money having an aggregate principal amount in excess of (i) $10,000,000 individually or (ii) when aggregated with all other such Instruments for which this clause has not been satisfied, $50,000,000 in the aggregate owed to such Grantor by any Person to be evidenced by a duly executed promissory note that is pledged and delivered to the Collateral Agent (except to the extent already represented by any note previously delivered to the Collateral Agent), for the benefit of the Secured Parties, pursuant to the terms hereof.

All certificates, documents or other instruments, if any, representing or evidencing the Pledged Collateral shall be delivered (i) to and held by or on behalf of the Collateral Agent pursuant hereto and (ii) in suitable form for transfer or assignment by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. Upon reasonable written request by a Grantor, the Collateral Agent shall promptly return any instruments evidencing Pledged Debt to such Grantor from time to time (x) to the extent necessary for collection of the debt evidenced thereby in the ordinary course of such Grantor's business, or (y) in connection with the cancellation or the payment in full of the amounts due or performance of the obligations evidenced by such instrument. Each delivery of Pledged Collateral shall be accompanied by a schedule describing the Pledged Collateral, which schedule shall be deemed to supplement Schedule 4 or Schedule 5, as applicable, and made a part hereof; *provided* that failure to supplement such Schedules shall not affect the validity of such pledge of such Pledged Collateral. Each schedule so delivered shall supplement any prior schedules so delivered.

(c) Notwithstanding the foregoing, any Grantor that controls any interest (for the purposes of this Section, " **ULC Interests** ") in any unlimited liability company (for the purposes of this Section, a " **ULC** ") pledged hereunder shall remain registered as the sole registered and beneficial owner of the ULC Interests and will remain as registered and beneficial owner until such time as the ULC Interests are effectively transferred into the name of the Collateral Agent or any other person on the books and records of the ULC. Nothing in this Agreement is intended to or shall constitute the Collateral Agent or any person other than the ULC a shareholder or member of such ULC until such time as notice is given to the ULC and further steps are taken thereunder so as to register the Collateral Agent or any other person as the holder of such ULC Interests. To the extent any provision hereof would have the effect of constituting the Collateral Agent or any other person as a shareholder or member of an unlimited liability company prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC Interests without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Pledged Collateral which are not ULC Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC Interests following the occurrence and during the continuance of an Event of Default hereunder, each Grantor shall not cause or permit, or enable any ULC in which it holds ULC Interests to cause or permit, the Collateral Agent to: (i) be registered as shareholders or members of such ULC; (ii) have any notation entered in their favor in the share register of such ULC; (iii) be held out as shareholders or members of such ULC; (iv) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Collateral Agent holding a security interest in such ULC; or (v) to act as a shareholder or member of such ULC, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, such ULC.

3. Grant of Security Interest.

(a) Each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a lien on and security interest in (together with the Pledged Interest, the " **Security Interest** ") in all of its right, title and interest in, to and under all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively and together with the Pledged Collateral, the " **Collateral** "), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations:

(i) all Accounts;

(ii) all cash and Cash Equivalents;

(iii) all Chattel Paper;

(iv) all Deposit Accounts;

(v) all Documents;

(vi) all Equipment and Fixtures;

(vii) all General Intangibles;

(viii) all Instruments;

(ix) all Intellectual Property;

(x) all Inventory;

(xi) all Investment Property;

(xii) all Supporting Obligations;

(xiii) all Collateral Accounts;

(xiv) all Goods;

(xv) all Money;

(xvi) all Receivables and Receivable records;

(xvii) all Securities Accounts;

(xviii) all Commercial Tort Claims;

(xix) all Letter of Credit Rights;

(xx) all books and records pertaining to any and all of the foregoing; and

(xxi) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

Notwithstanding the foregoing or anything else to the contrary herein, the Collateral (and any defined term used in the definition thereof) shall not include any Excluded Accounts or any Excluded Collateral; provided, however, that the Collateral shall include any Proceeds, substitutions or replacements of Excluded Accounts or Excluded Collateral to the extent they would otherwise constitute Collateral. The Grantors shall not be required to take any action intended to cause Excluded Accounts or Excluded Collateral to constitute Collateral and none of the covenants or representations and warranties herein shall be deemed to apply to any property constituting Excluded Accounts or Excluded Collateral.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to (subject to the limitations described in

Section 4.2(c)) perfect the Security Interests of the Collateral Agent under this Security Agreement, and such financing statements and amendments may describe the Collateral covered thereby as "all assets", "all personal property" or words of similar effect. Each Grantor hereby also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements.

Subject to the limitations contained herein and in the Credit Agreement, each Grantor hereby agrees to provide to the Collateral Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 3(b).

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office (or any successor office) or United States Copyright Office (or any successor office), as applicable, with the signature of each applicable Grantor (not to be unreasonably withheld, conditioned or delayed), such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted hereunder by each Grantor and naming any Grantor or the Grantors as debtors and the Collateral Agent (for the benefit of the Secured Parties), as the case may be, as secured party.

The Security Interests are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral, unless the Collateral Agent has, in each case in writing, expressly (i) assumed such obligations or liabilities and (ii) released the Grantors from such obligations and liabilities.

4. Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each Secured Party that:

4.1 Title; No Other Liens; Authority.

(a) Except for (a) the Security Interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement and (b) the other Liens permitted under the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. To the knowledge of such Grantor, no security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement, or (ii) are permitted by the Credit Agreement.

(b) Each of the Grantors has the power and authority to grant and pledge the Security Interest in the Collateral granted and pledged by it hereunder in the manner hereby done or contemplated.

4.2 Perfected Liens.

(a) Subject to the qualifications set forth in Section 6.2 of the Credit Agreement, with respect to each Grantor, this Security Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid and enforceable Security Interests in the Collateral, to the extent required under this Security Agreement, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and principles of good faith and fair dealing.

(b) Subject to the limitations set forth in clause (c) of this Section 4.2, the Security Interests granted pursuant to this Security Agreement (i) will constitute valid and perfected Security Interests in the Collateral (to the extent perfection may be obtained by the filings or other actions described in clause (A), (B), (C) or (D) of this paragraph) in favor of the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the Obligations, as a result of (A) the completion of the filing in the applicable filing offices of all financing statements, in each case, naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral, (B) with respect to Instruments, Chattel Paper, Investment Property, Certificated Securities and negotiable Documents in each case that constitute Collateral, delivery to the Collateral Agent (or its bailee) of all Instruments, Chattel Paper, Investment Property, Certificated Securities and negotiable Documents in each case, properly endorsed for transfer to the Collateral Agent or in blank, (C) with respect to Deposit Accounts and Securities Accounts, execution of account control agreements in favor of the Collateral Agent (or in favor of any other Person acting as gratuitous bailee on behalf of the Secured Parties pursuant to the terms of the Applicable Intercreditor Agreements) and (D) with respect to registered Intellectual Property, completion or recordation of the filing, registration and recording of a fully executed agreement substantially in the form hereof (or a supplement hereto) and containing a description of all Collateral constituting registered Patents and Trademarks in the United States Patent and Trademark Office (or any successor office) within a three month period (commencing as of the date hereof) or, with respect to Collateral constituting United States Patents and United States registered Trademarks acquired after the date hereof, within three months thereafter, and all Collateral constituting registered Copyrights in the United States Copyright Office (or any successor office) within a one month period (commencing as of the date hereof) or, with respect to Collateral constituting registered United States Copyrights acquired after the date hereof, within one month thereafter pursuant to 35 USC § 261, 15 USC § 1060 or 17 USC § 205 and the regulations thereunder, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction to the extent that a security interest may be perfected by such filings, registrations and recordings, and (ii) are prior to all other Liens on the Collateral other than Liens permitted under Section 10.2 of the Credit Agreement.

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to, nor shall the Collateral Agent be authorized (i) to perfect the Security Interests granted hereunder by any means other than by (A) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar central filing office) of the relevant State(s) or as required pursuant to Section 3(b), (B) filings in United States government offices with respect to Intellectual Property as expressly required herein and under the Credit Agreement or (C) delivery

to the Collateral Agent, for its possession, of all Pledged Collateral as required pursuant to Section 2, (ii) to enter into any control agreement with respect to any deposit account, securities account or commodities account or contract (other than for which control agreements are required to be obtained or for which the ABL Collateral Agent has obtained control, in each case, to the extent required by the ABL Credit Documents; *provided* that in such case, the ABL Collateral Agent will act as the agent for perfection on behalf of the Secured Parties without causing the Collateral Agent to become a party to such control agreements), (iii) to take any action in any non-U.S. jurisdiction or pursuant to the requirements of the laws of any non-U.S. jurisdiction in order to create any security interests or to perfect any security interests, including with respect to any Intellectual Property registered outside of the United States (it being understood that there shall be no security agreements or pledge agreements governed by the laws of any non-U.S. jurisdiction), (iv) except as expressly set forth above, to take any other action with respect to any Collateral to perfect through control agreements or to otherwise perfect by "control" or (v) to provide any notice to obtain the consent of governmental authorities under the Federal Assignment of Claims Act (or any state equivalent thereof).

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses.

4.3 Pledged Collateral,

(a) Schedule 4 and Schedule 5, as applicable, hereto (i) correctly represent as of the date hereof (A) the issuer, the certificate number, if applicable, the Grantor and the record and beneficial owner, the number and class and the percentage of the issued and outstanding Stock and Stock Equivalents of such class of all Pledged Shares and (B) the issuer, the initial principal amount, the Grantor and holder, date of issuance and the maturity date of all Pledged Debt and (ii) together with the comparable schedule to each supplement hereto, include all (x) Stock and Stock Equivalents and (y) debt securities, promissory notes and other debt instruments required to be pledged hereunder. Except as set forth on Schedule 4 and except for Excluded Stock and Stock Equivalents, the Pledged Shares represent all of the issued and outstanding Stock and Stock Equivalents in the issuer owned by a Grantor on the date hereof.

(b) The Pledged Shares pledged by such Grantor hereunder have been duly authorized and validly issued and, in the case of Pledged Shares issued by a corporation, are fully paid and non-assessable, in each case, to the extent such concepts are applicable in the jurisdiction of organization of the respective issuer. Each of the Grantors is, subject to any transfers made in compliance with the Credit Agreement, the direct owner, beneficially and of record, of the Pledged Shares indicated on Schedule 4 as owned by such Grantor. The Pledged Debt (solely with respect to Pledged Debt issued by a Person other than a Grantor or a Subsidiary of any Grantors, to such Grantor's knowledge) are legal and binding obligations of the issuers thereof and, (solely with respect to Pledged Debt issued by a Person other than a Grantor or a Subsidiary of any Grantors, to such Grantor's knowledge) are legal and binding obligations of the issuers thereof, except to the extent that enforceability of such obligations may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

(c) Except for restrictions and limitations (i) imposed or expressly permitted by the Credit Documents or Applicable Laws generally and (ii) in the case of Pledged Shares of Persons that are not Subsidiaries, transfer restrictions that exist at the time of acquisition of the Pledged Shares in such Persons, the Pledged Collateral is or will not be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect it in any manner material and adverse to the Secured Parties the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder.

5. Covenants.

Each Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Security Agreement until the earlier of (i) the Termination Date and (ii) with respect to any Grantor released in accordance with Section 7.4(b), the release of such Grantor in accordance with Section 7.4(b):

5.1 Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the Security Interest created by this Security Agreement as a perfected Security Interest having at least the priority described in the Credit Agreement (subject to each Applicable Intercreditor Agreement) and shall use commercially reasonable efforts to defend such Security Interest against the material claims and demands of all Persons (except to the extent that the Collateral Agent and the Company reasonably agree that the cost of such defense is excessive in relation to the benefit to the Secured Parties of the Security Interest and priority), in each case other than a Security Interest in assets of such Grantor subject to a Disposition permitted by the Credit Agreement to a Person that is not a Credit Party, and except for Liens permitted under Section 10.2 of the Credit Agreement, and in each case subject to Section 4.2(c).

(b) Such Grantor will furnish to the Collateral Agent and any other Secured Party from time to time statements and schedules further identifying and describing the Collateral of such Grantor and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Subject to clause (d) below and Section 4.2(c), each Grantor agrees that at any time and from time to time, at the expense of such Grantor, it will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), which may be required under any Applicable Law, or which, subject to the terms of the Credit Agreement or any Applicable Intercreditor Agreement, the Collateral Agent or the Secured Parties may reasonably request, in order (i) to grant, preserve, protect and perfect (with respect to the Intellectual Property included in the Collateral, if and to the extent perfection may be achieved

by the filings contemplated in Section 4.2), the validity and priority of the Security Interests created or intended to be created hereby or (ii) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, including the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 4.2(b)(i)(C), all at the expense of such Grantor.

(d) Notwithstanding anything in this Section 5.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a Domestic Subsidiary that is required by the Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement and this Section 5.1.

5.2 Changes in Locations, Name, etc. Each Grantor will furnish to the Collateral Agent promptly (and in any event within 30 days of such change (or such longer period as the Collateral Agent may agree)) a written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or, if not a registered organization, location for purposes of the UCC (iii) in its type of organization or corporate structure that would impair the perfection and priority of the Security Interest granted hereby, (iv) in the location of its chief executive office or (v) organizational identification number with respect to any Grantor formed in the State of New York. Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph.

5.3 Notices. Each Grantor will advise the Collateral Agent promptly, in reasonable detail, of any Lien of which any Authorized Officer thereof has actual knowledge (other than the Security Interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Collateral Agent to exercise any of its remedies hereunder.

5.4 Delivery of Instruments. If any amount payable under or in connection with any of the Collateral that is in excess of (i) $10,000,000 individually or (ii) when aggregated with all other such Instruments for which this clause has not been satisfied, $50,000,000 in the aggregate shall be or become evidenced by any promissory note, other instrument or debt security, such note, instrument or debt security shall be promptly (and in any event within 60 days of its acquisition or such longer period as the Collateral Agent may agree in its reasonable discretion) pledged and delivered to the Collateral Agent, for the benefit of the Secured Parties, duly endorsed in a manner reasonably satisfactory to the Collateral Agent.

5.5 Additional Intellectual Property. Concurrently with the delivery of each officer's certificate required to be delivered under Section 9.1(c) of the Credit Agreement with the financial statements delivered pursuant to Section 9.1(a) or (b) of the Credit Agreement, such Grantor shall notify the Collateral Agent of (i) any Trademarks, Patents and Copyrights that are registered, or subject to applications for issuance or registration that have been acquired, filed or registered by such Grantor and that were not included in the Intellectual Property previously set

forth on Schedules 1-3 for such Grantor or any other previously delivered officer's certificate, and (ii) any intent-to-use Trademark applications of such Grantor for which a statement of use or amendment to allege use has been filed, and which, as a result, is no longer Excluded Collateral, and such Grantor shall also concurrently execute and deliver to the Collateral Agent applicable short-form intellectual property security agreements in the form attached hereto as Annex A and all other documents, instruments and other items as may be reasonably necessary for the Collateral Agent to file such agreements with the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

5.6 Notice of Commercial Tort Claims. Such Grantor agrees that, (a) after the occurrence and during the continuance of an Event of Default, if it shall acquire any interest in any commercial tort claim with a value equal to or greater than $10,000,000 individually or in the aggregate (whether from another Person or because such commercial tort claim shall have come into existence), such Grantor shall, within a reasonable time following such acquisition (but in no event to exceed 30 days), notify the Collateral Agent thereof and deliver to the Collateral Agent, in each case in form and substance reasonably satisfactory to the Collateral Agent, a supplement to this Security Agreement containing a specific description of such commercial tort claim and (b) at all other times, concurrently with the delivery of each officer's certificate required to be delivered under Section 9.1(c) of the Credit Agreement concurrent with the financial statements delivered pursuant to Section 9.1(a) or (b) of the Credit Agreement, such Grantor shall deliver a schedule setting forth any commercial tort claims acquired by such Grantor with a value equal to or greater than $10,000,000 individually or in the aggregate after the most recent schedule.

5.7 Article 8. No interest in any limited liability company or limited partnership controlled by any Grantor that constitutes Pledged Shares shall be represented by a certificate unless (i) the limited liability company agreement or partnership agreement expressly provides that such interests shall be a "security" within the meaning of Article 8 of the UCC of the applicable jurisdiction, and (ii) such certificate shall be delivered to the Collateral Agent in accordance with Section 2(b)(i). Any limited liability company and any limited partnership controlled by any Grantor shall either (a) not include in its operative documents any provision that any Stock and Stock Equivalent in such limited liability company or such limited partnership be a "security" as defined under Article 8 of the UCC or (b) certificate any Stock and Stock Equivalents in any such limited liability company or such limited partnership. To the extent an interest in any limited liability company or limited partnership controlled by any Grantor and pledged under Section 2 is certificated or becomes certificated, (i) each such certificate shall be delivered to the Collateral Agent, pursuant to Section 2(b)(i) and (ii) such Grantor shall fulfill all other requirements under Section 2 applicable in respect thereof.

6. Remedial Provisions.

6.1 Certain Matters Relating to Accounts.

(a) At any time after the occurrence and during the continuance of an Event of Default and after giving three (3) Business Days' prior written notice to the Company and any other relevant Grantor, the Collateral Agent shall have the right, but not the obligation, to make

test verifications of the Accounts that are Collateral (the " **Subject Accounts** ") in any manner and through any medium that the Collateral Agent reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may reasonably require in connection with such test verifications. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any other Secured Party.

(b) If required in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Subject Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 6.6, and (ii) until so turned over, shall be held by such Grantor for the Collateral Agent and the Secured Parties. Each such deposit of Proceeds of Subject Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Collateral Agent's prior written request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Collateral Agent all other documents evidencing, and relating to, the agreements and transactions that gave rise to the Accounts constituting Collateral, including all orders, invoices and shipping receipts.

(d) Upon the occurrence and during the continuance of an Event of Default, a Grantor shall not unreasonably grant any extension of the time of payment of any of the Subject Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon if the Collateral Agent shall have instructed the such Grantor in writing not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

(e) At the direction of the Collateral Agent, solely upon the occurrence and during the continuance of an Event of Default, each Grantor shall grant to the Collateral Agent, solely to the extent such grant does not constitute or result in the abandonment, termination, acceleration, invalidation of or rendering unenforceable any right, title or interest therein or result in a breach of the terms of, or constitute a breach or default under such Intellectual Property, a non-exclusive, fully paid-up, royalty-free, worldwide license to use, license or sublicense (on a non-exclusive basis) any of the Intellectual Property now owned or hereafter acquired by such Grantor. Any license granted pursuant to this Section 6.1(e) shall be exercisable solely during the continuance of an Event of Default.

6.2 Voting Rights; Dividends and Distributions; Etc.

(a) So long as no Event of Default shall have occurred and be continuing and the Collateral Agent has not provided the notice contemplated in Section 6.2(c) below:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Security Agreement or the other Credit Documents.

(ii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to Section 6.2(c) below, each Grantor shall be entitled to receive and retain and use any and all dividends, distributions, principal and interest made or paid in respect of the Collateral to the extent permitted by the Credit Documents; *provided* , *however* , that any and all noncash dividends, interest, principal or other distributions that would constitute Pledged Shares or Pledged Debt, whether resulting from a subdivision, combination or reclassification of the outstanding Stock and Stock Equivalents of the issuer of any Pledged Shares or received in exchange for Pledged Shares or Pledged Debt or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be, and shall be forthwith delivered to the Collateral Agent to hold as, Collateral and shall, if received by such Grantor, be received for the benefit of the Collateral Agent, be segregated from the other property or funds of such Grantor and if certificated, be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement). So long as no Event of Default has occurred and is continuing, the Collateral Agent shall, at the applicable Grantor's sole expense, promptly (upon receipt of a written request) deliver to such Grantor any Collateral in its possession if requested to be delivered to the issuer thereof in connection with any exchange or redemption of such Collateral permitted by the Credit Documents.

(c) Upon two (2) Business Days' prior written notice to a Grantor by the Collateral Agent that the Collateral Agent is exercising its rights under this Section 6.2(c), following the occurrence and during the continuance of an Event of Default, subject to the terms of any Applicable Intercreditor Agreement:

(i) all rights of such Grantor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 6.2(a)(i) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default; *provided* that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following the occurrence and during the continuance of an Event of Default to permit the Grantors to exercise such rights. After all Event of Defaults have been cured or waived, each Grantor will have the right to exercise the voting and consensual rights that such Grantor would otherwise be entitled to exercise pursuant to the terms of Section 6.2(a)(i) (and the obligations of the Collateral Agent under Section 6.2(a)(ii) shall be reinstated);

(ii) all rights of such Grantor to receive the dividends, distributions and principal and interest payments that such Grantor would otherwise be authorized to receive and retain pursuant

to Section 6.2(b) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Collateral such dividends, distributions and principal and interest payments during the continuance of such Event of Default. After all Event of Defaults have been cured or waived, the Collateral Agent shall repay to each Grantor (without interest) and each Grantor shall be entitled to receive, retain and use all dividends, distributions and principal and interest payments that such Grantor would otherwise be permitted to receive, retain and use pursuant to the terms of Section 6.2(b);

(iii) all dividends, distributions and principal and interest payments that are received by such Grantor contrary to the provisions of Section 6.2(b) shall be received for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor and shall forthwith be delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsements); and

(iv) in order to permit the Collateral Agent to receive all dividends, distributions and principal and interest payments to which it may be entitled under Section 6.2(b) above, to exercise the voting and other consensual rights that it may be entitled to exercise pursuant to Section 6.2(c)(i) above, and to receive all dividends, distributions and principal and interest payments that it may be entitled to under Sections 6.2(c)(ii) and 6.2(c)(iii) above, such Grantor shall, if necessary, upon prior written notice from the Collateral Agent, from time to time execute and deliver to the Collateral Agent, appropriate proxies, dividend payment orders and other instruments as the Collateral Agent may reasonably request.

(d) Notwithstanding anything herein to the contrary, and subject to each Applicable Intercreditor Agreement, if any Event of Default shall occur and be continuing (a) the Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Collateral in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent, and each Grantor will promptly give to the Collateral Agent copies of any notices or other communications received by it within respect such Pledged Collateral registered in the name of such Grantor and (b) the Collateral Agent shall have the right to exchange the certificates, documents or other instruments representing Pledged Collateral for certificates, documents or other instruments of small or larger denominations of any purpose consistent with this Security Agreement or the Credit Agreement; provided that the Collateral Agent shall give the Grantors prior notice of intent to exercise such rights; provided further, that the Collateral Agent's failure to provide such notice shall not in any way limit or impede the Collateral Agent's rights hereunder.

6.3 Communications with Credit Parties; Grantors Remain Liable.

(a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Credit Agreement and any Applicable Intercreditor Agreement, after giving three (3) Business Days' prior written notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Subject Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Upon the written request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Credit Agreement and any Applicable Intercreditor Agreement, each Grantor shall notify obligors on the Accounts that the Subject Accounts have been assigned to the Collateral Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Subject Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Subject Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Subject Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

6.4 Proceeds to be Turned Over to Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 6.1 with respect to payments of Subject Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent, subject to the terms of the Credit Agreement or any Applicable Intercreditor Agreement, so requires by notice in writing to the relevant Grantor, all Proceeds received by any Grantor consisting of cash, checks and other near cash items shall be held by such Grantor for the Collateral Agent and the Secured Parties, and shall, promptly upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5 Application of Proceeds. The Collateral Agent shall apply the Proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in and in accordance with the order set forth in Section 11.11 of the Credit Agreement.

If, despite the provisions of this Security Agreement, any Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the Obligations to which it is then entitled in accordance with this Security Agreement, such Secured Party shall hold such payment or other recover for the benefit of all Secured Parties hereunder for distribution in accordance with Section 11.11 of the Credit Agreement.

6.6 Code and Other Remedies. Subject to the terms of the Credit Agreement or any Applicable Intercreditor Agreement, if an Event of Default shall occur and be continuing, and after giving prior written notice to the Company and any applicable Grantor, the Collateral Agent may (i) exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC or any other Applicable Law and also upon prior written notice to the relevant Grantor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere for cash or on credit or for future delivery at such price or prices and upon such other terms as are commercially reasonable irrespective of the impact of any such sales on the market price of the Collateral, (ii) occupy any premises owned or, to the extent lawful and permitted, leased by any of the Grantors where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation and (iii) exercise any and all rights and remedies of any of the Grantors under or in connection with the Collateral, or otherwise in respect of the Collateral. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of such Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, and the Collateral Agent or such Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior written notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Grantor hereby waives any claim against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places that the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net Proceeds of any action taken by it pursuant to this Section 6.6 in accordance with the provisions of Section 6.5.

6.7 Deficiency. Each Grantor shall remain liable for any deficiency if the Proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable and documented out-of-pocket fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency (in each case subject to the limitations set forth in Section 13.5 of the Credit Agreement).

6.8 Amendments, etc. with Respect to the Obligations; Waiver of Rights. Unless and until the Termination Date has occurred or, with respect to any Grantor, such Grantor shall be released in accordance with Section 7.4(b), to the extent permitted by law, each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (c) the Credit Agreement may, in accordance with the applicable provisions thereof, be amended, modified, supplemented or terminated, in whole or in part from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Except as provided in Section 7.2, neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Security Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Grantor or any other Person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Grantor or any other Person or any release of any Grantor or any other Person shall not relieve any Grantor in respect of which a demand or collection is not made or any Grantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. The Collateral Agent.

7.1 Collateral Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, and shall automatically terminate on the Termination Date or, if sooner, upon the termination or release of such Grantor hereunder pursuant to Section 7.4, effective upon the occurrence and during the continuance of an Event of Default, the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact

with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or advisable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, either in the Collateral Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after the occurrence and during the continuance of an Event of Default and after prior written notice by the Collateral Agent to the Company and any applicable Grantor of its intent to do so:

(i) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Subject Account constituting Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Subject Account constituting Collateral or with respect to any other Collateral whenever payable;

(ii) subject to Section 4.2(c), in the case of any Intellectual Property included in the Collateral, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's and the Secured Parties' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) upon three (3) Business Days' prior written notice, pay or discharge taxes and Liens levied or placed on or threatened against the Collateral (other than taxes not required to be discharged under the Credit Agreement) other than Liens permitted under Section 10.2 of the Credit Agreement;

(iv) execute, in connection with any sale provided for in Section 6.6, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) obtain and adjust insurance required to be maintained by such Grantor pursuant to the Credit Agreement;

(vi) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(vii) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(viii) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral;

(ix) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(x) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xi) settle, compromise or adjust any such suit, action or proceeding with respect to the Collateral and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) assign any Intellectual Property (along with the goodwill of the business to which any such Intellectual Property pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its reasonable business discretion determine; and

(xiii) subject to Section 6.1(e) and Section 6.6, generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing and after the expiration of any notice periods otherwise required hereunder or under any other Credit Document.

(b) Subject to any limitations of the Collateral Agent to take actions as set forth in Section 7.1(a), if any Grantor fails to perform or comply with any of its agreements contained herein within a reasonable period of time after the Collateral Agent has requested in writing for it to do so, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The reasonable and documented out of pocket expenses of the Collateral Agent, in each case subject to the limitations on reimbursements of costs and expenses set forth in

Section 13.5 of the Credit Agreement, incurred in connection with actions undertook as provided in this Section 6.1 shall be payable by such Grantor to the Collateral Agent to the extent required by, and in accordance with Section 13.5 of the Credit Agreement to the extent required thereby, and in accordance therewith.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof. All powers, authorizations and agencies contained in this Security Agreement are coupled with an interest and are irrevocable until this Security Agreement is terminated (or, with respect to any Grantor, until such Grantor is released in accordance with Section 7.4(b)) and the Security Interests created hereby are released.

7.2 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for the Collateral Agent's or any Secured Party's or any of their officers', directors', employees' or agents' own respective gross negligence, bad faith or willful misconduct, or material breach of this Security Agreement or any other Credit Document, in each case, as finally determined in a non-appealable decision of a court of competent jurisdiction.

7.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Credit Agreement, and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

7.4 Continuing Security Interest; Release.

(a) This Security Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns permitted under the Credit Agreement until the Termination Date.

(b) A Subsidiary Grantor shall be released from its obligations hereunder if it ceases to be a Guarantor and the Security Interest in any assets of any such Subsidiary Guarantor shall be released, in each case, pursuant to the Credit Agreement.

(c) In connection with any termination or release pursuant to paragraph (a) or (b) or pursuant to Section 12.13 of the Credit Agreement, the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request in writing to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.4 shall be without recourse to or warranty by the Collateral Agent.

7.5 Reinstatement. Notwithstanding anything to the contrary contained herein, each Grantor further agrees that, if any payment made by any Credit Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the Proceeds of Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

7.6 Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional.

7.7 Collateral Agent as Representative. Each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of the applicable Secured Parties in accordance with the terms hereunder. Each Secured Party, by its acceptance of the benefits hereof, agrees that any action taken by the Collateral Agent in accordance with the provisions of the Credit Documents, and the exercise by the Collateral Agent of any rights or remedies set forth therein, together with all other powers reasonably incidental thereto, shall be authorized and binding upon all Secured Parties.

8. Miscellaneous.

8.1 Amendments in Writing. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Grantor and the Collateral Agent in accordance with Section 13.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Grantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay any and all reasonable and documented out-of-pocket expenses (including all reasonable and documented fees and disbursements of counsel) that may be paid or incurred by the Collateral Agent, in each case in accordance with, and subject to the limitations on reimbursement of costs and expenses set forth in, Section 13.5 of the Credit Agreement.

(b) Each Grantor agrees to pay, and to indemnify and save the Collateral Agent and the Secured Parties harmless from, all actual losses, damages, claims, expenses or liabilities of any kind or nature whatsoever related to the execution, delivery, enforcement, performance, and administration of this Security Agreement, in each case, to the extent the Grantors would be required to do so pursuant to Section 13.5 of the Credit Agreement.

(c) Each Grantor agrees, within thirty (30) days after written demand therefor (including documentation reasonably supporting such request), to pay, and to save the Collateral Agent and the Secured Parties harmless from actual losses, damages, claims or reasonable and

documented out-of-pocket costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Security Agreement to the extent the Company would be required to do so pursuant to Section 13.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment or other satisfaction of the Obligations and all other amounts payable under the Credit Documents.

8.5 Successors and Assigns. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Grantor may assign, transfer or delegate any of its rights or obligations under this Security Agreement without the prior written consent of the Collateral Agent or as otherwise permitted by the Credit Agreement.

8.6 Counterparts. This Security Agreement may be executed by one or more of the parties to this Security Agreement on any number of separate counterparts (including by facsimile or other electronic transmission (e.g., a "pdf" or "tif" file)), and all of said counterparts taken together shall be deemed to be originals and shall constitute one and the same instrument.

8.7 Severability. Any provision of this Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

8.8 Section Headings. The Section headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.9 [Reserved].

8.10 **GOVERNING LAW** . THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.11 Submission to Jurisdiction Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Security Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by Applicable Law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by delivering or by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 8.2 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) to sue in any other jurisdiction;

(e) subject to the applicable provisions of the Credit Agreement, waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.11 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final judgment in any 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 Applicable Law.

8.12 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Security Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Security Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

8.13 Additional Grantors. Each Subsidiary of the Company that is required to become a party to this Security Agreement pursuant to the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Security Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex B hereto or in such other form reasonably satisfactory to the

Collateral Agent. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

8.14 **WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

8.15 Credit Agreement and Intercreditor Agreements. Notwithstanding anything herein to the contrary, this Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, and the rights and duties of the Collateral Agent hereunder, are subject to the provisions of the Credit Agreement and any Applicable Intercreditor Agreement, in each case, solely to the extent then in effect. In the event of any conflict between the terms of the Credit Agreement and the terms of this Security Agreement, the terms of the Credit Agreement shall govern and control. In the event of any conflict between the terms of any Applicable Intercreditor Agreement and the terms of this Security Agreement, the terms of such Applicable Intercreditor Agreement shall govern and control. No right, power or remedy granted to the Collateral Agent hereunder shall be exercised by the Collateral Agent, and no direction shall be given by the Collateral Agent, in contravention of the Credit Agreement or any such Applicable Intercreditor Agreement.

8.16 Additional Secured Parties. Each Person that may become a party to this Security Agreement and be designated a Hedge Bank or Cash Management Bank shall become a Secured Party, with the same force and effect as if originally named as a Secured Party, for all purposes of this Security Agreement upon execution and delivery by such Person of a written joinder substantially in the form of Annex C hereto or in such other form reasonably satisfactory to the Collateral Agent. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Secured Party as a party to this Security Agreement. The Grantors agree to reimburse the Collateral Agent for its respective reasonable and documented out-of-pocket costs and expenses in connection with joining an additional Secured Party, including the reasonable and documented fees, other charges and disbursements of counsel to the extent reimbursable under the Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

[Signature Page to Security Agreement]

AVAYA INC.

By:
Name:
Title:

AVAYA HOLDINGS CORP.

By:
Name:
Title:

SUBSIDIARY GRANTORS:

AVAYA CALA INC.
AVAYA EMEA LTD.
AVAYA FEDERAL SOLUTIONS, INC.
AVAYA HOLDINGS LLC
AVAYA HOLDINGS TWO, LLC
AVAYA INTEGRATED CABINET SOLUTIONS LLC
AVAYA MANAGEMENT SERVICES INC.
AVAYA SERVICES INC.
AVAYA WORLD SERVICES INC.
OCTEL COMMUNICATIONS LLC
SIERRA ASIA PACIFIC INC.
TECHNOLOGY CORPORATION OF AMERICA, INC.
UBIQUITY SOFTWARE CORPORATION
VPNET TECHNOLOGIES, INC.
ZANG, INC.

By:
Name:
Title:

GOLDMAN SACHS BANK USA, as Collateral Agent

By:
Name:
Title:

[Signature Page to Security Agreement]

Copyrights

Patents

Trademarks

Pledged Shares

Pledged Debt

SUPPLEMENT (this " **Supplement** "), dated as of [ ], to the TERM LOAN SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time the " **Security Agreement** ") dated as of December 15, 2017, among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a " **Grantor** " and, collectively, the " **Grantors** "), Goldman Sachs Bank USA, as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " **Collateral Agent** ") for the benefit of the Secured Parties.

A. Reference is made to the Term Loan Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " **Credit Agreement** "), among Avaya Inc., a Delaware corporation (the " **Company** "), Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), the lending institutions from time to time parties thereto and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

C. The Grantors have identified on Schedule I, II and III hereto the additional Copyrights, Patents and Trademarks registered or applied for with the United States Patent and Trademark Office or the United States Copyright Office acquired by such Grantors after the date of the Credit Agreement. The undersigned Grantors are executing this Supplement in order to facilitate supplemental filings to be made by the Collateral Agent with the United States Copyright Office and the United States Patent and Trademark Office.

Accordingly, the Collateral Agent and the Grantors agree as follows:

SECTION 1. (a) Schedule 1 of the Security Agreement is hereby supplemented, as applicable, by the information (if any) set forth in the Schedule I hereto, (b) Schedule 2 of the Security Agreement is hereby supplemented, as applicable, by the information (if any) set forth in the Schedule II hereto and (c) Schedule 3 of the Security Agreement is hereby supplemented, as applicable, by the information (if any) set forth in the Schedule III hereto.

SECTION 2. Each Grantor hereby grants to the Collateral Agent for the benefit of the Secured Parties a security interest in the Intellectual Property set forth in Schedules I, II and III hereto. Each Grantor hereby represents and warrants that the information set forth on Schedules I, II and III hereto is true and correct in all material respects as of the date hereof.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission (e.g., a "pdf" or "tif" file)), and all of said counterparts taken together shall be deemed to be originals and constitute one and the same instrument. This Supplement shall become effective as to each Grantor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such Grantor and the Collateral Agent.

SECTION 4. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 5. **THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

SECTION 6. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Security Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement.

SECTION 8. Each Grantor agrees to reimburse the Collateral Agent for its respective reasonable and documented out-of-pocket costs and expenses in connection with this Supplement, including the reasonable and documented fees, other charges and disbursements of one firm of counsel, and, if necessary, one firm of regulatory counsel and/or one firm of local counsel in each appropriate jurisdiction, in each case to the Administrative Agent and the Collateral Agent (and, in the case of an actual or perceived conflict of interest where the Person affected by such conflict informs the Company of such conflict and thereafter, after receipt of the consent of the Company (which consent shall not be unreasonably withheld or delayed), retains its own counsel, of another firm of counsel for such affected Person).

[Signature Pages Follow]

IN WITNESS WHEREOF, each Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

, as a Grantor

By:
Name:
Title:

, as Collateral Agent

By:
Name:
Title:

[SIGNATURE PAGE TO SUPPLEMENT NO. [ ] TO SECURITY AGREEMENT]

Copyrights

UNITED STATES COPYRIGHTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule II

Patents

UNITED STATES PATENTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule III

Trademarks

UNITED STATES TRADEMARKS:

Registrations:

OWNER	TRADEMARK	REGISTRATION NUMBER

Applications:

OWNER	TRADEMARK	APPLICATION NUMBER

SUPPLEMENT (this " **Supplement** "), dated as of [ ], to the TERM LOAN SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time the " **Security Agreement** ") dated as of December 15, 2017, among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a " **Grantor** " and, collectively, the " **Grantors** "), Goldman Sachs Bank USA, as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " **Collateral Agent** ") for the benefit of the Secured Parties.

A. Reference is made to the Term Loan Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " **Credit Agreement** "), among Avaya Inc., a Delaware corporation (the " **Company** "), Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), the lending institutions from time to time parties thereto and the Collateral Agent

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

C. Section 8.13 of the Security Agreement provides that additional Subsidiaries may become Grantors under the Security Agreement by execution and delivery of this Supplement. Each undersigned Domestic Subsidiary (each a " **New Grantor** ") is executing this Supplement in accordance with the requirements of the Security Agreement to become a Subsidiary Grantor under the Security Agreement.

Accordingly, the Collateral Agent and the New Grantors agree as follows:

SECTION 1. In accordance with subsection 8.13 of the Security Agreement, each New Grantor by its signature below becomes a Grantor under the Security Agreement with the same force and effect as if originally named therein as a Grantor and each New Grantor hereby (a) agrees to all the terms and provisions of the Security Agreement applicable to it as a Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct in all material respects on and as of the date hereof (except where such representations and warranties expressly related to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date). In furtherance of the foregoing, each New Grantor, as security for the payment and performance in full of the Obligations, does hereby bargain, sell, convey, assign, set over, mortgage, pledge, hypothecate and transfer to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a Security Interest in all of the Collateral of such New Grantor, in each case whether now or hereafter existing or in which it now has or hereafter acquires an interest. Each reference to a " **Grantor** " in the Security Agreement shall be deemed to include each New Grantor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or law).

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission (e.g. a "pdf" or "tif" file)), and all of said counterparts taken together shall be deemed to be originals and constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Company. This Supplement shall become effective as to each New Grantor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such New Grantor and the Collateral Agent.

SECTION 4. Each New Grantor hereby represents and warrants that (a) set forth on Schedule I hereto is (i) the legal name of such New Grantor, (ii) the jurisdiction of incorporation or organization of such New Grantor, (iii) the type of organization or corporate structure of such New Grantor (iv) the Federal Taxpayer Identification Number and organizational number of such New Grantor and (v) the true and correct location of the chief executive office and principal place of business and any office in which it maintains books of records relating to Collateral owned by it and (b) as of the date hereof (i) Schedule II hereto sets forth, in proper form for filing with the United States Copyright Office, all of each New Grantor's Copyrights registered or applied for with the United States Copyright Office, (ii) Schedule III hereto sets forth, in proper form for filing with the United States Patent and Trademark Office, all of each New Grantor's Patents registered or applied for with the United States Patent and Trademark Office, (iii) Schedule IV hereto sets forth, in proper form for filing with the United States Patent and Trademark Office, all of each New Grantor's Trademarks (and all applications therefor).

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 6. **THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Security Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement. All communications and notices hereunder to each New Grantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

SECTION 9. Each New Grantor agrees to reimburse the Collateral Agent for its respective reasonable and documented out-of-pocket costs and expenses in connection with this Supplement to the extent set forth in the Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

, as a Grantor

By:
Name:
Title:

, as Collateral Agent

By:
Name:
Title:

[SIGNATURE PAGE TO SUPPLEMENT NO. [ ] TO SECURITY AGREEMENT]

COLLATERAL

Legal Name	Jurisdiction of Incorporation or Organization	Type of Organization of Corporate Structure	Federal Taxpayer Identification Number and Organizational Identification Number	Chief Executive Office and Principal Place of Business

Schedule II

Copyrights

UNITED STATES COPYRIGHTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule III

Patents

UNITED STATES PATENTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule IV

Trademarks

UNITED STATES TRADEMARKS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

ANNEX C TO
THE SECURITY AGREEMENT

JOINDER NO. [ ] (this " Joinder Agreement "), dated as of [ ], to the TERM LOAN SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time the " Security Agreement ") dated as of December 15, 2017, among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a " Grantor " and, collectively, the " Grantors ") and Goldman Sachs Bank USA, as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " Collateral Agent ") for the benefit of the Secured Parties.

A. Reference is made to the Term Loan Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " Credit Agreement "), among Avaya Inc., a Delaware corporation (the " Company "), Avaya Holdings Corp., a Delaware corporation (" Holdings "), the lending institutions from time to time parties thereto and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

C. In connection with one or more Grantor's entry into [Secured Cash Management Agreements][Secured Hedging Agreements] with the undersigned (each, a " New Secured Party "), each New Secured Party is required to accede to the Security Agreement as a Secured Party and be designated as a ["Cash Management Bank"]["Hedge Bank"] for the purposes of the Credit Agreement. Section 8.16 of the Security Agreement provides that any Person that enters into a [Cash Management Agreement] with a Grantor may deliver an accession agreement to the Security Agreement and be designated by the Borrower as a ["Cash Management Bank"]["Hedge Bank"].

Accordingly, the Collateral Agent, the Borrower and the New Secured Party agree as follows:

SECTION 1. The New Secured Party by its signature below becomes a [Cash Management Bank][Hedge Bank] for the purposes of the Credit Agreement and a Secured Party for the purposes of the Security Agreement and is designated as such by the Borrower. The New Secured Party, by its signature below, becomes subject to and bound by the Security Agreement with the same force and effect as if the New Secured Party had originally been named therein as a [Cash Management Bank][Hedge Bank] and as a Secured Party, and each New Secured Party hereby agrees to all the terms and provisions of the Security Agreement applicable to it as a [Cash Management Bank][Hedge Bank] and as a Secured Party. Each reference to a [" Cash Management Bank "][" Hedge Bank "], " Secured Party " or " Secured Parties " in the Security Agreement shall be deemed to include the New Secured Party. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Secured Party represents and warrants to the Collateral Agent that (i) it has full power and authority to enter into this Joinder Agreement, in its capacity as a [Cash Management Bank][Hedge Bank] and Secured Party and (ii) this Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Joinder Agreement shall become effective when the Collateral Agent shall have received a counterpart of this Joinder Agreement that bears the signatures of the New Secured Party. Delivery of an executed signature page to this Joinder Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually signed counterpart of this Joinder Agreement.

SECTION 4. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 5. **THIS JOINDER AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

SECTION 6. Any provision of this Joinder Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Security Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement. All communications and notices hereunder to the New Secured Party shall be given to it at its address set forth below its signature hereto.

SECTION 8. The New Secured Party agrees to be subject to and bound by Section 12 of the Credit Agreement with the same force and effect as if the New Secured Party had originally been named therein as a Secured Party for the benefit of the Collateral Agent.

[Signature Pages Follow]

IN WITNESS WHEREOF , the New Secured Party has duly executed this Joinder Agreement to the Security Agreement as of the day and year first above written.

[NAME OF NEW SECURED PARTY], as a Secured Party

By: _____
Name:
Title:

Address for notices

_____

_____

attention of: _____
Telecopy: _____

Acknowledged by:
GOLDMAN SACHS BANK USA as the Collateral Agent

By: _____
Name:
Title:

Acknowledged by:

AVAYA INC.
as Borrower

By: _____
Name:
Title:

EXHIBIT E
TO THE CREDIT AGREEMENT

FORM OF PERFECTION CERTIFICATE

[See attached]

PERFECTION CERTIFICATE

December 15, 2017

Reference is hereby made to (i) that certain Term Loan Security Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " Term Loan Security Agreement ") dated as of the date hereof, among Avaya Inc., a Delaware corporation (" Avaya "), Avaya Holdings Corp., a Delaware corporation (" Holdings "), the Subsidiaries of Avaya from time to time party thereto as Grantors (the " Subsidiary Grantors " and, together with Holdings, the " Grantors ") and Goldman Sachs Banks USA as collateral agent (in such capacity, the " Term Loan Collateral Agent "), (ii) that certain Term Loan Credit Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " Term Loan Credit Agreement " and, together with the Term Loan Security Agreement, the " Term Loan Documents ") dated as of the date hereof, among Avaya, Holdings, the Term Loan Collateral Agent and each lender from time to time party thereto, (iii) that certain ABL Security Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " ABL Security Agreement ") dated as of the date hereof, among Avaya, the Grantors and Citibank, N.A., as collateral agent (in such capacity, the " ABL Collateral Agent "), and (ii) that certain ABL Credit Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " ABL Credit Agreement " and, together with the ABL Security Agreement, the " ABL Documents "; together with the Term Loan Documents, the " Credit Documents ") dated as of the date hereof, among Avaya, Holdings, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (GmbH & Co. KG) existing under the laws of Germany, the ABL Collateral Agent, the lending institutions from time to time party thereto and the lending instructions named therein as L/C Issuers and Swing Line Lenders. Capitalized terms used but not defined herein have the meanings assigned in the Credit Documents. As used herein, the term " Company " means either Avaya or one of the Grantors under the Credit Documents, and " Companies " means Avaya and each Grantor under the Credit Documents.

I. Names. The exact legal name of each Company, as such name appears in its respective certificate of incorporation or any other organizational document, is set forth in **Schedule 1** . Each Company is (i) the type of entity disclosed next to its name in **Schedule 1** and (ii) a registered organization except to the extent disclosed in **Schedule 1** . Also set forth in **Schedule 1** hereto is the jurisdiction of formation of each Company.

II. Current Locations . The chief executive office of each Company is located at the address set forth in **Schedule 2** hereto.

III. UCC Filings . Financing statements (duly authorized by each Company constituting the debtor therein), including the indications of the collateral, attached as **Schedule 3** have been prepared for filing in the proper Uniform Commercial Code filing offices in the jurisdictions identified in **Schedule 4** hereof.

IV. Schedule of Filings . Attached hereto as **Schedule 4** is a schedule of the appropriate filing offices for the financing statements attached hereto as **Schedule 3** .

V. Real Property . No Company owns any parcels of Real Estate located in the United States and the improvements thereto owned in fee with a fair market value of more than $10,000,000 as of the date hereof.

VI. Stock Ownership and Other Equity Interests . Attached hereto as **Schedule 6(a)** is a true and correct list of each of all of the authorized, and the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interest of each Company, its U.S. Subsidiaries, and its first-tier foreign Subsidiaries, and the record and beneficial owners of such stock, partnership interests, membership interests or other equity interests. Also set forth on **Schedule 6(b)** is each equity investment of each Company that represents 50% or less of the equity of the entity in which such investment was made.

VII. Intellectual Property . Attached hereto as **Schedule 7(a)** is a schedule setting forth all of each Company's Patents and Trademarks (each as defined in the Security Agreement) registered with the United States Patent and Trademark Office, including the name of the registered owner and the registration number of each such Patent and Trademark owned by each Company, as of the date set forth on such schedule (in all cases excluding Trademarks that constitute Excluded Assets (as defined in the Security Agreement)). Attached hereto as **Schedule 7(b)** is a schedule setting forth all of each Company's United States Copyrights (each as defined in the Security Agreement) registered with the United States Copyright Office, including the name of the registered owner and the registration number of each such Copyright owned by each Company, as of the date set forth on such schedule.

VIII. Deposit Accounts, Securities Accounts and Commodity Accounts . Attached hereto as **Schedule 8** is a true and complete list of all Deposit Accounts, Securities Accounts and Commodity Accounts (each as defined in the Security Agreement) maintained by each Company as of the date set forth on such schedule, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF , we have hereunto signed this Perfection Certificate as of the date first set forth above.

AVAYA INC.

By: _____
Name:
Title:

AVAYA HOLDINGS CORP.

By: _____
Name:
Title:

AVAYA CALA INC.
AVAYA EMEA LTD.
AVAYA FEDERAL SOLUTIONS, INC.
AVAYA HOLDINGS LLC
AVAYA HOLDINGS TWO, LLC
AVAYA INTEGRATED CABINET SOLUTIONS LLC
AVAYA MANAGEMENT SERVICES INC.
AVAYA SERVICES INC.
AVAYA WORLD SERVICES INC.
OCTEL COMMUNICATIONS LLC
SIERRA ASIA PACIFIC INC.
TECHNOLOGY CORPORATION OF AMERICA, INC.
UBIQUITY SOFTWARE CORPORATION
VPNET TECHNOLOGIES, INC.
ZANG, INC.

By: _____
Name:
Title:

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Accounts

EXHIBIT F
TO THE CREDIT AGREEMENT

FORM OF ABL INTERCREDITOR AGREEMENT

[See attached]

ABL INTERCREDITOR AGREEMENT

dated as of December 15, 2017

among

CITIBANK, N.A.,

as ABL Representative for the

ABL Credit Agreement Secured Parties,

GOLDMAN SACHS BANK USA,

as the Term Priority Representative for the

First Lien Term Credit Agreement Secured Parties,

and

each additional Representative from time to time party hereto,

and acknowledged and agreed to by

AVAYA HOLDINGS CORP.,

as Holdings,

AVAYA INC.,

as Borrower

and

the other Grantors party hereto

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ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " Effective Date ") (as amended, restated, supplemented or otherwise modified from time to time, this " Agreement "), among CITIBANK, N.A., as Representative for the ABL Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " ABL Representative "), GOLDMAN SACHS BANK USA, as Representative for the First Lien Term Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " First Lien Term Collateral Representative ") and as First Lien Term Credit Agreement Administrative Agent and each additional Term Priority Representative that from time to time becomes a party hereto pursuant to Section 8.09, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation, in its capacity as Holdings and the other Grantors (as defined below) from time to time party hereto.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the ABL Representative (for itself and on behalf of the ABL Credit Agreement Secured Parties), the First Lien Term Collateral Representative (for itself and on behalf of the First Lien Term Credit Agreement Secured Parties) and each additional Term Priority Representative (for itself and on behalf of the Term Priority Debt Parties under the applicable Term Priority Debt Facility) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings specified in the New York UCC (including, without limitation, the following terms: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Financial Assets, Fixtures, General Intangibles, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Money, Payment Intangibles, Promissory Notes, Records, Securities Accounts, Security Entitlements, Supporting Obligations and Tangible Chattel Paper). As used in this Agreement, the following terms have the meanings specified below:

" ABL Cash Management Obligations " means obligations owed by the Borrower or any Subsidiary to any ABL Secured Party in respect of or in connection with any "Secured Cash Management Agreement" (as defined in the ABL Credit Agreement).

" ABL Collateral Documents " means the "U.S. Security Documents" as defined in the ABL Credit Agreement and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any other Grantor for purposes of providing collateral security for any ABL Obligation, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" ABL Credit Agreement " means that certain ABL Credit Agreement, dated as of the Effective Date, among, *inter alios* , the Borrower, the lenders and other financial institutions party thereto, Citibank, N.A., as collateral agent and as administrative agent, as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

" ABL Credit Agreement Administrative Agent " means Citibank, N.A., as administrative agent under the ABL Credit Agreement and any successor thereto in such capacity.

" ABL Credit Agreement Secured Parties " means the "Secured Parties" as defined in the ABL Credit Agreement.

" ABL Debt Documents " means the ABL Credit Agreement and the other "U.S. Credit Documents" as defined in the ABL Credit Agreement, in each case, as may be amended, restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" ABL Facility " means the credit facilities provided under the ABL Credit Agreement.

" ABL Hedging Agreement Obligations " means obligations owed by the Borrower or any Subsidiary to any ABL Secured Party in respect of or in connection with any "Secured Hedging Agreement" (as defined in the ABL Credit Agreement).

" ABL Obligations " means the "Obligations" as defined in the ABL Credit Agreement.

" ABL Priority Collateral " means any "U.S. Collateral" (or similar term) as defined in any ABL Collateral Document or any other ABL Debt Document, in each case, owned by the Borrower or any Grantor, or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to an ABL Collateral Document as security for any ABL Obligations consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Bankruptcy Law), would be ABL Priority Collateral):

(1) all Accounts, other than Accounts which constitute identifiable proceeds of Term Priority Collateral;

(2) all Chattel Paper (including Tangible Chattel Paper and Electronic Chattel Paper), other than Chattel Paper which constitutes identifiable proceeds of Term Priority Collateral;

(3) (x) all Deposit Accounts (other than Term Priority Accounts) and money and all cash, checks, other negotiable instruments, funds and other evidences of payments held therein, and (y) all Securities Accounts (other than Term Priority Accounts), Security Entitlements and Securities credited to such Securities Accounts, and, in each case, all cash, checks and other property held therein or credited thereto; provided, however , that during the continuance of an Event of Default, to the extent that identifiable proceeds of Term Priority Collateral are deposited in any such Deposit Accounts or Securities Accounts, such identifiable proceeds shall be treated as Term Priority Collateral;

(4) all Inventory;

(5) to the extent relating to, evidencing or governing any of the items referred to in the preceding clauses (1) through (4) constituting ABL Priority Collateral, all Documents, General Intangibles (other than any Intellectual Property), Instruments (including Promissory Notes) and Commercial Tort Claims; provided that to the extent any of the foregoing also relates to Collateral of a type not referred to in clauses (1) through (4), only that portion related to the items referred to in the preceding clauses (1) through (4) shall be included in the ABL Priority Collateral;

(6) to the extent relating to any of the items referred to in the preceding clauses (1) through (5) constituting ABL Priority Collateral, all Supporting Obligations and Letter-of-Credit Rights; provided that to the extent any of the foregoing also relates to Term Priority Collateral only that portion related to the items referred to in the preceding clauses (1) through (5) shall be included in the ABL Priority Collateral;

(7) all books and Records relating to the items referred to in the preceding clauses (1) through (6) constituting ABL Priority Collateral (including all books, databases, customer lists, engineer drawings, and Records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (1) through (6)); and

(8) all collateral security and guarantees with respect to any of the foregoing and all cash, Money, insurance proceeds, Instruments, Securities, Financial Assets and Deposit Accounts received as proceeds of any of the foregoing (such proceeds, " ABL Priority Proceeds "); *provided* , *however* , that no proceeds of ABL Priority Proceeds will constitute ABL Priority Collateral unless such proceeds of ABL Priority Proceeds would otherwise constitute ABL Priority Collateral.

" ABL Priority DIP Financing " has the meaning assigned to such term in Section 6.01(a).

" ABL Priority Proceeds " has the meaning assigned to such term in the definition of "ABL Priority Collateral".

" ABL Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor collateral agent under the ABL Credit Agreement.

" ABL Secured Parties " means the ABL Credit Agreement Secured Parties.

" Additional First Priority Term Debt " means any Indebtedness that is issued or guaranteed by the Borrower and/or any other Grantor (other than Indebtedness constituting First Lien Term Credit Agreement Obligations), which Indebtedness and guarantees thereof are secured by the Term Priority Collateral (or any portion thereof) on a pari passu basis (but without regard to control of remedies, other than as provided by the terms of the applicable Additional Term Priority Debt Documents) or a junior priority basis with the First Lien Term Credit Agreement Obligations (but in either case on a senior priority basis to any Additional Junior Priority Term Debt) and which the applicable Additional Term Priority Debt Documents provide that such Indebtedness and guarantees are to be secured by the ABL Priority Collateral on a subordinate basis to the ABL Obligations; provided , however , that (i) such Indebtedness is expressly permitted to be incurred, secured and guaranteed on such basis by each then extant ABL Debt Document and Term Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have (A) become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) become a party to each applicable First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement pursuant to, and by satisfying the conditions set forth in the applicable Sections thereof providing for the joinder of additional Indebtedness thereto; provided further that, if such Indebtedness will be the initial Additional First Priority Term Debt incurred by the Borrower or any other Grantor, then the Grantors, the First Lien Term Collateral Representative and the Representative for such Indebtedness shall have executed and delivered each applicable First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement. Additional First Priority Term Debt shall include any Registered Equivalent Notes and guarantees thereof by the Guarantors issued in exchange therefor.

" Additional Junior Priority Term Debt " means any Indebtedness that is issued or guaranteed by the Borrower and/or any other Grantor, which Indebtedness and guarantees thereof are secured by the Term Priority Collateral (or any portion thereof) on a junior priority basis with the First Priority Term Debt and which the applicable Additional Term Priority Debt Documents provide that such Indebtedness and guarantees are to be secured by the ABL Priority Collateral on a subordinate basis to the ABL Obligations; provided, however , that (i) such Indebtedness is expressly permitted to be incurred, secured and guaranteed on such basis by each then extant ABL Debt Document and Term Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have (A) become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) become a party to each applicable Junior Lien Intercreditor Agreement, and by satisfying the conditions set forth in the applicable Sections thereof providing for the joinder of additional Indebtedness thereto; provided further that, if such Indebtedness will be the initial Additional Junior Priority Term Debt incurred by the Borrower or any other Grantor, then the Grantors, the then-existing Term Priority Representatives and the Representative for such Indebtedness shall have executed and delivered each applicable Junior Lien Intercreditor Agreement. Additional Junior Priority Term Debt shall include any Registered Equivalent Notes and guarantees thereof by the Guarantors issued in exchange therefor.

" Additional Term Priority Debt " means any Additional First Priority Term Debt and any Additional Junior Priority Term Debt, as applicable.

" Additional Term Priority Debt Documents " means, with respect to any series, issue or class of Additional Term Priority Debt, the promissory notes, loan agreements, indentures, the Term Collateral Documents or other operative agreements evidencing or governing such Indebtedness, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" Additional Term Priority Debt Facility " means, with respect to any series, issue or class of Additional Term Priority Debt, each indenture, loan agreement or other governing agreement with respect to such Additional Term Priority Debt.

" Additional Term Priority Debt Obligations " means, with respect to any series, issue or class of Additional Term Priority Debt, all amounts owing pursuant to the terms of such Additional Term Priority Debt, including, without limitation, the obligation (including guarantee obligations) to pay principal, interest (including interest, fees, and expenses that accrue after the commencement of an Insolvency or Liquidation Proceeding, regardless of whether such interest is an allowed or allowable claim under such Insolvency or Liquidation Proceeding), letter of credit commissions, reimbursement obligations, charges, expenses, fees, attorneys costs, indemnities and other amounts payable by a Grantor under any Additional Term Priority Debt Document.

" Additional Term Priority Debt Parties " means, with respect to any series, issue or class of Additional Term Priority Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Term Priority Debt Documents and the beneficiaries of each indemnification obligation undertaken by the Borrower or any other Grantor under any related Additional Term Priority Debt Documents.

" Agreement " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Applicable Laws " shall mean, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

" Authorized Officer " means "Authorized Officer" as defined in the ABL Credit Agreement.

" Bankruptcy Code " means title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor statute.

" Bankruptcy Law " means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar federal, state or foreign law for the relief of debtors.

" Borrower " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Business Day " means any day other than a Saturday, Sunday and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close.

" Capital Lease " means "Capital Lease" as defined in the ABL Credit Agreement as in effect on the date hereof.

" Class Debt " has the meaning assigned to such term in Section 8.09.

" Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Class Debt Representatives " has the meaning assigned to such term in Section 8.09.

" Collateral " means all Property now owned or hereafter acquired by the Borrower or any Guarantor in or upon which a Lien is granted or purported to be granted to the ABL Representative or any Term Priority Representative under any of the ABL Collateral Documents or the Term Collateral Documents, as applicable.

" Collateral Documents " means the ABL Collateral Documents and the Term Collateral Documents.

" Debt Documents " means the ABL Debt Documents and the Term Priority Debt Documents.

" Debt Facility " means the ABL Facility and any Term Priority Debt Facility.

" Designated Junior Priority Representative " means (i) with respect to the ABL Priority Collateral, the Designated Term Priority Representative and (ii) with respect to the Term Priority Collateral, the ABL Representative.

" Designated Senior Representative " means (i) with respect to the ABL Priority Collateral, the ABL Representative and (ii) with respect to the Term Priority Collateral, the Designated Term Priority Representative.

" Designated Term Priority Representative " means (i) prior to the Discharge of First Lien Term Obligations, (x) prior to the initial incurrence of Additional First Priority Term Debt, the First Lien Term Collateral Representative and (y) thereafter, the agent designated as the controlling agent under the

First Lien Intercreditor Agreements at such time and (ii) on or after the Discharge of First Lien Term Obligations, the agent designated as the controlling agent under the applicable Junior Lien Intercreditor Agreements at such time; it being understood that as of the date of this Agreement, the Designated Term Priority Representative shall be the First Lien Term Collateral Representative. When any Designated Term Priority Representative other than the First Lien Term Collateral Representative becomes the Designated Term Priority Representative it shall send a written notice thereof to the ABL Representative and the Borrower.

" DIP Financing " means any ABL Priority DIP Financing or any Term Priority DIP Financing, as applicable.

" Discharge " means, with respect to any Shared Collateral and any Debt Facility, the date on which such Debt Facility and the ABL Obligations or Term Priority Debt Obligations thereunder, as the case may be, are no longer secured by, and are no longer required to be secured by, any such Shared Collateral pursuant to the terms of the documentation governing such Debt Facility. The term " Discharged " shall have a corresponding meaning.

" Discharge of ABL Obligations " means, with respect to any Shared Collateral, the Discharge of the ABL Obligations with respect to such Shared Collateral; provided that the Discharge of ABL Obligations shall not be deemed to have occurred in connection with a Refinancing of such ABL Obligations with any Indebtedness secured by such Shared Collateral which has been designated in writing by the ABL Representative (under the ABL Credit Agreement so Refinanced) to the Designated Term Priority Representative and each other Representative party hereto as the "ABL Credit Agreement" and constituting "ABL Obligations" for purposes of this Agreement.

" Discharge of Additional First Priority Term Debt " means, with respect to any Shared Collateral, the Discharge of all Additional First Priority Term Debt with respect to such Shared Collateral.

" Discharge of Additional Junior Priority Term Debt " means, with respect to any Shared Collateral, the Discharge of all Additional Junior Priority Term Debt with respect to such Shared Collateral.

" Discharge of First Lien Term Credit Agreement Obligations " means, with respect to any Shared Collateral, the Discharge of the First Lien Term Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of First Lien Term Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such First Lien Term Credit Agreement Obligations with Additional First Priority Term Debt secured by such Shared Collateral under one or more Additional Term Priority Debt Documents which has been designated in writing by the Term Priority Representative (under the First Lien Term Credit Agreement so Refinanced) to the ABL Representative and each other Representative party hereto as the "First Lien Term Credit Agreement" and constituting "First Lien Term Credit Agreement Obligations" for purposes of this Agreement.

" Discharge of First Lien Term Obligations " means, with respect to any Shared Collateral, the date on which the Discharge of First Lien Term Credit Agreement Obligations and the Discharge of Additional First Priority Term Debt have occurred.

" Discharge of Senior Obligations " means, with respect to any series of Senior Obligations secured by any Senior Collateral, the date on which the Discharge of such Senior Obligations in respect of such Senior Collateral has occurred.

" Discharge of Term Priority Debt Obligations " means, with respect to any Shared Collateral, the date on which the Discharge of First Lien Term Obligations and the Discharge of Additional Junior Priority Term Debt have occurred.

" Domestic Subsidiary " means each Subsidiary of the Borrower that is organized under the laws of the United States of America, or any state thereof, or the District of Columbia.

" Effective Date " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Enforcement Notice " shall have the meaning set forth in Section 3.01(a).

" Equipment " shall mean (x) any "equipment" as such term is defined in Article 9 of the New York UCC, and in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, appliances, furniture, fixtures, tools, and vehicles now or hereafter owned by any Grantor in each case, regardless of whether characterized as equipment under the Uniform Commercial Code (but excluding any such items which constitute Inventory), and (y) and any and all additions, substitutions and replacements of any of the foregoing and all accessions thereto, wherever located, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefore, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

" Event of Default " shall mean an Event of Default as defined in the ABL Credit Agreement, the First Lien Term Credit Agreement, any other ABL Debt Document relating to any ABL Obligations or any other Term Priority Debt Document relating to any Term Priority Debt Obligations, as applicable.

" First Lien Intercreditor Agreement " means one or more intercreditor agreements among, *inter alios* , the First Lien Term Credit Agreement Administrative Agent and/or the First Lien Term Collateral Representative, on the one hand, and one or more representatives for the holders of Additional First Priority Term Debt that are intended to be or are (i) senior to any Additional Junior Priority Term Debt with respect to the Term Priority Collateral, (ii) junior to the ABL Obligations with respect to the ABL Priority Collateral and (iii) senior to the ABL Obligations with respect to the Term Priority Collateral, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" First Lien Term Cash Management Obligations " means obligations owed by the Borrower or any Subsidiary to any First Lien Term Credit Agreement Secured Party in respect of or in connection with any "Secured Cash Management Agreement" (as defined in the First Lien Term Credit Agreement).

" First Lien Term Collateral Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor collateral agent under the First Lien Term Credit Agreement.

" First Lien Term Credit Agreement " means that certain Term Loan Credit Agreement, dated as of the Effective Date, among, *inter alios* , the Borrower, the lenders and other financial institutions party thereto, Goldman Sachs Bank USA, as collateral agent and as administrative agent, as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement; *provided* that to the extent any Indebtedness thereunder is expressly provided thereunder to be secured on a junior basis to

the Liens securing the First Lien Term Credit Agreement Obligations in existence on the Effective Date, such Indebtedness (a) shall not constitute First Priority Term Debt and (b) subject to satisfaction of the conditions set forth in Section 8.09 hereof, shall constitute Additional First Priority Term Debt or Additional Junior Priority Term Debt, as applicable.

" First Lien Term Credit Agreement Administrative Agent " means Goldman Sachs Bank USA, as administrative agent under the First Lien Term Credit Agreement and any successor thereto in such capacity.

" First Lien Term Credit Agreement Credit Documents " means the First Lien Term Credit Agreement and the other "Credit Documents" as defined in the First Lien Term Credit Agreement, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" First Lien Term Credit Agreement Obligations " means the "Obligations" as defined in the First Lien Term Credit Agreement, unless such "Obligations" are expressly provided under the First Lien Term Credit Agreement not to be secured on a pari passu basis with the First Lien Term Credit Agreement Obligations in existence on the Effective Date or unsecured.

" First Lien Term Credit Agreement Secured Parties " means the "Secured Parties" as defined in the First Lien Term Credit Agreement, other than any Secured Parties whose obligations are not secured on a pari passu basis with the First Lien Term Credit Agreement Obligations in existence on the Effective Date or unsecured.

" First Lien Term Hedging Agreement Obligations " means obligations owed by the Borrower or any Subsidiary to any First Lien Term Credit Agreement Secured Party in respect of or in connection with any "Secured Hedging Agreement" (as defined in the First Lien Term Credit Agreement).

" First Lien Term Security Agreement " means the "Security Agreement" as defined in the First Lien Term Credit Agreement as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" First Priority Term Class Debt " has the meaning assigned to such term in Section 8.09.

" First Priority Term Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" First Priority Term Class Debt Representative " has the meaning assigned to such term in Section 8.09.

" First Priority Term Debt " means the First Lien Term Credit Agreement Obligations and any Additional First Priority Term Debt.

" Governmental Authority " shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

" Grantors " means the Borrower, Holdings and each of the other Guarantors which has granted a security interest pursuant to any Collateral Document to secure any Secured Obligations. The Grantors existing on the date hereof are listed on the signature pages hereto as Grantors.

" Guarantors " means, collectively (a) Holdings, (b) each Domestic Subsidiary of the Borrower that provides a guarantee of any Secured Obligations pursuant to an ABL Debt Document or a Term Priority Debt Document, as applicable and (c) the Borrower (other than with respect to its own obligations under the ABL Debt Documents and the Term Priority Debt Documents).

" Holdings " means, initially, Avaya Holdings Corp., a Delaware corporation, and thereafter, any entity designated as "Holdings" pursuant to the terms of the First Lien Term Credit Agreement and the ABL Credit Agreement.

" Indebtedness " means "Indebtedness" as defined in the ABL Credit Agreement as in effect on the date hereof.

" Insolvency or Liquidation Proceeding " means:

(1) any case commenced by or against the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to the Borrower or any other Grantor or any similar case or proceeding relative to the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, reorganization, marshalling of assets or liabilities or other winding up of or relating to the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" Intellectual Property " means "Intellectual Property" as defined in the First Lien Term Security Agreement as in effect on the Effective Date.

" Joinder Agreement " means a supplement to this Agreement in substantially the form of Annex II or Annex III hereof.

" Junior Lien Intercreditor Agreement " means any intercreditor agreement among the First Lien Term Credit Agreement Administrative Agent and/or the First Lien Term Collateral Representative and any other Person party thereto from time to time (including, without limitation, any Grantor), that defines the relative rights and priorities of the Term Priority Debt Parties (but solely as between each other) with respect to the Shared Collateral, in each case, as the same may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Junior Priority Collateral " means (i) with respect to any ABL Obligations, the Term Priority Collateral securing such ABL Obligations and (ii) with respect to any Term Priority Debt Obligations, the ABL Priority Collateral securing such Term Priority Debt Obligations.

" Junior Priority Collateral Documents " means (i) with respect to any ABL Priority Collateral, the Term Collateral Documents and (ii) with respect to any Term Priority Collateral, the ABL Collateral Documents.

" Junior Priority Debt Documents " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Documents and (ii) with respect to any Term Priority Collateral, the ABL Debt Documents.

" Junior Priority Debt Facilities " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Facilities and (ii) with respect to any Term Priority Collateral, the ABL Facility.

" Junior Priority Debt Obligations " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Obligations secured by such ABL Priority Collateral and (ii) with respect to any Term Priority Collateral, the ABL Obligations secured by such Term Priority Collateral.

" Junior Priority Debt Parties " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Parties secured by such ABL Priority Collateral and (ii) with respect to any Term Priority Collateral, the ABL Secured Parties secured by such Term Priority Collateral.

" Junior Priority Lien " means (i) with respect to any ABL Priority Collateral, the Liens on such ABL Priority Collateral in favor of the Term Priority Debt Parties under the Term Collateral Documents and (ii) with respect to any Term Priority Collateral, the Liens on such Term Priority Collateral in favor of the ABL Secured Parties under the ABL Collateral Documents.

" Junior Priority Representative " means (i) with respect to any ABL Priority Collateral, the Designated Term Priority Representative and (ii) with respect to any Term Priority Collateral, the ABL Representative.

" Junior Priority Term Class Debt " has the meaning assigned to such term in Section 8.09.

" Junior Priority Term Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Junior Priority Term Class Debt Representative " has the meaning assigned to such term in Section 8.09.

" Lien " means any mortgage, pledge, security interest, hypothecation, collateral assignment, lien (statutory or other) or similar encumbrance (including any conditional sale or other title retention agreement or any Capital Lease).

" Letters of Credit " means "Letters of Credit" as defined in the ABL Credit Agreement.

" New York UCC " means the Uniform Commercial Code as from time to time in effect in the State of New York.

" Officer's Certificate " has the meaning assigned to such term in Section 8.09.

" Person " means any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

" Plan of Reorganization " means plan of reorganization, plan of liquidation, agreement for composition, or other type of plan of arrangement proposed in or in connection with any Insolvency or Liquidation Proceeding.

" Pledged or Controlled Collateral " has the meaning assigned to such term in Section 5.05(a).

" Proceeds " means the proceeds of any sale, collection or other liquidation of Shared Collateral and any payment or distribution made in respect of Shared Collateral in an Insolvency or Liquidation Proceeding and any amounts received by any Senior Representative or any Senior Secured Party from a Junior Priority Debt Party in respect of Shared Collateral pursuant to this Agreement and all other Proceeds (as defined in the New York UCC) of Shared Collateral.

" Property " shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

" Purchase Event " has the meaning assigned to such term in Section 5.07.

" Real Property " shall mean any right, title or interest in and to real property, including any fee interest, leasehold interest, easement, or license and any other right to use or occupy real property.

" Recovery " has the meaning assigned to such term in Section 6.04.

" Refinance " means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter into alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including, in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " Refinanced " and " Refinancing " have correlative meanings.

" Registered Equivalent Notes " means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" Replacement Senior Obligation " has the meaning assigned to such term in Section 8.10.

" Representatives " means the ABL Representative and the Term Priority Representatives.

" SEC " means the United States Securities and Exchange Commission and any successor agency thereto.

" Secured Creditor Remedies " shall mean, except as otherwise provided in the final sentence of this definition:

(a) the taking by any Secured Party of any action to enforce or realize upon any Lien, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code or other Applicable Law;

(b) the exercise by any Secured Party of any right or remedy provided to a secured creditor on account of a Lien under any of the Collateral Documents, under Applicable Law, in an Insolvency or Liquidation Proceeding or otherwise, including the election to retain any of the Shared Collateral in satisfaction of a Lien;

(c) the taking of any action by any Secured Party or the exercise of any right or remedy by any Secured Party in respect of the collection on, set off against, marshaling of, injunction respecting or foreclosure on the Shared Collateral or the Proceeds thereof;

(d) the appointment on the application of a Secured Party, of a receiver, receiver and manager or interim receiver of all or part of the Shared Collateral;

(e) the sale, lease, license, or other disposition of all or any portion of the Shared Collateral by private or public sale conducted by a Secured Party or any other means at the direction of a Secured Party permissible under Applicable Law;

(f) the exercise of any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code or under provisions of similar effect under other Applicable Law; and

(g) the exercise by a Secured Party of any voting rights relating to any Stock or Stock Equivalent included in the Shared Collateral.

For the avoidance of doubt, none of the following shall be deemed to constitute an exercise of Secured Creditor Remedies: (i) the filing of a proof of claim in any Insolvency or Liquidation Proceeding or seeking adequate protection by any Senior Secured Party, (ii) the exercise of rights by the ABL Representative upon the occurrence of a Cash Dominion Event (as defined in the ABL Credit Agreement) or an Event of Default, including, without limitation, the notification of account debtors, depository institutions or any other Person to deliver proceeds of Collateral to the ABL Representative, (iii) the reduction of advance rates or sub-limits pursuant to the ABL Credit Agreement, or (iv) the imposition of Reserves (as defined in the ABL Credit Agreement) by the ABL Representative.

" Secured Obligations " means the ABL Obligations and the Term Priority Debt Obligations.

" Secured Parties " means the ABL Secured Parties and the Term Priority Debt Parties.

" Senior Collateral " means (i) with respect to any ABL Obligations, the ABL Priority Collateral securing such ABL Obligations and (ii) with respect to any Term Priority Debt Obligations, the Term Priority Collateral securing such Term Priority Debt Obligations.

" Senior Collateral Documents " means (i) with respect to any ABL Priority Collateral, the ABL Collateral Documents and (ii) with respect to any Term Priority Collateral, the Term Collateral Documents.

" Senior Debt Documents " means (i) with respect to any ABL Priority Collateral, the ABL Debt Documents and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Documents.

" Senior Facilities " means (i) with respect to any ABL Priority Collateral, the ABL Facility and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Facilities.

" Senior Lien " means (i) with respect to any ABL Priority Collateral, the Liens on such ABL Priority Collateral in favor of the ABL Secured Parties under the ABL Collateral Documents and (ii) with respect to any Term Priority Collateral, the Liens on such Term Priority Collateral in favor of the Term Priority Debt Parties under the Term Collateral Documents.

" Senior Obligations " means (i) with respect to any ABL Priority Collateral, the ABL Obligations and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Obligations.

" Senior Representative " means (i) with respect to any ABL Priority Collateral, the ABL Representative and (ii) with respect to any Term Priority Collateral, the Designated Term Priority Representative.

" Senior Secured Parties " means (i) with respect to any ABL Priority Collateral, the ABL Secured Parties secured by such ABL Priority Collateral and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Parties secured by such Term Priority Collateral.

" Shared Collateral " means, at any time, Collateral in which the holders of ABL Obligations and the holders of Term Priority Debt Obligations under at least one Term Priority Debt Facility (or, in each case, their Representatives) hold a security interest at such time (or, in each case, are deemed pursuant to Article II to hold a security interest). If, at any time, any portion of the Collateral under the ABL Facility does not constitute Collateral under one or more Term Priority Debt Facilities, then such portion of such Collateral shall constitute Shared Collateral only with respect to the Term Priority Debt Facilities for which it constitutes Collateral and shall not constitute Shared Collateral for any Term Priority Debt Facility which does not have a security interest in such Collateral at such time.

" Stock " means shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

" Stock Equivalent " means all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable, *provided* that any instrument evidencing Indebtedness convertible or exchangeable for Stock Equivalents shall not be deemed to be Stock Equivalents unless and until such instrument is so converted or exchanged.

" Subsidiary " of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any limited liability company, partnership, association, joint venture or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% voting equity interest at the time or is a controlling general partner. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

" Term Collateral Documents " means the First Lien Term Security Agreement, the First Lien Intercreditor Agreements (upon and after the initial execution and delivery thereof by the initial parties thereto), the Junior Lien Intercreditor Agreements (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any other Grantor for purposes of providing collateral security for any Term Priority Debt Obligation, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Term Priority Accounts " means any Deposit Accounts or Securities Accounts that are intended to solely contain identifiable proceeds of the Term Priority Collateral (it being understood that any property in such Deposit Accounts or Securities Accounts which is not identifiable proceeds of Term Priority Collateral shall not be Term Priority Collateral solely by virtue of being on deposit in any such Deposit Account or Securities Account).

" Term Priority Collateral " means any "Collateral" (or similar term) as defined in any First Lien Term Credit Agreement Credit Document or any other Term Priority Debt Document or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Term Collateral Document as security for any Term Priority Debt Obligation, in each case other than ABL Priority Collateral, consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Bankruptcy Law) would be Term Priority Collateral):

(1) all Equipment, Fixtures, Real Property, Intellectual Property and Investment Property (other than any Investment Property described in clauses 3(y) and 8 of the definition of ABL Priority Collateral),

(2) except to the extent constituting ABL Priority Collateral, all Instruments, Commercial Tort Claims, Documents and General Intangibles,

(3) all other Collateral, other than the ABL Priority Collateral (including ABL Priority Proceeds), and

(4) all collateral security and guarantees with respect to the foregoing, and all cash, Money, insurance proceeds, Instruments, Securities, Financial Assets, Chattel Paper, Securities Accounts and Deposit Accounts received as proceeds of any Collateral and the ABL Priority Collateral (including ABL Priority Proceeds).

" Term Priority Debt Documents " means the First Lien Term Credit Agreement Credit Documents and any Additional Term Priority Debt Documents, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Term Priority Debt Facilities " means the First Lien Term Credit Agreement and any Additional Term Priority Debt Facilities.

" Term Priority Debt Obligations " means the First Lien Term Credit Agreement Obligations and any Additional Term Priority Debt Obligations.

" Term Priority Debt Parties " means the First Lien Term Credit Agreement Secured Parties and any Additional Term Priority Debt Parties.

" Term Priority DIP Financing " has the meaning assigned to such term in Section 6.01(b).

" Term Priority Representative " means (i) in the case of the First Lien Term Credit Agreement Obligations, the First Lien Term Collateral Representative and (ii) in the case of any Additional Term Priority Debt Facility, the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Term Priority Debt Facility that is named as the Representative in respect of such Additional Term Priority Debt Facility in the applicable Joinder Agreement.

" Uniform Commercial Code " or " UCC " means, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

" Use Period " means the period commencing on the date that the ABL Representative (or a Grantor acting with the consent of the ABL Representative) commences the liquidation and sale of the ABL Priority Collateral in a manner as provided in Section 5.09 (having theretofore furnished the Designated Term Priority Representative with an Enforcement Notice) and ending 180 days thereafter (but in no event later than 270 days following the date the Designated Term Priority Representative provides an Enforcement Notice to the ABL Representative). If any stay or other order that prohibits any of the ABL Representative, the other ABL Secured Parties or any Grantor (with the consent of the ABL Representative) from commencing and continuing to exercise any Secured Creditor Remedies or to liquidate and sell the ABL Priority Collateral has been entered by a court of competent jurisdiction, such 180-day period and 270-day period shall be tolled during the pendency of any such stay or other order and the Use Period shall be so extended.

SECTION 1.02. 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 neutral 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, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the Subsidiaries of such Person unless express reference is made to such Subsidiaries, (iii) 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, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, 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 (vi) the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or."

SECTION 1.03. Interpretation. The rules of interpretation specified in the ABL Credit Agreement (including, without limitation, Sections 1.2 through 1.8 thereof) shall be applicable to this Agreement.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Subordination . Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Junior Priority Representative or any other Junior Priority Debt Party on the Shared Collateral or of any Liens granted to any Senior Representative or any other Senior Secured Party on any Shared Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC of any applicable jurisdiction, any Applicable Law, any Junior Priority Debt Document or any Senior Debt Document or any other circumstance whatsoever, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby agrees that (x) any Lien on the Shared Collateral securing any Senior Obligations now or hereafter held by or on behalf of any Senior Representative or any other Senior Secured Party or other

agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to all Liens on the Shared Collateral securing any Junior Priority Debt Obligations and (y) any Lien on the Shared Collateral securing any Junior Priority Debt Obligations now or hereafter held by or on behalf of any Junior Priority Representative, any other Junior Priority Debt Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Shared Collateral securing any Senior Obligations, and without limitation of the foregoing:

(a) any Lien in respect of all or any portion of the ABL Priority Collateral now or hereafter held by or on behalf of the Term Priority Representatives or any Term Priority Debt Party that secures all or any portion of the Term Priority Debt Obligations shall in all respects be junior and subordinate to all Liens granted to the ABL Representative and the ABL Secured Parties in the ABL Priority Collateral to secure all or any portion of the ABL Obligations;

(b) any Lien in respect of all or any portion of the ABL Priority Collateral now or hereafter held by or on behalf of the ABL Representative or any ABL Secured Party that secures all or any portion of the ABL Obligations shall in all respects be senior and prior to all Liens granted to the Term Priority Representatives or any Term Priority Debt Party in the ABL Priority Collateral to secure all or any portion of the Term Priority Debt Obligations;

(c) any Lien in respect of all or any portion of the Term Priority Collateral now or hereafter held by or on behalf of the ABL Representative or any ABL Secured Party that secures all or any portion of the ABL Obligations shall in all respects be junior and subordinate to all Liens granted to the Term Priority Representatives and the Term Priority Debt Parties in the Term Priority Collateral to secure all or any portion of the Term Priority Debt Obligations; and

(d) any Lien in respect of all or any portion of the Term Priority Collateral now or hereafter held by or on behalf of the Term Priority Representatives or any Term Priority Debt Party that secures all or any portion of the Term Priority Debt Obligations shall in all respects be senior and prior to all Liens granted to the ABL Representative or any ABL Secured Party in the Term Priority Collateral to secure all or any portion of the ABL Obligations.

Without limitation of the foregoing, all Liens on the Shared Collateral securing any Senior Obligations shall be and remain senior in all respects and prior to all Liens on the Shared Collateral securing any Junior Priority Debt Obligations for all purposes, it being understood that (w) all Liens on the ABL Priority Collateral securing any ABL Obligations shall be and remain senior in all respects and prior to all Liens on the ABL Priority Collateral securing any Term Priority Debt Obligations, (x) all Liens on the Term Priority Collateral securing any Term Priority Debt Obligations shall be and remain senior in all respects and prior to all Liens on the Term Priority Collateral securing any ABL Obligations, (y) all Liens on the ABL Priority Collateral securing any Term Priority Debt Obligations shall be and remain junior and subordinate in all respects to all Liens on the ABL Priority Collateral securing any ABL Obligations and (z) all Liens on the Term Priority Collateral securing any ABL Obligations shall be and remain junior and subordinate in all respects to all Liens on the Term Priority Collateral securing any Term Priority Debt Obligations, in each case of the foregoing whether or not such Liens securing any Senior Obligations are junior and/or subordinated to any Lien securing any other obligation of the Borrower, any Grantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed.

SECTION 2.02. Nature of ABL Obligations . Each Term Priority Representative, on behalf of itself and each Term Priority Debt Party under its Term Priority Debt Facility, acknowledges that (a) a portion of the ABL Obligations is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, (b) the terms of the ABL Debt Documents and the ABL Obligations may be amended, restated, amended and restated, supplemented or otherwise modified, and the ABL Obligations, or a portion thereof, may be Refinanced in whole or in part from time to time and (c) the aggregate amount of the ABL Obligations may be increased, in each case, without notice to or consent by any Term Priority Representative or Term Priority Debt Party and without affecting the provisions hereof. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, restatement, amendment and restatement, supplement or other modification, or any Refinancing, of either the ABL Obligations or the Term Priority Debt Obligations, or any portion thereof. As between the Borrower and the other Grantors and the Term Priority Debt Parties, the foregoing provisions will not limit or otherwise affect the obligations of the Borrower and the Grantors contained in any Term Priority Debt Document with respect to the incurrence of additional ABL Obligations.

SECTION 2.03. Prohibition on Contesting Liens . Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Senior Obligations held (or purported to be held) by or on behalf of any Senior Representative or any of the other Senior Secured Parties or other agent or trustee therefor in any Senior Collateral. Each Senior Representative, for itself and on behalf of each Senior Secured Party under its Senior Facility, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Junior Priority Debt Obligations held (or purported to be held) by or on behalf of any of any Junior Priority Representative or any of the Junior Priority Debt Parties or other agent or trustee therefor in any Junior Priority Collateral. Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of any Senior Representative to enforce this Agreement (including the priority of the Liens securing the Senior Obligations as provided in Section 2.01) or any of the Senior Debt Documents.

SECTION 2.04. No Other Liens . The parties hereto (including the Borrower, on behalf of the Grantors) agree that it is their intention that the Collateral securing the ABL Obligations and the Term Priority Debt Obligations be identical, except to the extent otherwise expressly set forth herein or to the extent the applicable Debt Document and each other then extant Debt Document does not require the applicable Debt Facility thereunder to be secured by such Collateral. The parties hereto further agree that, (I) so long as the Discharge of ABL Obligations has not occurred, (a) none of the Grantors shall, or shall permit any of its Subsidiaries to, grant or permit any Lien on any asset to secure any Term Priority Debt Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the ABL Obligations, and (b) if any Term Priority Representative or any Term Priority Debt Party shall hold any Lien on any assets or property of any Grantor securing any Term Priority Debt Obligations that are not also subject to the Liens securing all ABL Obligations under the ABL Collateral Documents, such Term Priority Representative or Term Priority Debt Party (i) shall notify the ABL Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the ABL Representative as security for the ABL Obligations, shall assign such Lien to the ABL Representative as security for all ABL Obligations for the benefit of the ABL Secured Parties (but may retain a Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to the ABL Representative, shall be deemed to hold and have held such Lien for the benefit of the ABL Representative and the other ABL Secured Parties as security for the ABL Obligations; and (II) so long as the Discharge of Term Priority Debt Obligations has not occurred, (a) none of the Grantors shall, or shall permit any of its Subsidiaries to, grant or permit any Lien

on any asset to secure any ABL Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the Term Priority Debt Obligations, and (b) if the ABL Representative or any ABL Secured Party shall hold any Lien on any assets or property of any Grantor securing any ABL Obligations that are not also subject to the Liens securing all Term Priority Debt Obligations under the Term Collateral Documents, the ABL Representative or any ABL Secured Party (i) shall notify the Designated Term Priority Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the Designated Term Priority Representative as security for the Term Priority Debt Obligations, shall assign such Lien to the Designated Term Priority Representative as security for all Term Priority Debt Obligations for the benefit of the Term Priority Debt Parties (but may retain a Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to the Designated Term Priority Representative, shall be deemed to hold and have held such Lien for the benefit of the Term Priority Representatives and the other Term Priority Debt Parties as security for the Term Priority Debt Obligations. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, (I) without limiting any other right or remedy available to the ABL Representative or any other ABL Secured Party, each Term Priority Representative agrees, for itself and on behalf of the other Term Priority Debt Parties, that any amounts received by or distributed to any Term Priority Debt Party pursuant to or as a result of any Lien granted in contravention of this Section 2.04 shall be subject to Sections 4.01 and 4.02 and (II) without limiting any other right or remedy available to any Term Priority Representative or any other Term Priority Debt Party, the ABL Representative agrees, for itself and on behalf of the other ABL Secured Parties, that any amounts received by or distributed to any ABL Secured Party pursuant to or as a result of any Lien granted in contravention of this Section 2.04 shall be subject to Sections 4.01 and 4.02.

SECTION 2.05. Perfection of Liens . Except for the limited agreements of the Senior Representatives pursuant to Section 5.05 hereof, none of the Senior Representatives or the Senior Secured Parties shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Shared Collateral for the benefit of the Junior Priority Representatives or the Junior Priority Debt Parties. The provisions of this Agreement are intended to govern the respective Lien priorities as between the ABL Secured Parties and the Term Priority Debt Parties and shall not impose on the ABL Representative, the ABL Secured Parties, the Term Priority Representatives, the Term Priority Debt Parties or any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Shared Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any Applicable Law.

SECTION 2.06. Certain Cash Collateral . Notwithstanding anything in this Agreement or any ABL Debt Document or Term Priority Debt Document to the contrary, (x) Collateral consisting of cash and Cash Equivalents (as defined in the ABL Credit Agreement) and the proceeds thereof (i) pledged to secure ABL Obligations consisting of reimbursement obligations in respect of Letters of Credit pursuant the ABL Credit Agreement and/or (ii) deposited in, or credited to, any account for the purpose of Cash Collateralizing (as defined in the ABL Credit Agreement) obligations in respect of Letters of Credit pursuant to the ABL Credit Agreement shall, in each case, be applied as specified in the ABL Credit Agreement and will not constitute Shared Collateral and, for the avoidance of doubt, no account containing any such cash and Cash Equivalents shall constitute Shared Collateral and (y)(i) funds deposited for the satisfaction, discharge, redemption or defeasance of any Secured Obligations in accordance with the terms of the applicable ABL Debt Documents or Term Priority Debt Document and (ii) cash collateral deposited with (or pledged to) the ABL Representative, Term Priority Representative or any other Secured Party in respect of any ABL Hedging Agreement Obligations, ABL Cash Management Obligations, First Lien Term Hedging Agreement Obligations or First Lien Term Cash Management Obligations which are secured under the applicable Collateral Documents shall, in each case, be applied as specified in the applicable ABL Debt Documents or Term Priority Debt Document, as applicable, and will not constitute Shared Collateral.

ARTICLE III

Enforcement

SECTION 3.01. Exercise of Remedies .

(a) With respect to any Senior Collateral, so long as the Discharge of Senior Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, (i) neither any Junior Priority Representative nor any Junior Priority Debt Party will (x) exercise any Secured Creditor Remedies with respect to any such Senior Collateral in respect of any Junior Priority Debt Obligations secured by such Senior Collateral, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to (A) any foreclosure proceeding or action brought with respect to such Senior Collateral or any other Senior Collateral by any Senior Representative or any Senior Secured Party in respect of the Senior Obligations, (B) the exercise of any right by any Senior Representative or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which any Senior Representative or any Senior Secured Party either is a party or may have rights as a third party beneficiary or (C) any other exercise by any such party of any rights and remedies relating to such Senior Collateral under the Senior Debt Documents or otherwise in respect of the Senior Collateral or the Senior Obligations, or (z) object to the forbearance by the Senior Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to such Senior Collateral in respect of Senior Obligations and (ii) the Senior Representatives and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to such Senior Collateral without any consultation with or the consent of any Junior Priority Representative or any other Junior Priority Debt Party; provided , however , that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Borrower or any other Grantor, any Junior Priority Representative may file a claim, proof of claim, or statement of interest with respect to the Junior Priority Debt Obligations under its Junior Priority Debt Facility, (B) any Junior Priority Representative may take any action (so long as such action is not adverse to the prior Liens on the Shared Collateral securing the Senior Obligations or the rights of the Senior Representatives or the other Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Shared Collateral, (C) any Junior Priority Representative and the Junior Priority Debt Parties may exercise their rights and remedies as unsecured creditors, to the extent provided in Section 5.04, (D) the Junior Priority Debt Parties may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Priority Debt Parties or the avoidance of any Junior Priority Lien to the extent not inconsistent with the terms of this Agreement and (E) the Junior Priority Debt Parties may vote with respect to any Plan of Reorganization in a manner that is consistent with and otherwise in accordance with this Agreement (in each case of (A) through (E) above, solely to the extent such action is not inconsistent with, or could not result in a resolution inconsistent with, the terms of this Agreement and it being understood and agreed that that the temporary deposit of Proceeds of Term Priority Collateral in a Deposit Account controlled by the ABL Representative shall not constitute a breach of this Agreement so long as such Proceeds are promptly (but in no event later than five Business Days after (i) receipt and (ii) the ABL Representative having actual knowledge that such amount

constitutes Proceeds of Term Priority Collateral) remitted to the Designated Term Priority Representative). In exercising rights and remedies with respect to the Senior Collateral, the Senior Representatives and the Senior Secured Parties may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion; provided that each of the ABL Representative and the Term Priority Representative agrees to provide to the other (x) a written notice (an " Enforcement Notice ") prior to the commencement of an exercise of any Secured Creditor Remedies and (y) copies of any notices that it is required under Applicable Law to deliver to any Grantor promptly after delivery thereof; provided , further , however , that (I) the ABL Representative's failure to provide any such copies to the Term Priority Representatives (but not the Enforcement Notice) shall not impair any of the ABL Representative's rights hereunder or under any of the ABL Debt Documents and (II) the Term Priority Representative's failure to provide any such copies to the ABL Representative (but not the Enforcement Notice) shall not impair any Term Priority Representative's rights hereunder or under any of the Term Priority Debt Documents. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Senior Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the UCC of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) With respect to any Senior Collateral, so long as the Discharge of Senior Obligations has not occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a) and in Article VI, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will not, in the context of its role as a secured creditor, take or receive any Senior Collateral or any Proceeds of Senior Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any Senior Collateral in respect of Junior Priority Debt Obligations. Without limiting the generality of the foregoing, with respect to any Senior Collateral, unless and until the Discharge of Senior Obligations has occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a) and in Article VI, the sole right of the Junior Priority Representatives and the Junior Priority Debt Parties with respect to the Senior Collateral is to hold a Lien on the Senior Collateral in respect of Junior Priority Debt Obligations pursuant to the Junior Priority Debt Documents for the period set forth, and to the extent granted, therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Senior Obligations has occurred.

(c) Subject to the proviso in clause (ii) of Section 3.01(a), (i) each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that neither such Junior Priority Representative nor any such Junior Priority Debt Party will take any action that would hinder any exercise of remedies undertaken by any Senior Representative or any Senior Secured Party with respect to the Senior Collateral under the Senior Debt Documents, including any sale, lease, exchange, transfer or other disposition of the Senior Collateral, whether by foreclosure or otherwise, and (ii) each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby waives any and all rights it or any such Junior Priority Debt Party may have as a junior lien creditor or otherwise to object to the manner in which the Senior Representatives or the Senior Secured Parties seek to enforce or collect the Senior Obligations or the Liens granted on any of the Senior Collateral, regardless of whether any action or failure to act by or on behalf of any Senior Representative or any other Senior Secured Party is adverse to the interests of the Junior Priority Debt Parties.

(d) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Junior Priority Debt Document shall be deemed to restrict in any way the rights and remedies of the Senior Representatives or the Senior Secured Parties with respect to the Senior Collateral as set forth in this Agreement and the Senior Debt Documents.

(e) Subject to Section 3.01(a), with respect to any Senior Collateral, the Designated Senior Representative shall have the exclusive right to exercise any right or remedy with respect to such Senior Collateral and shall have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto. Following the Discharge of Senior Obligations with respect to any Senior Collateral, the Designated Junior Priority Representative shall have the exclusive right to exercise any right or remedy with respect to such Senior Collateral, and the Designated Junior Priority Representative shall have the exclusive right to direct the time, method and place of exercising or conducting any proceeding for the exercise of any right or remedy available to the Junior Priority Debt Parties with respect to such Senior Collateral, or of exercising or directing the exercise of any trust or power conferred on the Junior Priority Representatives, or for the taking of any other action authorized by the Junior Priority Collateral Documents; provided , however , that nothing in this Section 3.01(e) shall impair the right of any Junior Priority Representative or other agent or trustee acting on behalf of the Junior Priority Debt Parties to take such actions with respect to the Senior Collateral after the Discharge of Senior Obligations in respect of such Senior Collateral as may be otherwise required or authorized pursuant to any intercreditor agreement governing the Term Priority Debt Parties or the Term Priority Debt Obligations (including the First Lien Intercreditor Agreements and Junior Lien Intercreditor Agreements).

SECTION 3.02. Cooperation. Subject to the proviso in clause (ii) of Section 3.01(a), each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that, unless and until the Discharge of Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Senior Representatives upon the request of the Designated Senior Representative) in commencing, any enforcement, collection, execution, levy, foreclosure or other action or proceeding with respect to any Lien held by it in the Senior Collateral under any of the Junior Priority Debt Documents or otherwise in respect of the Junior Priority Debt Obligations.

SECTION 3.03. Actions upon Breach . Should any Junior Priority Representative or any Junior Priority Debt Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with respect to the Senior Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, any Senior Representative or other Senior Secured Party or the Borrower or any other Grantor may obtain relief against such Junior Priority Representative or such Junior Priority Debt Party by injunction, specific performance or other appropriate equitable relief. Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby (i) agrees that the Senior Secured Parties' damages from the actions of the Junior Priority Representatives or any Junior Priority Debt Party may at that time be difficult to ascertain and may be irreparable and waives any defense that the Borrower, any other Grantor or the Senior Secured Parties cannot demonstrate damage or be made whole by the awarding of damages and (ii) irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by any Senior Representative or any other Senior Secured Party.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds .

(a) After an Event of Default under any ABL Debt Document has occurred and until such Event of Default is cured or waived, so long as the Discharge of ABL Obligations has not occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, the ABL Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such ABL Priority Collateral or upon the exercise of any other remedies shall be applied by the ABL Representative to the ABL Obligations in such order as specified in the relevant ABL Debt Documents until the Discharge of ABL Obligations has occurred. Following the Discharge of ABL Obligations, the ABL Representative shall deliver promptly to the Designated Term Priority Representative any ABL Priority Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the Designated Term Priority Representative to the Term Priority Debt Obligations in such order as specified in the relevant Term Priority Debt Documents (including the First Lien Intercreditor Agreements and the Junior Lien Intercreditor Agreements).

(b) After an Event of Default under any Term Priority Debt Document has occurred and until such Event of Default is cured or waived, so long as the Discharge of Term Priority Debt Obligations has not occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, the Term Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Term Priority Collateral or upon the exercise of any other remedies shall be applied by the Term Priority Representatives to the Term Priority Debt Obligations in such order as specified in the relevant Term Priority Debt Documents (including the First Lien Intercreditor Agreements and the Junior Lien Intercreditor Agreements) until the Discharge of Term Priority Debt Obligations has occurred. Following the Discharge of Term Priority Debt Obligations, the Designated Term Priority Representative and each other Term Priority Representative shall deliver promptly to the ABL Representative any Term Priority Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the ABL Representative to the ABL Obligations in such order as specified in the relevant ABL Debt Documents.

(c) In exercising remedies, whether as a secured creditor or otherwise, the ABL Representative shall have no obligation or liability to the Designated Term Priority Representative or to any other Term Priority Debt Party, and no Term Priority Representative shall have any obligation or liability to the ABL Representative or to any other ABL Secured Party, in each case regarding the adequacy of any Proceeds or for any action or omission, except solely for an action or omission that breaches the express obligations undertaken by such Person under the terms of this Agreement. Notwithstanding anything to the contrary herein contained, none of the parties hereto waives any claim that it may have against a Secured Party on the grounds that any sale, transfer or other disposition by the Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

(d) Following the Discharge of ABL Obligations, the ABL Representative shall deliver to the Designated Term Priority Representative or shall execute such documents as the Designated Term Priority Representative may reasonably request (at the expense of the Borrower) to enable the Designated Term Priority Representative to have control over any Pledged or Controlled Collateral still in the ABL Representative's possession, custody, or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. Following the Discharge of Term Priority Debt Obligations, the Designated Term Priority Representative shall deliver to the ABL Representative or shall execute such documents as the ABL Representative may reasonably request (at the expense of the Borrower) to enable the ABL Representative to have control over any Pledged or Controlled Collateral still in the Designated Term Priority Representative's possession, custody or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct.

SECTION 4.02. Payments Over .

(a) Unless and until the Discharge of ABL Obligations has occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, any ABL Priority Collateral or Proceeds thereof received by any Term Priority Representative or any Term Priority Debt Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral, whether or not in contravention of this Agreement or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the ABL Representative for the benefit of the ABL Secured Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The ABL Representative is hereby authorized to make any such endorsements as agent for each of the Term Priority Representatives or any such Term Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

(b) Unless and until the Discharge of Term Priority Debt Obligations has occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, any Term Priority Collateral or Proceeds thereof received by the ABL Representative or any ABL Secured Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral, whether or not in contravention of this Agreement or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Designated Term Priority Representative for the benefit of the Term Priority Debt Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Designated Term Priority Representative is hereby authorized to make any such endorsements as agent for the ABL Representative or any such ABL Secured Party. This authorization is coupled with an interest and is irrevocable.

SECTION 4.03. Specific Performance . Each of the ABL Representative, the First Lien Term Collateral Representative and each other Representative that becomes a party to this Agreement is hereby authorized to demand specific performance of this Agreement, whether or not the Borrower or any Guarantor shall have complied with any of the provisions of any of the Debt Documents, at any time when any other party hereto shall have failed to comply with any of the provisions of this Agreement applicable to it. Each of the ABL Representative, for and on behalf of itself and the ABL Secured Parties, and each Term Priority Representative, for and on behalf of itself and the Term Priority Debt Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

ARTICLE V

Other Agreements

SECTION 5.01. Releases .

(a) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that, in the event of a sale, transfer or other disposition of any specified item of Shared Collateral (including all or substantially all of the Stock and Stock Equivalent of any Subsidiary of the Borrower) (i) in connection with the exercise of Secured Creditor Remedies by the Designated Senior Representative in respect of such Shared Collateral following and during the continuation of an Event of Default under the Senior Debt Documents or (ii) if not in connection with the exercise of Secured Creditor Remedies by the Designated Senior Representative in respect of such Shared Collateral, so long as such sale, transfer or other disposition is

(x) permitted by the terms of the Junior Priority Debt Documents or (y) made with the consent of the Designated Senior Representative at a time when an Event of Default (as defined in the applicable Senior Debt Document) is continuing, the Liens granted to the Junior Priority Representatives and the Junior Priority Debt Parties upon such Shared Collateral to secure Junior Priority Debt Obligations shall (whether or not any Insolvency or Liquidation Proceeding is pending at such time) terminate and be released, immediately and automatically and without any further action by any Person, concurrently with the termination and release of all Liens granted upon such Shared Collateral to secure Senior Obligations. Upon delivery to a Junior Priority Representative of an Officer's Certificate stating that any such termination and release of Liens securing the Senior Obligations has become effective (or shall become effective concurrently with such termination and release of the Liens granted to the Junior Priority Debt Parties and the Junior Priority Representatives) and any necessary or proper instruments of termination or release prepared by the Borrower or any other Grantor, such Junior Priority Representative will promptly execute, deliver or acknowledge, at the Borrower's or the other Grantor's sole cost and expense, such instruments to evidence such termination and release of the Liens. Nothing in this Section 5.01(a) will be deemed to affect any agreement of a Junior Priority Representative, for itself and on behalf of the Junior Priority Debt Parties under its Junior Priority Debt Facility, to release the Liens on the Junior Priority Collateral as set forth in the relevant Junior Priority Debt Documents.

(b) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby irrevocably constitutes and appoints the Designated Senior Representative and any officer or agent of the Designated Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Junior Priority Representative or such Junior Priority Debt Party or in the Designated Senior Representative's own name, from time to time in the Designated Senior Representative's discretion, for the purpose of carrying out the terms of Section 5.01(a), to take any and all appropriate action and to execute and/or authorize any and all documents and instruments that may be necessary or desirable to accomplish the purposes of Section 5.01(a), including any termination statements, notations of liens, endorsements or other instruments of transfer or release. The Designated Senior Representative hereby agrees to take action reasonably requested by the Grantors to carry out the terms of this Section 5.01(b) or to accomplish the purposes of Section 5.01(a).

(c) With respect to any Senior Collateral, unless and until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby consents to the application, whether prior to or after an Event of Default under any Senior Debt Document, of proceeds of such Senior Collateral to the repayment of Senior Obligations pursuant to the Senior Debt Documents, provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Junior Priority Representatives or the Junior Priority Debt Parties to receive proceeds in connection with the Junior Priority Debt Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Junior Priority Collateral Document, in the event the terms of a Senior Collateral Document and a Junior Priority Collateral Document each require any Grantor (i) to make any payments in respect of any item of Shared Collateral to, (ii) to deliver or afford control over any item of Shared Collateral to, or deposit any item of Shared Collateral with, (iii) to make notations of lien or register ownership of any item of Shared Collateral in the name of or make an assignment of ownership of any Shared Collateral or the rights thereunder to, (iv) cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Shared Collateral, with instructions or orders from, or to treat, in respect of any item of Shared Collateral, as the entitlement holder, (v) hold any item of Shared Collateral in trust for (to the extent such item of Shared Collateral cannot be held in trust for multiple parties under Applicable Law), (vi) obtain the agreement of a bailee or other third party to hold any item

of Shared Collateral for the benefit of or subject to the control of or, in respect of any item of Shared Collateral, to follow the instructions of or (vii) obtain the agreement of a landlord with respect to access to leased premises where any item of Shared Collateral is located or waivers or subordination of rights with respect to any item of Shared Collateral in favor of, in any case, both any Senior Representative and any Junior Priority Representative or Junior Priority Debt Party, such Grantor may, until the applicable Discharge of Senior Obligations has occurred, comply with such requirement under the Junior Priority Collateral Document as it relates to such Shared Collateral by taking any of the actions set forth above only with respect to, or in favor of, the Designated Senior Representative; provided that, notwithstanding anything to the contrary, any action or compliance with respect to the foregoing by any Grantor shall not cause a default or Event of Default to exist under any Senior Debt Document or any Junior Priority Debt Document.

SECTION 5.02. Insurance and Condemnation Awards . Proceeds of Shared Collateral include insurance proceeds and, therefore, the Lien priorities set forth herein shall govern the ultimate disposition of casualty insurance proceeds. The ABL Representative and the Designated Term Priority Representative shall each be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Shared Collateral. Unless and until the Discharge of ABL Obligations has occurred, the ABL Representative and the ABL Secured Parties shall have the sole and exclusive right, as against the Term Priority Representatives and the Term Priority Debt Parties, subject to the terms set forth in this Section 5.02 and the rights of the Grantors under the ABL Debt Documents, (a) to adjust settlement for any insurance policy covering the ABL Priority Collateral in the event of any loss, theft or destruction thereunder and (b) to approve any award granted in any condemnation or similar proceeding affecting the ABL Priority Collateral. Unless and until the Discharge of Term Priority Debt Obligations has occurred, the Designated Term Priority Representative and the Term Priority Debt Parties shall have the sole and exclusive right, as against the ABL Representative and the ABL Secured Parties, subject to the terms set forth in this Section 5.02 and the rights of the Grantors under the Term Priority Debt Documents, (a) to adjust settlement for any insurance policy covering the Term Priority Collateral in the event of any loss, theft or destruction thereunder and (b) to approve any award granted in any condemnation or similar proceeding affecting the Term Priority Collateral. If any insurance claim includes both ABL Priority Collateral and Term Priority Collateral, the insurer will not settle such claim separately with respect to ABL Priority Collateral and Term Priority Collateral, and if the ABL Representative and the Designated Term Priority Representative are unable after negotiating in good faith to agree on the settlement for such claim, either ABL Representative or the Designated Term Priority Representative may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the Secured Parties. All proceeds of such insurance shall be remitted to the ABL Representative or the Designated Term Priority Representative, as the case may be, and each of the Term Priority Representatives and ABL Representative shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.01 hereof. Subject to the rights of the Grantors under the applicable Senior Debt Documents, unless and until the Discharge of Senior Obligations has occurred, all proceeds of any such policy and any such award, if in respect of any Senior Collateral, shall be paid (i) first, prior to the occurrence of the Discharge of Senior Obligations, to the Designated Senior Representative for the benefit of Senior Secured Parties pursuant to the terms of such Senior Debt Documents, (ii) second, after the occurrence of the Discharge of Senior Obligations, to the Designated Junior Priority Representative for the benefit of the Junior Priority Debt Parties pursuant to the terms of the applicable Junior Priority Debt Documents and (iii) third, if no Junior Priority Debt Obligations are outstanding (other than unasserted contingent indemnification obligations and expense reimbursement obligations), to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If any Junior Priority Representative or any Junior Priority Debt Party shall, at any time, receive any proceeds of any such insurance policy or any such award prior to the Discharge of Senior Obligations, it shall pay such proceeds over to the Designated Senior Representative in accordance with the terms of Section 4.02 to be applied in accordance with the immediately preceding sentence.

SECTION 5.03. Amendments to Debt Documents .

(a) The ABL Debt Documents may be amended, restated, amended and restated, supplemented, extended, renewed, replaced, restructured, and/or otherwise modified in accordance with their terms, and the Indebtedness under the ABL Debt Documents may be Refinanced or replaced, in whole or in part, in each case, without the consent of any Term Priority Debt Party, all without affecting the Lien priorities provided for herein and the other provisions hereof; provided , however , that, without the consent of the Designated Term Priority Representative, no such amendment, restatement, amendment and restatement, supplement, extension, renewal, replacement, restructuring or other modification (or successive amendments, restatements, amendment and restatements, supplements, extensions, renewals, replacements, restructurings or other modifications) shall contravene the provisions of this Agreement.

(b) The Term Priority Debt Documents may be amended, restated, amended and restated, supplemented, extended, renewed, replaced, restructured, and/or otherwise modified in accordance with their terms, and the Indebtedness under the Term Priority Debt Documents may be Refinanced or replaced, in whole or in part, in each case, without the consent of any ABL Secured Party, all without affecting the Lien priorities provided for herein and the other provisions hereof; provided , however , that, without the consent of the ABL Representative, no such amendment, restatement, amendment and restatement, supplement, extension, renewal, replacement, restructuring or other modification (or successive amendments, restatements, amendment and restatements, supplements, extensions, renewals, replacements, restructurings or other modifications) shall contravene the provisions of this Agreement.

(c) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that each Junior Priority Collateral Document under its Junior Priority Debt Facility shall include the following language (or language to similar effect reasonably approved by the Designated Senior Representative):

> "Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the [ABL Representative][Term Priority Representative] pursuant to this Agreement are expressly subject to the lien priorities set forth in that certain ABL Intercreditor Agreement dated as of December 15, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the " ABL Intercreditor Agreement "), among Citibank, N.A., as ABL Representative, Goldman Sachs Bank USA, as First Lien Term Collateral Representative, Holdings, the Borrower and the Subsidiaries of Holdings from time to time party thereto and affiliated entities party thereto and (ii) the exercise of any right or remedy by the [ABL Representative][Term Priority Representative] hereunder is subject to the limitations and provisions of the ABL Intercreditor Agreement. In the event of any conflict between the terms of the ABL Intercreditor Agreement and the terms of this Agreement, the terms of the ABL Intercreditor Agreement shall govern and control."

(d) In the event that each applicable Senior Representative and/or the Senior Secured Parties enter into any amendment, waiver or consent in respect of any of the Senior Collateral Documents for the purpose of adding to or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Collateral Document or changing in any manner the rights of the Senior Representatives, the Senior Secured Parties, the Borrower or any other Grantor thereunder (including the release of any Liens in Senior Collateral) in a manner that is applicable to all Senior Facilities, then such

amendment, waiver or consent shall apply automatically to any comparable provision of each comparable Junior Priority Collateral Document without the consent of any Junior Priority Representative or any Junior Priority Debt Party and without any action by any Junior Priority Representative, the Borrower or any other Grantor; provided , however , that (i) no such amendment, waiver or consent shall (A) remove assets subject to the Junior Priority Liens or release any such Liens, except to the extent that such release is permitted or required by Section 5.01(a) and provided that there is a concurrent release of the corresponding Senior Liens or (B) amend, modify or otherwise affect the rights or duties of any Junior Priority Representative in its role as Junior Priority Representative without its prior written consent and (ii) written notice of such amendment, waiver or consent shall have been given to each Junior Priority Representative by the Borrower within 10 Business Days after the effectiveness of such amendment, waiver or consent; provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

SECTION 5.04. Rights as Unsecured Creditors . Except as otherwise expressly provided for herein, the Junior Priority Representatives and the Junior Priority Debt Parties may exercise rights and remedies as unsecured creditors against the Borrower and any other Grantor in accordance with the terms of the Junior Priority Debt Documents and Applicable Law so long as such rights and remedies do not violate any express provision of this Agreement. Nothing in this Agreement shall prohibit the receipt by any Junior Priority Representative or any Junior Priority Debt Party of the required payments of principal, premium, interest, fees and other amounts due under the Junior Priority Debt Documents so long as such receipt is not the direct or indirect result of the exercise by a Junior Priority Representative or any Junior Priority Debt Party of rights or remedies as a secured creditor in respect of Shared Collateral in contravention of this Agreement, or of any other action in contravention of this Agreement. In the event that any Junior Priority Representative or any Junior Priority Debt Party becomes a judgment lien creditor in respect of Shared Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of Junior Priority Debt Obligations, such judgment lien shall be subordinated to the Liens securing Senior Obligations on the same basis as the other Liens securing the Junior Priority Debt Obligations are so subordinated and junior to such Liens securing Senior Obligations under this Agreement. Nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the Senior Representatives or the Senior Secured Parties may have with respect to the Senior Collateral.

SECTION 5.05. Gratuitous Bailee for Perfection .

(a) Each Senior Representative acknowledges and agrees that if it shall at any time hold a Lien securing any Senior Obligations on any Shared Collateral that can be perfected by the possession or control of such Shared Collateral or of any account in which such Shared Collateral is held, and if such Shared Collateral or any such account is in fact in the possession or under the control of such Senior Representative, or of agents or bailees of such Person (such Shared Collateral being referred to herein as the " Pledged or Controlled Collateral "), or if it shall any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral or if it shall be the registered owner, assignee or lienholder (or other similar designation) on any certificate of title or other notation of liens, the applicable Senior Representative shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Junior Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Junior Priority Collateral Documents or granting rights or access to any Shared Collateral subject to such landlord waiver or bailee's letter or any similar agreement or arrangement and subject to the terms and conditions of this Section 5.05.

(b) With respect to any Pledged or Controlled Collateral constituting Senior Collateral, except as otherwise specifically provided herein, until the Discharge of Senior Obligations has occurred, the Senior Representatives and the Senior Secured Parties shall be entitled to deal with such Pledged or Controlled Collateral in accordance with the terms of the Senior Debt Documents as if the Liens under the Junior Priority Collateral Documents did not exist. The rights of the Junior Priority Representatives and the Junior Priority Debt Parties with respect to such Pledged or Controlled Collateral shall at all times be subject to the terms of this Agreement.

(c) The Senior Representatives and the Senior Secured Parties shall have no obligation whatsoever to the Junior Priority Representatives or any Junior Priority Debt Party to assure that any of the Pledged or Controlled Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Shared Collateral, except as expressly set forth in this Section 5.05. The duties or responsibilities of the Senior Representatives under this Section 5.05 shall be limited solely to holding or controlling the Shared Collateral and the related Liens referred to in paragraph (a) of this Section 5.05 as sub-agent and gratuitous bailee for the relevant Junior Priority Representative for purposes of perfecting the Lien held by such Junior Priority Representative.

(d) The Senior Representatives shall not have, by reason of the Junior Priority Collateral Documents or this Agreement, or any other document, a fiduciary relationship in respect of any Junior Priority Representative or any Junior Priority Debt Party, and each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby waives and releases the Senior Representatives from all claims and liabilities arising pursuant to the Senior Representatives' roles under this Section 5.05 as sub-agents and gratuitous bailees with respect to the Shared Collateral.

(e) With respect to any Pledged or Controlled Collateral constituting Senior Collateral, upon the Discharge of Senior Obligations, each applicable Senior Representative shall, at the Grantors' sole cost and expense and, solely with respect to the Term Priority Debt Parties to the extent not otherwise required to act differently pursuant to the terms of the First Lien Intercreditor Agreements or the Junior Lien Intercreditor Agreements (in each case if then in effect), (i) (A) deliver to the Designated Junior Priority Representative, to the extent that it is legally permitted to do so, all such Pledged or Controlled Collateral in its possession, including all proceeds thereof, held or controlled by such Senior Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of such Pledged or Controlled Collateral, together with any necessary endorsements or notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral or make any necessary notations of liens to effect such transfer, or (B) direct and deliver such Shared Collateral as a court of competent jurisdiction may otherwise direct, (ii) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (iii) notify any governmental authority involved in any condemnation or similar proceeding involving any Grantor that the Designated Junior Priority Representative is entitled to approve any awards granted in such proceeding. The Borrower and the other Grantors shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify each Senior Representative for loss or damage suffered by such Senior Representative as a result of such transfer, except for loss or damage suffered by any such Person as a result of its own willful misconduct, gross negligence or bad faith, as determined by a final nonappealable judgment of a court of competent jurisdiction. The Senior Representatives have no obligations to follow instructions from any Junior Priority Representative or any other Junior Priority Debt Party in contravention of this Agreement (as determined in good faith by such Senior Representative).

(f) None of the Senior Representatives nor any of the other Senior Secured Parties shall be required to marshal any present or future collateral security for any obligations of the Borrower or any Subsidiary to any Senior Representative or any Senior Secured Party under the Senior Debt Documents or any assurance of payment in respect thereof or to any Junior Priority Debt Party, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising. Until the Discharge of Senior Obligations, no Junior Priority Debt Party will assert any marshaling, appraisal, valuation or other similar right that may otherwise be available to a junior secured creditor.

SECTION 5.06. When Discharge of Senior Obligations Deemed To Not Have Occurred . If, at any time substantially concurrently with or after the occurrence of the Discharge of Senior Obligations with respect to any Shared Collateral, the Borrower or any Subsidiary consummates any Refinancing of or incurs any Senior Obligations with respect to such Shared Collateral, then such Discharge of Senior Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of such first Discharge of Senior Obligations) and the applicable agreement governing such Senior Obligations shall automatically be treated as a Senior Debt Document for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Shared Collateral set forth herein and the agent, representative or trustee for the holders of such Senior Obligations shall be a Senior Representative for all purposes of this Agreement. Upon receipt of notice of such incurrence (including the identity of the new Senior Representative) from the Borrower and the new Senior Representative under the agreement governing such Senior Obligations, each Junior Priority Representative (including the Designated Junior Priority Representative) shall promptly (a) enter into such documents and agreements (at the expense of the Borrower), including amendments or supplements to this Agreement, as the Borrower or such new Senior Representative shall reasonably request in writing in order to provide such new Senior Representative the rights of a Senior Representative contemplated hereby, (b) deliver to such Senior Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by such Junior Priority Representative or any of its agents or bailees, including the transfer of possession and control, as applicable of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, (c) notify any applicable insurance carrier that it is no longer (and such new Senior Representative is) entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (d) notify any governmental authority involved in any condemnation or similar proceeding involving a Grantor that the new Senior Representative is entitled to approve any awards granted in such proceeding.

SECTION 5.07. Purchase Right . Without prejudice to the enforcement of the ABL Secured Parties' remedies, the ABL Secured Parties agree that following (a) the acceleration of the ABL Obligations in accordance with the terms of the ABL Debt Documents or (b) the commencement of an Insolvency or Liquidation Proceeding (each, a " Purchase Event "), within thirty (30) days of the Purchase Event, one or more of the Term Priority Debt Parties may request, and the ABL Secured Parties hereby offer the Term Priority Debt Parties the option, to purchase all, but not less than all, of the aggregate amount of outstanding ABL Obligations at the time of purchase at (a) in the case of ABL Obligations other than any ABL Cash Management Obligations or any ABL Hedging Agreement Obligations or in connection with undrawn Letters of Credit, par (plus any premium that would be applicable upon prepayment of the ABL Obligations (including as a result of the occurrence of any such Purchase Event) and accrued and unpaid interest, fees and expenses) and (b) in the case of ABL Cash Management Obligations or any ABL Hedging Agreement Obligations, an amount equal to the greater of

(i) all amounts payable by any Grantor under the terms of the applicable ABL Cash Management Obligations or ABL Hedging Agreement Obligations in the event of a termination of the applicable documentation governing such ABL Cash Management Obligations or any ABL Hedging Agreement Obligations and (ii) the mark-to-market value of such ABL Hedging Agreement Obligations, as determined by the counterparty to the Grantor thereunder with respect to such ABL Hedging Agreement Obligations, in each case, in accordance with the terms thereof and in accordance with customary methods for calculating mark-to-market amounts under similar arrangements by such counterparty, in each case, without warranty or representation or recourse (except for representations and warranties required to be made by assigning lenders pursuant to an Assignment and Assumption (as defined in the ABL Credit Agreement)). In the case of any ABL Obligations in respect of Letters of Credit (including reimbursement obligations in connection therewith), simultaneously with the purchase of the other ABL Obligations, the purchasing Term Priority Debt Parties shall provide the ABL Secured Parties who issued such Letters of Credit cash collateral in such amounts (not to exceed 105% thereof) as such ABL Secured Parties determine is reasonably necessary to secure such ABL Secured Parties in connection with any outstanding and undrawn Letters of Credit. If such right is exercised, the parties shall endeavor to close promptly thereafter but in any event shall close within ten (10) Business Days of the request. If one or more of the Term Priority Debt Parties exercise such purchase right, it shall be exercised pursuant to documentation mutually acceptable to each of the ABL Credit Agreement Administrative Agent and the applicable Term Priority Representative, in each case, at no cost or expense of the Grantors or the ABL Secured Parties. If none of the Term Priority Debt Parties exercise such right within thirty (30) days of such Purchase Event, the ABL Secured Parties shall have no further obligations pursuant to this Section 5.07 for such Purchase Event and may take any further actions in their sole discretion in accordance with the ABL Debt Documents and this Agreement. For the avoidance of doubt, such purchase shall not reduce or limit the benefits of the ABL Debt Documents in favor of any ABL Secured Party that expressly survive the assignment of all or any portion of the applicable ABL Obligations by such ABL Secured Party, including, without limitation, any indemnity obligations of the Grantors thereunder. The ABL Credit Agreement Administrative Agent hereby consents to any Assignment and Assumption effectuated to one or more purchasers pursuant to the terms of this Section 5.07 and hereby agrees that no further consent from the ABL Credit Agreement Administrative Agent shall be required.

SECTION 5.08. Sharing of Information and Access . In the event that the ABL Representative shall, in the exercise of its rights under the ABL Collateral Documents or otherwise, receive possession or control of any books and records of any Grantor which contain information identifying or pertaining to the Term Priority Collateral, the ABL Representative shall, upon request from the Designated Term Priority Representative and as promptly as practicable thereafter, either make available to the Designated Term Priority Representative such books and records for inspection and duplication or provide to the Designated Term Priority Representative copies thereof. In the event that any Term Priority Representative shall, in the exercise of its rights under the applicable Term Collateral Documents or otherwise, receive possession or control of any books and records of any Grantor which contain information identifying or pertaining to any of the ABL Priority Collateral, such Term Priority Representative shall, upon request from the ABL Representative and as promptly as practicable thereafter, either make available to the ABL Representative such books and records for inspection and duplication or provide the ABL Representative copies thereof.

SECTION 5.09. Inspection and Access Rights .

(a) Without limiting any rights the ABL Representative or any other ABL Secured Party may otherwise have under Applicable Law or by agreement, in the event of any liquidation of the ABL Priority Collateral (or any other exercise of any Secured Creditor Remedies by the ABL Representative) and whether or not the Designated Term Priority Representative or any other Term Priority Debt Party has commenced and is continuing to exercise any Secured Creditor Remedies, the

ABL Representative or any other Person (including any Grantor) acting with the consent, or on behalf, of the ABL Representative, shall have the right (i) during normal business hours on any Business Day, to access ABL Priority Collateral that (A) is stored or located in or on, (B) has become an accession with respect to (within the meaning of Section 9-335 of the Uniform Commercial Code), or (C) has been commingled with (within the meaning of Section 9-336 of the Uniform Commercial Code), Term Priority Collateral, and (ii) during the Use Period, shall have the right to use the Term Priority Collateral (including, without limitation, Equipment, Fixtures, Intellectual Property, General Intangibles and Real Property), each of the foregoing in order to assemble, inspect, copy or download information stored on, take actions to perfect its Lien on, complete a production run of Inventory involving, take possession of, move, prepare and advertise for sale, sell (by public auction, private sale or a "store closing", "going out of business" or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented Inventory of the same type sold in any Grantor's business), store or otherwise deal with the ABL Priority Collateral, in each case without notice to, the involvement of or interference by any Term Priority Debt Party or liability to any Term Priority Debt Party. In the event that any ABL Secured Party has commenced and is continuing the exercise of any Secured Creditor Remedies with respect to any ABL Priority Collateral or any other sale or liquidation of the ABL Priority Collateral has been commenced by a Grantor (with the consent of the ABL Representative), no Term Priority Debt Party may sell, assign or otherwise transfer the related Term Priority Collateral prior to the expiration of the Use Period, unless the purchaser, assignee or transferee thereof agrees to be bound by the provisions of this Section 5.09.

(b) During the period of actual occupation, use and/or control by the ABL Secured Parties and/or the ABL Representative (or their respective employees, agents, advisers and representatives) of any Term Priority Collateral, the ABL Secured Parties and the ABL Representative shall be obligated to repair at their expense any physical damage (but not any diminution in value) to such Term Priority Collateral resulting from such occupancy, use or control, and to leave such Term Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. Notwithstanding the foregoing, in no event shall the ABL Secured Parties or the ABL Representative have any liability to the Term Priority Debt Parties pursuant to this Section 5.09 as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Priority Collateral existing prior to the date of the exercise by the ABL Secured Parties (or the ABL Representative, as the case may be) of their rights under this Section 5.09 and the ABL Secured Parties shall have no duty or liability to maintain the Term Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL Secured Parties, or for any diminution in the value of the Term Priority Collateral that results from ordinary wear and tear resulting from the use of the Term Priority Collateral by the ABL Secured Parties in the manner and for the time periods specified under this Section 5.09. Without limiting the rights granted in this Section 5.09, the ABL Secured Parties and the ABL Representative shall cooperate with the Term Priority Debt Parties in connection with any efforts made by the Term Priority Debt Parties to sell the Term Priority Collateral.

(c) The ABL Representative and the ABL Secured Parties shall not be obligated to pay any amounts to the Designated Term Priority Representative or any other Term Priority Debt Parties (or any person claiming by, through or under the Term Priority Debt Parties, including any purchaser of the Term Priority Collateral) or to the Grantors, for or in respect of the use by the ABL Representative and the ABL Secured Parties of the Term Priority Collateral.

(d) The ABL Secured Parties shall (i) use the Term Priority Collateral in accordance with Applicable Law; (ii) insure for damage to property and liability to persons, including property and liability insurance for the benefit of the Term Priority Debt Parties; and (iii) indemnify the Term Priority Debt Parties from any claim, loss, damage, cost or liability arising from the ABL Secured Parties' use of the Term Priority Collateral (except for those arising from the gross negligence or willful misconduct of any Term Priority Debt Party).

(e) The Designated Term Priority Representative and the Term Priority Debt Parties shall use commercially reasonable efforts to not hinder or obstruct the ABL Representative and the other ABL Secured Parties from exercising the rights described in this Section 5.09.

(f) Subject to the terms hereof, the Term Priority Representatives may advertise and conduct public auctions or private sales of the Term Priority Collateral without notice (except as required by Applicable Law) to any ABL Secured Party, the involvement of or interference by any ABL Secured Party or liability to any ABL Secured Party as long as, in the case of an actual sale, the respective purchaser assumes and agrees to the obligations of the Term Priority Representatives and the other Term Priority Debt Parties under this Section 5.09.

SECTION 5.10. Tracing of and Priorities in Proceeds . The ABL Representative, for itself and on behalf of the ABL Secured Parties, and each Term Priority Representative, for itself and on behalf of the Term Priority Debt Parties represented by it, further agree that prior to an issuance of any notice of exercise of any Secured Creditor Remedies by such Secured Party (unless a bankruptcy or insolvency Event of Default then exists), any proceeds of Shared Collateral, whether or not deposited under control agreements, which are used by any Grantor to acquire other property which is Collateral shall not be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. In addition, unless and until the Discharge of ABL Obligations has occurred, the Term Priority Representatives and the Term Priority Debt Parties each hereby consents to the application, prior to the receipt by the ABL Representative of an Enforcement Notice issued by the Designated Term Priority Representative (unless any bankruptcy or insolvency Event of Default then exists), of Proceeds of Term Priority Collateral deposited in accounts subject to control agreements (other than Term Priority Accounts) to the repayment of ABL Obligations pursuant to the ABL Debt Documents, and agrees that such Proceeds of Term Priority Collateral shall constitute ABL Priority Collateral.

ARTICLE VI

Insolvency or Liquidation Proceedings.

SECTION 6.01. Financing Issues .

(a) Until the Discharge of ABL Obligations has occurred, if the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the ABL Representative or any ABL Secured Party shall desire to consent (or not object) to the use of ABL Priority Collateral (including, for the avoidance of doubt, cash collateral that is ABL Priority Collateral) or to consent (or not object) to the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law (including, for the avoidance of doubt, any such financing that Refinances in whole or in part the ABL Obligations pursuant to a "rollup" or "roll-over") secured by ABL Priority Collateral (" ABL Priority DIP Financing "), then each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that it will raise no objection to (and will not support any similar objection) and will not otherwise contest (or support any other Person contesting) (i) such use of such ABL Priority Collateral, unless the ABL Representative shall oppose or object to such use of such ABL Priority Collateral (in which case, no Term Priority Representative nor any other Term Priority Debt Party shall seek any relief in connection therewith that is inconsistent with the relief being sought by the ABL Secured Parties); (ii) such ABL Priority DIP Financing, unless the ABL Representative shall oppose or

object to such ABL Priority DIP Financing; *provided* that the foregoing shall not prevent the Term Priority Debt Parties from proposing any other DIP Financing to any Grantors or to a court of competent jurisdiction, and, except to the extent expressly permitted by the proviso in clause (ii) of Section 3.01(a) and Section 6.03, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens on the ABL Priority Collateral securing any ABL Obligations are subordinated or pari passu with such ABL Priority DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the ABL Priority Collateral securing the Term Priority Debt Obligations to (x) the Liens securing such ABL Priority DIP Financing (and all obligations relating thereto) on the same basis as the Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations are so subordinated to the Liens on the ABL Priority Collateral securing ABL Obligations under this Agreement, (y) any adequate protection Liens on ABL Priority Collateral provided to the ABL Secured Parties, and (z) any "carve-out" for court-approved professional and United States Trustee fees agreed to by the ABL Representative; (iii) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of ABL Obligations or the ABL Priority Collateral made by the ABL Representative or any other ABL Secured Party; (iv) any exercise by any ABL Secured Party of the right to credit bid ABL Obligations at any sale in foreclosure of ABL Priority Collateral under Section 363(k) of the Bankruptcy Code or other Applicable Law; (v) any other request for judicial relief made in any court by any ABL Secured Party relating to the lawful enforcement of any Lien on ABL Priority Collateral; or (vi) any order relating to a sale or other disposition of any ABL Priority Collateral of any Grantor to which the ABL Representative has consented or not objected that provides, to the extent such sale or other disposition is to be free and clear of Liens, that the Liens securing the ABL Obligations and the Term Priority Debt Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens on the ABL Priority Collateral securing the ABL Obligations rank to the Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations pursuant to this Agreement (without limiting the foregoing, each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that it may not raise any objections based on rights afforded by Sections 363(e) and (f) of the Bankruptcy Code to secured creditors (or any comparable provisions of any other Bankruptcy Law) with respect to the Liens granted to such person in respect of such assets); provided that the Term Priority Debt Parties are not deemed to have waived any rights to credit bid on the ABL Priority Collateral in any such sale or disposition in accordance with Section 363(k) of the Bankruptcy Code (or any similar provision under any other applicable Bankruptcy Law), so long as any such credit bid provides for the payment in full in cash of the ABL Obligations upon consummation thereof. Each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that notice received at least two Business Days prior to the entry of an order approving such usage of cash or other collateral or approving such ABL Priority DIP Financing shall be adequate notice.

(b) Until the Discharge of Term Priority Debt Obligations has occurred, if the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and any Term Priority Representative or any Term Priority Debt Party shall desire to consent (or not object) to the use of Term Priority Collateral (including, for the avoidance of doubt, cash collateral that is Term Priority Collateral) or to consent (or not object) to the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law (including, for the avoidance of doubt, any such financing that Refinances in whole or in part the Term Priority Debt Obligations pursuant to a "rollup" or "roll-over") secured by Term Priority Collateral (" Term Priority DIP Financing "), then the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that it will raise no objection to (and will not support any similar objection) and will not otherwise contest (or support any other Person contesting) (i) such use of such Term Priority Collateral, unless the Designated Term Priority Representative shall oppose or object to such use of such Term Priority Collateral (in which case, neither the ABL Representative or any other ABL Secured Party shall seek any relief in connection therewith that is inconsistent with the relief

being sought by the Term Priority Debt Parties); (ii) such Term Priority DIP Financing, unless the Designated Term Priority Representative shall oppose or object to such Term Priority DIP Financing; *provided* that the foregoing shall not prevent the ABL Secured Parties from proposing any other DIP Financing to any Grantors or to a court of competent jurisdiction, and, except to the extent expressly permitted by the proviso in clause (ii) of Section 3.01(a) and Section 6.03, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens on the Term Priority Collateral securing any Term Priority Debt Obligations are subordinated or pari passu with such Term Priority DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the Term Priority Collateral securing the ABL Obligations to (x) the Liens securing such Term Priority DIP Financing (and all obligations relating thereto) on the same basis as the Liens on the Term Priority Collateral securing the ABL Obligations are so subordinated to the Liens on the Term Priority Collateral securing Term Priority Debt Obligations under this Agreement, (y) any adequate protection Liens on Term Priority Collateral provided to the Term Priority Debt Parties, and (z) any "carve-out" for court-approved professional and United States Trustee fees agreed to by the Term Priority Representatives; (iii) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Term Priority Debt Obligations or the Term Priority Collateral made by any Term Priority Representative or any other Term Priority Debt Party; (iv) any exercise by any Term Priority Debt Party of the right to credit bid Term Priority Debt Obligations at any sale in foreclosure of Term Priority Collateral under Section 363(k) of the Bankruptcy Code or other Applicable Law; (v) any other request for judicial relief made in any court by any Term Priority Debt Party relating to the lawful enforcement of any Lien on Term Priority Collateral; or (vi) any order relating to a sale or other disposition of any Term Priority Collateral of any Grantor to which any Term Priority Representative has consented or not objected that provides, to the extent such sale or other disposition is to be free and clear of Liens, that the Liens securing the Term Priority Debt Obligations and the ABL Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens on the Term Priority Collateral securing the Term Priority Debt Obligations rank to the Liens on the Term Priority Collateral securing the ABL Obligations pursuant to this Agreement (without limiting the foregoing, the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that it may not raise any objections based on rights afforded by Sections 363(e) and (f) of the Bankruptcy Code to secured creditors (or any comparable provisions of any other Bankruptcy Law) with respect to the Liens granted to such person in respect of such assets); provided that the ABL Secured Parties are not deemed to have waived any rights to credit bid on the Term Priority Collateral in any such sale or disposition in accordance with Section 363(k) of the Bankruptcy Code (or any similar provision under any other applicable Bankruptcy Law), so long as any such credit bid provides for the payment in full in cash of the Term Priority Debt Obligations upon consummation thereof. The ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that notice received at least two Business Days prior to the entry of an order approving such usage of cash or other collateral or approving such Term Priority DIP Financing shall be adequate notice.

SECTION 6.02. Relief from the Automatic Stay . Until the Discharge of ABL Obligations has occurred, each Term Priority Representative, on behalf of itself and the Term Priority Debt Parties represented by it, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any portion of the ABL Priority Collateral without the ABL Representative's express written consent. Until the Discharge of Term Priority Debt Obligations has occurred, the ABL Representative, on behalf of itself and the ABL Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any portion of the Term Priority Collateral without the Designated Term Priority Representative's express written consent. In addition, no Term Priority Representative or the ABL Representative shall seek any relief from the automatic stay with respect to any Shared Collateral without providing three (3) days' prior written notice to the other, unless such period is agreed by both the ABL Representative and each Term Priority Representative to be modified or unless the ABL Representative or the Designated Term Priority

Representative, as applicable, makes a good faith determination that either (A) the ABL Priority Collateral or the Term Priority Collateral, as applicable, will decline speedily in value or (B) the failure to take any action will have a reasonable likelihood of endangering the ABL Representative's or the Designated Term Priority Representative's ability to realize upon its Collateral.

SECTION 6.03. Adequate Protection .

(a) Each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that none of them shall (i) object to, contest or support any other Person objecting to or contesting (A) any request by the ABL Representative or any ABL Secured Party for adequate protection in any form, (B) any objection by the ABL Representative or any ABL Secured Party to any motion, relief, action or proceeding based on the ABL Representative's or ABL Secured Party's claiming a lack of adequate protection or (C) the payment of interest, fees, expenses or other amounts of the ABL Representative or any other ABL Secured Party as adequate protection or otherwise under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law or (ii) assert or support any claim for costs or expenses of preserving or disposing of any Collateral under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.03 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the ABL Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral or superpriority claims in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, then each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral and/or a superpriority claim (as applicable), which (A) Lien is subordinated to the Liens on the ABL Priority Collateral securing all ABL Obligations and all adequate protection Liens granted to the ABL Secured Parties, on the same basis as the other Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations are so subordinated to the Liens on the ABL Priority Collateral securing ABL Obligations under this Agreement and/or (B) superpriority claim is subordinated to all superpriority claims of the ABL Secured Parties on the same basis as the other claims of the Term Priority Debt Parties are so subordinated to the claims of the ABL Secured Parties under this Agreement; provided that each Term Priority Debt Party shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims, (ii) in the event any Term Priority Representatives, for themselves and on behalf of the Term Priority Debt Parties under their Term Priority Debt Facilities, are granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a Lien on additional or replacement collateral constituting ABL Priority Collateral, then such Term Priority Representatives, for themselves and on behalf of each Term Priority Debt Party under their Term Priority Debt Facilities, agree that the ABL Representative shall also be granted a senior Lien on such additional or replacement collateral as adequate protection and security for the ABL Obligations and that any Lien on such additional or replacement collateral securing and granted as adequate protection with respect to the Term Priority Debt Obligations shall be subordinated to the Liens on such collateral securing the ABL Obligations and any other Liens on ABL Priority Collateral granted to the ABL Secured Parties as adequate protection on the same basis as the other Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations are so subordinated to such Liens securing ABL Obligations under this Agreement (and, to the extent the ABL Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Term Priority Debt Party pursuant to or as a result of any such Lien on such additional or replacement collateral so granted to the Term Priority Debt Parties shall be subject to Section 4.02), and/or (iii) in the event any Term Priority

Representatives, for themselves and on behalf of the Term Priority Debt Parties under their Term Priority Debt Facilities, are granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a superpriority claim in respect of ABL Priority Collateral, then such Term Priority Representatives, for themselves and on behalf of each Term Priority Debt Party under their Term Priority Debt Facilities, agree that each ABL Representative shall also be granted adequate protection in the form of a superpriority claim in respect of ABL Priority Collateral, which superpriority claim shall be senior to the superpriority claim of the Term Priority Debt Parties on the same basis as the other Liens on the ABL Priority Collateral securing the ABL Obligations are so senior to such Liens securing Term Priority Debt Obligations under this Agreement (and, to the extent the ABL Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Term Priority Debt Party pursuant to or as a result of any such superpriority claim so granted to the Term Priority Debt Parties shall be subject to Section 4.02). Without limiting the generality of the foregoing, to the extent that the ABL Secured Parties are granted adequate protection in respect of ABL Priority Collateral in the form of payments in the amount of current post-petition fees and expenses (including, without limitation, professional and advisors' fees contemplated by the ABL Debt Documents), then each Term Priority Representatives, for themselves and on behalf of each Term Priority Debt Party under their Term Priority Debt Facilities, shall not be prohibited from seeking and accepting adequate protection in the form of payments in the amount of current post-petition incurred fees and expenses (as applicable), subject to the right of the ABL Secured Parties to object to the reasonableness of the amounts of fees and expenses so sought by the Term Priority Debt Parties.

(b) The ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that none of them shall (i) object to, contest or support any other Person objecting to or contesting (A) any request by any Term Priority Representative or any Term Priority Debt Party for adequate protection in any form, (B) any objection by any Term Priority Representative or any Term Priority Debt Party to any motion, relief, action or proceeding based on any Term Priority Representative's or Term Priority Debt Party's claiming a lack of adequate protection or (C) the payment of interest, fees, expenses or other amounts of any Term Priority Representative or any other Term Priority Debt Party as adequate protection or otherwise under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law or (ii) assert or support any claim for costs or expenses of preserving or disposing of any Collateral under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.03 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the Term Priority Debt Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral or superpriority claims in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, then the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral and/or a superpriority claim (as applicable), which (A) Lien is subordinated to the Liens on the Term Priority Collateral securing all Term Priority Debt Obligations and all adequate protection Liens granted to the Term Priority Debt Parties, on the same basis as the other Liens on the Term Priority Collateral securing the ABL Obligations are so subordinated to the Liens on the Term Priority Collateral securing Term Priority Debt Obligations under this Agreement and/or (B) superpriority claim is subordinated to all superpriority claims of the Term Priority Debt Parties on the same basis as the other claims of the ABL Secured Parties are so subordinated to the claims of the Term Priority Debt Parties under this Agreement; provided that each ABL Secured Party shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims, (ii) in the event the ABL Representative, for itself and on behalf of the ABL

Secured Parties under the ABL Facility, is granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a Lien on additional or replacement collateral constituting Term Priority Collateral, then the ABL Representative, for itself and on behalf of the ABL Secured Parties under their ABL Facility, agree that the Designated Term Priority Representative shall also be granted a senior Lien on such additional or replacement collateral as adequate protection and security for the Term Priority Debt Obligations and that any Lien on such additional or replacement collateral securing and granted as adequate protection with respect to the ABL Obligations shall be subordinated to the Liens on such collateral securing the Term Priority Debt Obligations and any other Liens on Term Priority Collateral granted to the Term Priority Debt Parties as adequate protection on the same basis as the other Liens on the Term Priority Collateral securing the ABL Obligations are so subordinated to such Liens securing Term Priority Debt Obligations under this Agreement (and, to the extent the Term Priority Debt Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any ABL Secured Party pursuant to or as a result of any such Lien on such additional or replacement collateral so granted to the ABL Secured Parties shall be subject to Section 4.02), and/or (iii) in the event the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, is granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a superpriority claim in respect of Term Priority Collateral, then the ABL Representative, for itself and on behalf of the ABL Secured Parties under ABL Facility, agree that the Designated Term Priority Representative shall also be granted adequate protection in the form of a superpriority claim in respect of Term Priority Collateral, which superpriority claim shall be senior to the superpriority claim of the ABL Secured Parties on the same basis as the other Liens on the Term Priority Collateral securing the Term Priority Debt Obligations are so senior to such Liens securing ABL Obligations under this Agreement (and, to the extent the Term Priority Debt Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any ABL Secured Party pursuant to or as a result of any such superpriority claim so granted to the ABL Secured Parties shall be subject to Section 4.02). Without limiting the generality of the foregoing, to the extent that the Term Priority Debt Parties are granted adequate protection in respect of Term Priority Collateral in the form of payments in the amount of current post-petition fees and expenses (including, without limitation, professional and advisors' fees contemplated by the Term Priority Debt Documents), then the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, shall not be prohibited from seeking and accepting adequate protection in the form of payments in the amount of current post-petition incurred fees and expenses (as applicable), subject to the right of the Term Priority Debt Parties to object to the reasonableness of the amounts of fees and expenses so sought by the ABL Secured Parties.

SECTION 6.04. Preference Issues . If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (any such amount, a " Recovery "), then the applicable Senior Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to the benefits of this Agreement until a Discharge of Senior Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 6.05. Separate Grants of Security and Separate Classifications . The ABL Representative, for itself and on behalf of each ABL Secured Party under the ABL Facility, and each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, acknowledges and agrees that (a) the grants of Liens pursuant to the ABL Collateral Documents and the Term Collateral Documents constitute separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Shared Collateral, the ABL Obligations with respect to any Shared Collateral are fundamentally different from the Term Priority Debt Obligations with respect to such Shared Collateral, and, in each case, must be separately classified in any Plan of Reorganization proposed, confirmed, or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, (x) if it is held that any claims of the ABL Secured Parties and the Term Priority Debt Parties in respect of any Shared Collateral constitute a single class of claims (rather than separate classes of senior and junior secured claims), then each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, hereby acknowledges and agrees that all distributions from such Shared Collateral constituting ABL Priority Collateral shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of such ABL Priority Collateral, with the effect being that, to the extent that the aggregate value of such ABL Priority Collateral is sufficient (for this purpose ignoring all claims held by the Term Priority Debt Parties), the ABL Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, and expenses, and other claims, all amounts owing in respect of post-petition interest, fees, and expenses (whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding) before any distribution from such ABL Priority Collateral is made in respect of the Term Priority Debt Obligations, and each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, hereby acknowledges and agrees to turn over to the ABL Representative amounts otherwise received or receivable by them from such ABL Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Priority Debt Parties and (y) if it is held that any claims of the ABL Secured Parties and the Term Priority Debt Parties in respect of any Shared Collateral constitute a single class of claims (rather than separate classes of senior and junior secured claims), then the ABL Representative, for itself and on behalf of each ABL Secured Party under the ABL Facility, hereby acknowledges and agrees that all distributions from such Shared Collateral constituting Term Priority Collateral shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of such Term Priority Collateral, with the effect being that, to the extent that the aggregate value of such Term Priority Collateral is sufficient (for this purpose ignoring all claims held by the ABL Secured Parties), the Term Priority Debt Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, and expenses, and other claims, all amounts owing in respect of post-petition interest, fees, and expenses (whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding) before any distribution from such Term Priority Collateral is made in respect of the ABL Obligations, and the ABL Representative, for itself and on behalf of each ABL Secured Party under the ABL Facility, hereby acknowledges and agrees to turn over to the Designated Term Priority Representative amounts otherwise received or receivable by them from such Term Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the ABL Secured Parties.

SECTION 6.06. No Waivers of Rights of Senior Secured Parties . Nothing contained herein shall, except as expressly provided herein, prohibit or in any way limit any Senior Representative or any other Senior Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Junior Priority Debt Party with respect to any Shared

Collateral on which such Junior Priority Debt Party holds a Junior Priority Lien, including the seeking by any Junior Priority Debt Party of adequate protection or the assertion by any Junior Priority Debt Party of any of its rights and remedies under the Junior Priority Debt Documents or otherwise.

SECTION 6.07. Application. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation Proceeding. The relative rights as to the Shared Collateral and proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor, subject to any court order approving the financing of, or use of cash collateral by, any Grantor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 6.08. Other Matters. To the extent that any Junior Priority Representative or any Junior Priority Debt Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law with respect to any of the Shared Collateral on which it holds a Junior Priority Lien, such Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, or such Junior Priority Debt Party agrees not to assert any such rights without the prior written consent of each Senior Representative, provided that if requested by any Senior Representative, such Junior Priority Representative shall timely exercise such rights in the manner requested by the Senior Representatives (acting unanimously), including any rights to payments in respect of such rights.

SECTION 6.09. 506(c) Claims. Until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will not assert or enforce any claim under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law senior to or on a pari passu basis with the Liens securing the Senior Obligations for costs or expenses of preserving or disposing of any Shared Collateral on which it holds a Junior Priority Lien.

SECTION 6.10. Reorganization Securities.

(a) If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a Plan of Reorganization, on account of both the ABL Obligations and the Term Priority Debt Obligations, then, to the extent the debt obligations distributed on account of the ABL Obligations and on account of the Term Priority Debt Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(b) No Junior Priority Debt Party (whether in the capacity of a secured creditor or an unsecured creditor) shall propose, vote in favor of, or otherwise directly or indirectly support any Plan of Reorganization that is inconsistent with the priorities or other provisions of this Agreement, other than with the prior written consent of the Designated Senior Representative or to the extent any such plan (i) pays off, in cash, in full, the Senior Obligations (other than unasserted contingent indemnification obligations and expense reimbursement obligations) or (ii) is proposed or supported by the number of Senior Secured Parties required under Section 1126(c) of the Bankruptcy Code.

SECTION 6.11. Section 1111(b) of the Bankruptcy Code. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, shall not object to, oppose, support any objection, or take any other action to impede, the right of

any Senior Secured Party to make an election under Section 1111(b)(2) of the Bankruptcy Code with respect to any Shared Collateral on which such Junior Priority Representative holds a Junior Priority Lien. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, waives any claim it may hereafter have against any senior claimholder arising out of the election by any Senior Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with any such Shared Collateral in any Insolvency or Liquidation Proceeding with respect to any Grantor.

SECTION 6.12. Post-Petition Interest .

(a) None of the Junior Priority Representatives or any other Junior Priority Debt Party shall oppose or seek to challenge any claim by any Senior Representative or any other Senior Secured Party for allowance in any Insolvency or Liquidation Proceeding of Senior Obligations consisting of claims for post-petition interest, fees, or expenses, under Section 506(b) of the Bankruptcy Code or otherwise to the extent attributable to the Senior Collateral for such Senior Representative or Senior Secured Party (for this purpose ignoring all claims held by the Junior Priority Debt Parties).

(b) None of the Senior Representatives or any or other Senior Secured Party shall oppose or seek to challenge any claim by the Junior Priority Representative or any other Junior Priority Debt Party for allowance in any Insolvency or Liquidation Proceeding of Junior Priority Debt Obligations consisting of claims for post-petition interest, fees, or expenses, under Section 506(b) of the Bankruptcy Code or otherwise to the extent attributable to the Junior Priority Collateral of such Junior Priority Representative, to the extent of the value of the Lien of the Junior Priority Representative on behalf of the Junior Priority Debt Parties on such Junior Priority Collateral (after taking into account value of the Senior Obligations); provided, however, to the extent that any such payments are later recharacterized as payments of principal by the applicable bankruptcy court, such payments shall, upon such recharacterization, be turned over to the Senior Secured Parties and applied to the Senior Obligations in accordance with Section 4.01.

ARTICLE VII

Reliance; Etc.

SECTION 7.01. Reliance . All loans and other extensions of credit made or deemed made prior to, on and after the date hereof by the Senior Secured Parties to the Borrower or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges that it and such Junior Priority Debt Parties have, independently and without reliance on any Senior Representative or other Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Junior Priority Debt Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decisions in taking or not taking any action under the Junior Priority Debt Documents or this Agreement.

SECTION 7.02. No Warranties or Liability . Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges and agrees that neither any Senior Representative nor any other Senior Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Senior Debt Documents, the ownership of any Shared Collateral or the perfection or priority of any Liens thereon. The Senior Secured

Parties will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Secured Parties may manage their loans and extensions of credit without regard to any rights or interests that the Junior Priority Representatives and the Junior Priority Debt Parties have in the Shared Collateral or otherwise, except as otherwise provided in this Agreement. Neither any Senior Representative nor any other Senior Secured Party shall have any duty to any Junior Priority Representative or Junior Priority Debt Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreement with the Borrower or any Subsidiary (including the Junior Priority Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectability of any of the Senior Obligations, the Junior Priority Debt Obligations or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Grantor's title to or right to transfer any of the Shared Collateral or (c) any other matter except as expressly set forth in this Agreement.

SECTION 7.03. Obligations Unconditional. All rights, interests, agreements and obligations of the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any ABL Debt Document or any Term Priority Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Obligations or Term Priority Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the ABL Credit Agreement or any other ABL Debt Document, or of the First Lien Term Credit Agreement or any other Term Priority Debt Document;

(c) any exchange of any security interest in any Shared Collateral or any other collateral or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the ABL Obligations or Term Priority Debt Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Borrower or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to (i) the Borrower or any other Grantor in respect of the Senior Obligations (other than the Discharge of Senior Obligations subject to Sections 5.06 and 6.04) or (ii) any Junior Priority Representative or Junior Priority Debt Party in respect of this Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Conflicts. Subject to Section 8.22, in the event of any conflict between the provisions of this Agreement and the provisions of any ABL Debt Document or any Term Priority Debt Document, the provisions of this Agreement shall govern. Notwithstanding the foregoing,

the relative rights and obligations of the First Lien Term Collateral Representative, the other Term Priority Representatives and the other Term Priority Debt Parties (as amongst themselves) with respect to any Shared Collateral shall be governed by the terms of each applicable First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement and in the event of any conflict between any such First Lien Intercreditor Agreement and/or any such Junior Lien Intercreditor Agreement, on the one hand, and this Agreement, on the other hand, as to such relative rights and obligations, the provisions of such First Lien Intercreditor Agreement or such Junior Lien Intercreditor Agreement, as applicable, shall control.

SECTION 8.02. Continuing Nature of this Agreement; Severability . Subject to Section 6.04, this Agreement shall continue to be effective until the earlier of the Discharge of ABL Obligations and the Discharge of Term Priority Debt Obligations. This is a continuing agreement of Lien subordination, and the Senior Secured Parties may continue, at any time and without notice to the Junior Priority Representatives or any Junior Priority Debt Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrower or any Subsidiary constituting Senior Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8.03. Amendments; Waivers .

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder 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 the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) This Agreement may be amended, and may only be amended, in writing signed by each Representative (in each case, acting in accordance with the documents governing the applicable Debt Facility) and the Borrower. Any such amendment, supplement or waiver shall be in writing and shall be binding upon the Grantors, the ABL Secured Parties and the Term Priority Debt Parties and their respective successors and assigns.

(c) Notwithstanding the foregoing, without the consent of any Secured Party and the Borrower, any Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 8.09 of this Agreement and upon such execution and delivery, such Representative and the Secured Parties and ABL Obligations or Term Priority Debt Obligations, as applicable, of the Debt Facility for which such Representative is acting shall be subject to the terms hereof.

SECTION 8.04. Information Concerning Financial Condition of the Borrower and the Subsidiaries . The ABL Representative, the ABL Secured Parties, the Term Priority Representatives and the Term Priority Debt Parties shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Borrower and the Subsidiaries and all endorsers or guarantors of the ABL Obligations or the Term Priority Debt Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Term Priority Debt Obligations. The ABL Representative, the ABL Secured Parties, the Term Priority Representatives and the Term Priority Debt Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the ABL Representative, any ABL Secured Party, any Term Priority Representative or any Term Priority Debt Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the ABL Representative, the ABL Secured Parties, the Term Priority Representatives and the Term Priority Debt Parties shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 8.05. Subrogation . Each Junior Priority Representative, for and on behalf of itself and each Junior Priority Debt Party represented by it, agrees that no payment to any Senior Representative or any Senior Secured Party pursuant to the provisions of this Agreement in respect of any Shared Collateral in which such Junior Priority Representative holds a Junior Priority Lien shall entitle any Junior Priority Representative or any other Junior Priority Debt Party to exercise any rights of subrogation in respect thereof until the Discharge of Senior Obligations has occurred.

SECTION 8.06. Application of Payments . Except as otherwise provided herein, all payments received by the ABL Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the ABL Obligations as the ABL Secured Parties, in their sole discretion, deem appropriate, consistent and in accordance with the terms of the ABL Debt Documents. Except as otherwise provided herein, all payments received by the Term Priority Debt Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Term Priority Debt Obligations as the Term Priority Debt Parties, in their sole discretion, deem appropriate, consistent and in accordance with the terms of the Term Priority Debt Documents. Except as otherwise provided herein, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, assents to any such extension or postponement of the time of payment of the Senior Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Obligations and to the addition or release of any other Person primarily or secondarily liable therefor. Notwithstanding the foregoing, solely as between the Term Priority Debt Parties, but subject to the terms set forth in this Agreement, the terms of each applicable First Lien Intercreditor Agreement (if then in effect) and each applicable Junior Lien Intercreditor Agreement shall govern the application of payments as amongst the Term Priority Debt Parties.

SECTION 8.07. Additional Grantors . The Borrower agrees that, if any Domestic Subsidiary (as defined in the Senior Debt Documents) that is not an “Excluded Subsidiary” or “U.S. Excluded Subsidiary” (in each case, as defined in the Senior Debt Documents) shall become a Guarantor in respect of any ABL Obligations or Term Priority Debt Obligations after the date hereof pursuant to the requirements set forth in the applicable Debt Documents, it will promptly cause such Domestic Subsidiary to become party hereto by executing and delivering an instrument in the form of Annex I. Upon such execution and delivery, such Domestic Subsidiary will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the

ABL Representative and the Designated Term Priority Representative. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 8.08. Dealings with Grantors . Upon any application or demand by the Borrower or any Grantor to any Representative to take any action under any of the provisions of this Agreement or under any Collateral Document (if such action is subject to the provisions hereof), at the reasonable written request of such Representative, the Borrower or such Grantor, as appropriate, shall furnish to such Representative a certificate of an Authorized Officer thereof (an " Officer ' s Certificate ") stating that all conditions precedent, if any, expressly provided for in this Agreement or such Collateral Document, as the case may be, relating to the proposed action have been complied with or waived, except (a) that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Agreement or any Collateral Document relating to such particular application or demand, no additional certificate or opinion need be furnished or (b) conditions that require the approval or satisfaction of any other Person or require actions not in the Borrower's or any Grantor's control.

SECTION 8.09. Additional Debt Facilities . To the extent, but only to the extent, permitted by the provisions of the then extant ABL Debt Documents and Term Priority Debt Documents, the Borrower may incur or issue and sell one or more series or classes of Additional Junior Priority Term Debt and one or more series or classes of Additional First Priority Term Debt. Any such additional class or series of Additional Junior Priority Term Debt (the " Junior Priority Term Class Debt ") may be secured by a second priority or third priority (or lower priority), subordinated Lien on Shared Collateral, in each case under and pursuant to the relevant Term Collateral Documents for such Junior Priority Term Class Debt, if and subject to the condition that the Representative of any such Junior Priority Term Class Debt (each, a " Junior Priority Term Class Debt Representative "), acting on behalf of the holders of such Junior Priority Term Class Debt (such Representative and holders in respect of any Junior Priority Term Class Debt being referred to as the " Junior Priority Term Class Debt Parties "), becomes a party to this Agreement by satisfying conditions (i) through (iii), as applicable, of the immediately succeeding paragraph. Any such additional class or series of Additional First Priority Term Debt (the " First Priority Term Class Debt "; and the First Priority Term Class Debt and Junior Priority Term Class Debt, collectively, the " Class Debt ") may be secured by a Lien on Shared Collateral, in each case under and pursuant to the relevant Term Collateral Documents, if and subject to the condition that the Representative of any such First Priority Term Class Debt (each, a " First Priority Term Class Debt Representative; " and the First Priority Term Class Debt Representatives and Junior Priority Term Class Debt Representatives, collectively, the " Class Debt Representatives "), acting on behalf of the holders of such First Priority Term Class Debt (such Representative and holders in respect of any such First Priority Term Class Debt being referred to as the " First Priority Term Class Debt Parties "; and the First Priority Term Class Debt Parties and Junior Priority Term Class Debt Parties, collectively, the " Class Debt Parties "), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iii), as applicable, of the immediately succeeding paragraph. In order for a Class Debt Representative to become a party to this Agreement:

(i) such Class Debt Representative shall have executed and delivered to the ABL Representative and the Designated Term Priority Representative a Joinder Agreement substantially in the form of Annex II (if such Class Debt Representative is a Junior Priority Term Class Debt Representative) or Annex III (if such Class Debt Representative is a First Priority Term Class Debt Representative) (with such changes as may be reasonably approved by the ABL Representative, the Designated Term Priority Representative and such Class Debt Representative) pursuant to which it becomes a Representative hereunder, and the Class Debt in respect of which such Class Debt Representative is the Representative constitutes Additional First Priority Term Debt or Additional Junior Priority Term Debt, as applicable, and the related Class Debt Parties become subject hereto and bound hereby as Additional Term Priority Debt Parties;

(ii) the Borrower (a) shall have delivered to the ABL Representative and the Designated Term Priority Representative an Officer's Certificate identifying the obligations to be designated as Additional First Priority Term Debt or Additional Junior Priority Term Debt, as applicable, and the initial aggregate principal amount or face amount thereof and certifying that such obligations are permitted under each Debt Document then in effect to be incurred and secured (I) in the case of Additional First Priority Term Debt, on a pari passu or junior basis to the First Lien Term Credit Agreement Obligations and on a senior basis to any Additional Junior Priority Term Debt, (II) in the case of Additional Junior Priority Term Debt, on a junior basis to the First Priority Term Debt, (III) on a senior basis to the ABL Obligations with respect to the Term Priority Collateral and (IV) on a junior basis to the ABL Obligations with respect to the ABL Priority Collateral and (b) if requested, shall have delivered true and complete copies of each of the material Term Priority Debt Documents (in each case, other than any fee or side letters) relating to such Class Debt, certified as being true and correct by an Authorized Officer of the Borrower; and

(iii) the Term Priority Debt Documents relating to such Class Debt shall provide that each Class Debt Party with respect to such Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Class Debt.

SECTION 8.10. Refinancings . The ABL Obligations and the Term Priority Debt Obligation may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing or replacement transaction under any Senior Debt Document or any Junior Priority Debt Document) of any Representative or any Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof; *provided* that, if secured, any such refinancing or replacement debt shall satisfy the requirements of Section 8.09. The Designated Junior Priority Representative hereby agrees that at the request of the Borrower, in connection with refinancing or replacement of Senior Obligations in accordance with Section 5.06 (" Replacement Senior Obligations "), it will enter into a customary agreement with the agent for the Replacement Senior Obligations containing terms and conditions substantially similar to the terms and conditions of this Agreement or otherwise terms and conditions that are customary.

SECTION 8.11. Consent to Jurisdiction; Waivers . Each Representative, on behalf of itself and the Secured Parties of the Debt Facility for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Collateral Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and any appellate court from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth in Section 8.12 or at such other address of which the other parties hereto shall have been notified pursuant to Section 8.12;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.11 any special, exemplary, punitive or consequential damages.

SECTION 8.12. Notices . All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to the Borrower or any Grantor, to the Borrower, at its address at:

c/o Avaya Inc.
4655 Great America Parkway
Santa Clara, California 95054
Attention: John Sullivan, Vice President and Corporate Treasurer
Tel: 408-496-3211
Email: jpsullivan@avaya.com

with a copy to (which shall not constitute notice):

KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Attention: Melissa Hutson
Email: melissa.hutson@kirkland.com
Fax: (212) 446-6459

(ii) if to the ABL Representative, to it at:

CITIBANK, N.A.
388 Greenwich Street, Floor 7
New York NY 10013
Tel: 212-723-3752
Fax: 646-291-3363
Attn: Brendan Mackay

with a copy (which shall not constitute notice) to:

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017
Attention: Kenneth J. Steinberg
Email: kenneth.steinberg@davispolk.com
Fax: 212-701-5566

(iii) if to the First Lien Term Collateral Representative to it at:

GOLDMAN SACHS BANK USA
200 West Street, 16th Floor
New York, New York 10282
Attention: SBD Operations
Fax: 212-428-9270
Email: gs-sbdagency-borrowernotices@ny.email.gs.com

with a copy (which shall not constitute notice) to:

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, NY 10017
Attention: Jason Kyrwood
Email: jason.kyrwood@davispolk.com
Fax: 212-450-5425

(iv) if to any other Representative, to it at the address specified by it in the Joinder Agreement delivered by it pursuant to Section 8.09.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

SECTION 8.13. Further Assurances . Each Senior Representative, on behalf of itself and each Senior Secured Party under the Senior Facility for which it is acting, each Junior Priority Representative, on behalf of itself, and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will, at the Grantors' expense, take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the other parties hereto may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

SECTION 8.14. **GOVERNING LAW; WAIVER OF JURY TRIAL** .

(A) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(B) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY SENIOR DEBT DOCUMENT OR ANY JUNIOR PRIORITY DEBT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8.15. Binding on Successors and Assigns. This Agreement shall be binding upon the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives, the Junior Priority Debt Parties, the Borrower, the other Grantors party hereto and their respective successors and assigns.

SECTION 8.16. Section Titles. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 8.17. Counterparts. This Agreement may be executed in one or more counterparts, including by means of facsimile or other electronic method, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 8.18. Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The ABL Representative represents and warrants that this Agreement is binding upon the ABL Credit Agreement Secured Parties. The First Lien Term Collateral Representative represents and warrants that this Agreement is binding upon the First Lien Term Credit Agreement Secured Parties.

SECTION 8.19. No Third Party Beneficiaries; Successors and Assigns. The lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such lien priorities shall inure solely to the benefit of the ABL Representative, the ABL Secured Parties, the Term Priority Representatives, the Term Priority Debt Parties, the Grantors and their respective permitted successors and assigns, and no other Person (including any trustee, receiver, debtor in possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights. Nothing in this Agreement is intended to or shall impair the rights or obligations of the Borrower or any other Grantor, which obligations are absolute and unconditional, to pay the Senior Obligations and the Junior Priority Debt Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 8.20. Effectiveness. This Agreement shall become effective when executed and delivered by the parties hereto.

SECTION 8.21. Collateral Agent and Representative. It is understood and agreed that (a) the ABL Representative is entering into this Agreement in its capacity as administrative agent and collateral agent under the ABL Credit Agreement and the provisions of Section 12 of the ABL Credit Agreement applicable to the Agents (as defined therein) thereunder shall also apply to the ABL Representative hereunder and (b) the First Lien Term Collateral Representative is entering into this Agreement in its capacity as administrative agent and collateral agent under the First Lien Term Credit Agreement and the provisions of Section 12 of the First Lien Term Credit Agreement applicable to the Agents (as defined therein) thereunder shall also apply to the First Lien Term Collateral Representative hereunder.

SECTION 8.22. Relative Rights. Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Section 5.01(a), 5.01(d) or 5.03(d) with respect to Junior Priority Debt Documents), nothing in this Agreement is intended to or will (a) amend, waive or

otherwise modify the provisions of the ABL Credit Agreement, any other ABL Debt Document, the First Lien Term Credit Agreement or any other Term Priority Debt Document, (b) change the relative priorities of the ABL Obligations or the Liens granted under the ABL Collateral Documents on the Shared Collateral (or any other assets) as among the ABL Secured Parties, (c) change the relative priorities of the Term Priority Debt Obligations or the Liens granted under the Term Collateral Documents on the Shared Collateral (or any other assets) as among the Term Priority Debt Parties, (d) otherwise change the relative rights of the Senior Secured Parties in respect of the Shared Collateral as among such Senior Secured Parties or (e) obligate the Borrower or any other Grantor to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the ABL Credit Agreement, any other ABL Debt Document, the First Lien Term Credit Agreement or any other Term Priority Debt Document.

SECTION 8.23. Survival of Agreement . All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

[Remainder of page intentionally left blank]

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.

CITIBANK, N.A., as ABL Representative and
ABL Credit Agreement Administrative Agent

By: _____
Name:
Title:

GOLDMAN SACHS BANK USA,
as First Lien Term Credit Agreement
Administrative Agent and First Lien Term
Collateral Representative

By: _____
Name:
Title:

Acknowledged and Agreed to by:

[ ],
as a Grantor

By: _____
Name:
Title:

[ ],
as a Grantor

By: _____
Name:
Title:

[ ],
as a Grantor

By: _____
Name:
Title:

[Add other Grantors],
as a Grantor

By: _____
Name:
Title:

ANNEX I

SUPPLEMENT (this " Supplement ") dated as of [ ], 20[ ], to the ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " ABL Intercreditor Agreement "), among CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent under the ABL Credit Agreement, GOLDMAN SACHS BANK USA, as First Lien Term Collateral Representative and First Lien Term Credit Agreement Administrative Agent under the First Lien Term Credit Agreement and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the ABL Intercreditor Agreement.

B. The Grantors have entered into the ABL Intercreditor Agreement. Pursuant to the ABL Credit Agreement, the First Lien Term Credit Agreement and certain Additional Term Priority Debt Documents, certain newly acquired or organized Subsidiaries of the Borrower are required to enter into the ABL Intercreditor Agreement. Section 8.07 of the ABL Intercreditor Agreement provides that such Subsidiaries may become party to the ABL Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the " New Grantor ") is executing this Supplement in accordance with the requirements of the ABL Credit Agreement, the First Lien Term Credit Agreement and the Additional Term Priority Debt Documents, as applicable.

Accordingly, the ABL Representative, the Designated Term Priority Representative and the New Grantor agree as follows:

SECTION 1. In accordance with Section 8.07 of the ABL Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the ABL Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the ABL Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the ABL Intercreditor Agreement shall be deemed to include the New Grantor. The ABL Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants on the date hereof to the ABL Representative and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by Bankruptcy Laws and by general principles of equity.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the ABL Representative and the Designated Term Priority Representative shall have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission or other electronic method shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the ABL Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the ABL Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the ABL Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the ABL Intercreditor Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Grantor, the ABL Representative and the Designated Term Priority Representative have duly executed this Supplement to the ABL Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY GRANTOR]

By: _____
Name:
Title:

Acknowledged by:

[ ], as ABL Representative

By: _____
Name:
Title:

[ ], as Designated Term Priority Representative

By: _____
Name:
Title:

ANNEX II

[FORM OF] JUNIOR PRIORITY TERM CLASS DEBT REPRESENTATIVE SUPPLEMENT (this " Representative Supplement ") dated as of [ ], 20[ ] to the ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " ABL Intercreditor Agreement "), among CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent under the ABL Credit Agreement, GOLDMAN SACHS BANK USA, as First Lien Term Collateral Representative and First Lien Term Credit Agreement Administrative Agent under the First Lien Term Credit Agreement and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the ABL Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Junior Priority Term Class Debt after the date of the ABL Intercreditor Agreement and to secure such Junior Priority Term Class Debt with the Junior Priority Lien and to have such Junior Priority Term Class Debt guaranteed by the Grantors, in each case under and pursuant to the Junior Priority Collateral Documents relating thereto, the Junior Priority Term Class Debt Representative in respect of such Junior Priority Term Class Debt is required to become a Representative under, and such Junior Priority Term Class Debt and the Junior Priority Term Class Debt Parties in respect thereof are required to become subject to and bound by, the ABL Intercreditor Agreement. Section 8.09 of the ABL Intercreditor Agreement provides that such Junior Priority Term Class Debt Representative may become a Representative under, and such Junior Priority Term Class Debt and such Junior Priority Term Class Debt Parties may become subject to and bound by, the ABL Intercreditor Agreement as Additional Term Priority Debt Obligations and Additional Term Priority Debt Parties, respectively, pursuant to the execution and delivery by the Junior Priority Term Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions precedent set forth in Section 8.09 of the ABL Intercreditor Agreement. The undersigned Junior Priority Term Class Debt Representative (the " New Representative ") is executing this Representative Supplement in accordance with the requirements of the ABL Debt Documents and the Term Priority Debt Documents.

Accordingly, the ABL Representative, the Designated Term Priority Representative, the Borrower and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the ABL Intercreditor Agreement, the New Representative by its signature below becomes a Representative and a Junior Priority Term Class Debt Representative, in each case, under, and the related Junior Priority Term Class Debt and Junior Priority Term Class Debt Parties become subject to and bound by, the ABL Intercreditor Agreement as Additional Term Priority Debt Obligations and Additional Term Priority Debt Parties, respectively, with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Junior Priority Term Class Debt Parties, hereby agrees to all the terms and provisions of the ABL Intercreditor Agreement applicable to it as a Term Priority Representative and to the Junior Priority Term Class Debt Parties that it represents as Term Priority Debt Parties. Each reference to a " Representative " or " Term Priority Representative " in the ABL Intercreditor Agreement shall be deemed to include the New Representative. The ABL Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants on the date hereof to the ABL Representative, the Designated Term Priority Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Term Priority Debt Documents relating to such Junior Priority Term Class Debt provide that, upon the New Representative's entry into this Agreement, the Junior Priority Term Class Debt Parties in respect of such Junior Priority Term Class Debt will be subject to and bound by the provisions of the ABL Intercreditor Agreement as Term Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the ABL Representative and the Designated Term Priority Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the ABL Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the ABL Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the ABL Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Representative, the ABL Representative, the Designated Term Priority Representative and the Borrower have duly executed this Representative Supplement to the ABL Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE],
as [ ] for the holders of [ ]

By: _____
Name:
Title:

Address for notices:

_____

_____
Attention of: _____
Telecopy: _____

[ ],
as ABL Representative

By: _____
Name:
Title:

[ ],
as Designated Term Priority Representative

By: _____
Name:
Title:

[ ],
as Borrower

By: _____
Name:
Title:

ANNEX III

[FORM OF] FIRST PRIORITY TERM CLASS DEBT REPRESENTATIVE SUPPLEMENT (this " Representative Supplement ") dated as of [ ], 20[ ] to the ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " ABL Intercreditor Agreement "), among CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent under the ABL Credit Agreement, GOLDMAN SACHS BANK USA, as First Lien Term Collateral Representative and First Lien Term Credit Agreement Administrative Agent under the First Lien Term Credit Agreement and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the ABL Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur First Priority Term Class Debt after the date of the ABL Intercreditor Agreement and to secure such First Priority Term Class Debt with the Senior Lien and to have such First Priority Term Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Senior Collateral Documents relating thereto, the First Priority Term Class Debt Representative in respect of such First Priority Term Class Debt is required to become a Representative under, and such First Priority Term Class Debt and the First Priority Term Class Debt Parties in respect thereof are required to become subject to and bound by, the ABL Intercreditor Agreement. Section 8.09 of the ABL Intercreditor Agreement provides that such First Priority Term Class Debt Representative may become a Representative under, and such First Priority Term Class Debt and such First Priority Term Class Debt Parties may become subject to and bound by, the ABL Intercreditor Agreement as Additional First Priority Term Debt Obligations and Additional Term Priority Debt Parties, respectively, pursuant to the execution and delivery by the First Priority Term Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions precedent set forth in Section 8.09 of the ABL Intercreditor Agreement. The undersigned First Priority Term Class Debt Representative (the " New Representative ") is executing this Representative Supplement in accordance with the requirements of the ABL Debt Documents and the Term Priority Debt Documents.

Accordingly, the ABL Representative, the Designated Term Priority Representative, the Borrower and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the ABL Intercreditor Agreement, the New Representative by its signature below becomes a Representative and a First Priority Term Class Debt Representative under, and the related First Priority Term Class Debt and First Priority Term Class Debt Parties become subject to and bound by, the ABL Intercreditor Agreement as Additional Term Priority Debt Obligations and Additional Term Priority Debt Parties, respectively, with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such First Priority Term Class Debt Parties, hereby agrees to all the terms and provisions of the ABL Intercreditor Agreement applicable to it as a Term Priority Representative and to the First Priority Term Class Debt Parties that it represents as Additional Term Priority Debt Parties. Each reference to a " Representative " or " Term Priority Representative " in the ABL Intercreditor Agreement shall be deemed to include the New Representative. The ABL Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants as of the date hereof to the ABL Representative, the Designated Term Priority Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent]

[trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Term Priority Debt Documents relating to such First Priority Term Class Debt provide that, upon the New Representative's entry into this Agreement, the First Priority Term Class Debt Parties in respect of such First Priority Term Class Debt will be subject to and bound by the provisions of the ABL Intercreditor Agreement as Term Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the ABL Representative and the Designated Term Priority Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the ABL Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the ABL Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the ABL Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, New Representative, the ABL Representative, the Designated Term Priority Representative and the Borrower have duly executed this Representative Supplement to the ABL Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE],
as [ ] for the holders of [ ]

By: _____
Name:
Title:

Address for notices:

_____

_____

Attention of: _____
Telecopy: _____

[ ],
as ABL Representative

By: _____
Name:
Title:

[ ],
as Designated Term Priority Representative

By: _____
Name:
Title:

[ ],
as Borrower

By: _____
Name:
Title:

EXHIBIT G
TO THE CREDIT AGREEMENT

FORM OF FIRST LIEN INTERCREDITOR AGREEMENT

[See attached]

[Form of]
FIRST LIEN PARI INTERCREDITOR AGREEMENT

among

AVAYA HOLDINGS, CORP.,

AVAYA INC.

the other Grantors party hereto,

GOLDMAN SACHS BANK USA
as Collateral Agent for the Credit Agreement Secured Parties,

GOLDMAN SACHS BANK USA
as Authorized Representative for the Credit Agreement Secured Parties,

[ ]
as the Initial Additional Authorized Representative,

and

each additional Authorized Representative from time to time party hereto

dated as of [ ]

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FIRST LIEN PARI INTERCREDITOR AGREEMENT, dated as of [ ], 20[ ] (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this " Agreement "), among AVAYA HOLDINGS CORP., a Delaware corporation (" Holdings "), AVAYA INC., a Delaware corporation (the " Borrower "), the other Grantors (as defined below) party hereto, GOLDMAN SACHS BANK USA as collateral agent for the Credit Agreement Secured Parties (as defined below) (in such capacity and together with its successors in such capacity, the " Credit Agreement Collateral Agent "), GOLDMAN SACHS BANK USA as Authorized Representative for the Credit Agreement Secured Parties (as each such term is defined below), [ ], as the Collateral Agent (in such capacity and together with its successors in such capacity, the " Initial Additional Pari Collateral Agent ") and Authorized Representative for the Initial Additional Pari Secured Parties (as defined below) (in such capacity and together with its successors in such capacity, the " Initial Additional Authorized Representative "), and each additional Collateral Agent and Authorized Representative from time to time party hereto for the other Additional Pari Secured Parties of the Series (as defined below) with respect to which it is acting in such capacity.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Credit Agreement Collateral Agent, the Administrative Agent (for itself and on behalf of the Credit Agreement Secured Parties), the Initial Additional Authorized Representative (in each case, for itself and on behalf of the Initial Additional Pari Secured Parties), the Grantors, and each additional Collateral Agent and Authorized Representative (for itself and on behalf of the Additional Pari Secured Parties of the applicable Series) agree as follows:

ARTICLE I
D EFINITIONS

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings set forth in the Credit Agreement or, if defined in the New York UCC, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

" ABL Intercreditor Agreement " shall mean that certain ABL Intercreditor Agreement dated as of December 15, 2017 among Citibank, N.A., in its capacity as ABL Representative thereunder, Goldman Sachs Bank USA, in its capacity as First Lien Term Collateral Representative thereunder, the other Representatives party thereto from time to time as representatives for holders of one or more other classes of ABL Obligations or Term Priority Debt Obligations (each as defined therein), Holdings, the Borrower and the Grantors party thereto from time to time, as amended, restated, supplemented or otherwise modified from time to time in accordance with the requirements thereof, and which shall also include any replacement intercreditor agreement entered into in accordance with the terms of the applicable Secured Credit Documents.

" Additional Pari Collateral Agent " means (x) for so long as the Initial Additional Pari Obligations are the only Series of Additional Pari Obligations, the Initial Additional Pari Collateral Agent and (y) thereafter, the Collateral Agent for the Series of Additional Pari Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Additional Pari Obligations.

" Additional Pari Documents " means, with respect to the Initial Additional Pari Obligations or any Series of Additional Senior Class Debt, the notes, indentures, credit agreements, security documents and other operative agreements evidencing or governing such Indebtedness and Liens securing such Indebtedness, including the Initial Additional Pari Documents and the Additional Pari Security Documents and each other agreement entered into for the purpose of securing the Initial Additional Pari Obligations or any Series of Additional Senior Class Debt; provided that, in each case, the Indebtedness thereunder (other than the Initial Additional Pari Obligations) has been designated as Additional Senior Class Debt pursuant to Section 5.12 hereto.

" Additional Pari Obligations " means (a) all amounts owing pursuant to the terms of any Additional Pari Document (including the Initial Additional Pari Documents), including, without limitation, all amounts in respect of any principal, premium, interest (including any interest, fees and expenses accruing subsequent to the commencement of a Bankruptcy Case at the rate provided for in the respective Additional Pari Document, whether or not such interest, fees and expenses is an allowed claim under any such proceeding or under applicable state, federal or foreign law), penalties, fees, expenses, indemnifications, reimbursements, damages and other liabilities, and guarantees of the foregoing amounts, (b) any Secured Hedge Obligations secured under the Additional Pari Security Documents securing the related Series of Additional Pari Obligations, (c) any Secured Cash Management Obligations secured under the Additional Pari Security Documents securing the related Series of Additional Pari Obligations and (d) any renewals or extensions of the foregoing.

" Additional Pari Secured Parties " means the holders of any Additional Pari Obligations and any Authorized Representative or Collateral Agent with respect thereto, and shall include the Initial Additional Pari Secured Parties and the Additional Senior Class Debt Parties.

" Additional Pari Security Documents " means any collateral agreement, security agreement or any other document now existing or entered into after the date hereof that create Liens on any assets or properties of any Grantor to secure any Additional Pari Obligations.

" Additional Senior Class Debt " has the meaning assigned to such term in Section 5.12 .

" Additional Senior Class Debt Collateral Agent " has the meaning assigned to such term in Section 5.12 .

" Additional Senior Class Debt Parties " has the meaning assigned to such term in Section 5.12 .

" Additional Senior Class Debt Representative " has the meaning assigned to such term in Section 5.12 .

" Administrative Agent " has the meaning assigned to such term in the Credit Agreement and shall include any successor administrative agent as provided in Section 12 of the Credit Agreement; provided , however , that if the Credit Agreement is Refinanced, then all references herein to the Administrative Agent shall refer to the administrative agent (or trustee) under the Refinancing.

" Agreement " has the meaning assigned to such term in the introductory paragraph of this First Lien Pari Intercreditor Agreement.

" Applicable Authorized Representative " means with respect to any Shared Collateral, (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Administrative Agent and (ii) from and after the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Major Non-Controlling Authorized Representative.

" Authorized Representative " means, (i) in the case of any Credit Agreement Obligations or the Credit Agreement Secured Parties, the Administrative Agent, (ii) in the case of the Initial Additional Pari Obligations or the Initial Additional Pari Secured Parties, the Initial Additional Authorized Representative, and (iii) in the case of any other Series of Additional Pari Obligations or Additional Pari Secured Parties that become subject to this Agreement after the date hereof, the Additional Senior Class Debt Representative for such Series named in the applicable Joinder Agreement.

" Bankruptcy Case " has the meaning assigned to such term in Section 2.06(b) .

" Bankruptcy Law " means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar federal, state or foreign law for the relief of debtors.

" Borrower " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Collateral " means any "Collateral" (or similar term) as defined in the Credit Agreement or in any Credit Agreement Collateral Documents, or any other assets and properties subject to Liens created pursuant to any Pari Security Document to secure one or more Series of Pari Obligations.

" Collateral Agent " means (i) in the case of any Credit Agreement Obligations, the Credit Agreement Collateral Agent, (ii) in the case of the Initial Additional Pari Obligations, the Initial Additional Pari Collateral Agent, and (iii) in the case of any other Series of Additional Pari Obligations that become subject to this Agreement after the date hereof, the Additional Senior Class Debt Collateral Agent for such Series named in the applicable Joinder Agreement.

" Controlling Collateral Agent " means, with respect to any Shared Collateral, (i) until the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date with respect to such Shared Collateral, the Credit Agreement Collateral Agent; and (ii) from and after the earlier of (x) the Discharge of Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date with respect to such Shared Collateral, the Collateral Agent for the Controlling Secured Parties.

" Controlling Secured Parties " means, with respect to any Shared Collateral, (i) at any time when the Credit Agreement Collateral Agent is the Controlling Collateral Agent with respect to such Shared Collateral, the Credit Agreement Secured Parties and (ii) at any other time, the Series of Pari Secured Parties whose Authorized Representative is the Applicable Authorized Representative for such Shared Collateral.

" Credit Agreement " means that certain Term Loan Credit Agreement, dated as of December 15, 2017, among Holdings, the Borrower, the lenders from time to time party thereto, Goldman Sachs Bank USA as administrative agent and collateral agent, and the other parties thereto, as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement; *provided* that to the extent any Indebtedness thereunder is expressly provided thereunder to be secured by Liens on the Collateral on a junior basis to the Liens on the Collateral securing the Credit Agreement Obligations in existence on the date hereof, such Indebtedness shall not constitute Credit Agreement Obligations or Pari Obligations hereunder.

" Credit Agreement Collateral Agent " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Credit Agreement Collateral Documents " means the Security Documents (as defined in the Credit Agreement) and each other agreement entered into in favor of the Credit Agreement Collateral Agent for the purpose of securing any Credit Agreement Obligations.

" Credit Agreement Obligations " means all "Obligations" as defined in the Credit Agreement (or any similar term in any Refinancing thereof); unless such "Obligations" are expressly provided under the Credit Agreement (or the Refinancing thereof) not to be secured on a *pari passu* basis with the Credit Agreement Obligations in existence on the date hereof.

" Credit Agreement Secured Parties " means the "Secured Parties" as defined in the Credit Agreement (or any similar term in any Refinancing thereof).

" DIP Financing " has the meaning assigned to such term in Section 2.06(b) .

" DIP Financing Liens " has the meaning assigned to such term in Section 2.06(b) .

" DIP Lenders " has the meaning assigned to such term in Section 2.06(b) .

" Discharge " means, with respect to any Shared Collateral and any Series of Pari Obligations, the date on which (i) such Series of Pari Obligations is no longer secured by, and no longer required to be secured by, any such Shared Collateral pursuant to the terms of the documentation governing such Series of Pari Obligations. The term " Discharged " shall have a corresponding meaning.

" Discharge of Credit Agreement Obligations " means, with respect to any Shared Collateral, the Discharge of the Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such Credit Agreement Obligations with additional Pari Obligations secured by such Shared Collateral under an Additional Pari Document which has been designated in writing by the Administrative Agent (under the Credit Agreement so Refinanced) to the Additional Pari Collateral Agent and each other Authorized Representative as the "Credit Agreement" and constituting "Credit Agreement Obligations" for purposes of this Agreement.

" Event of Default " means an "Event of Default" (or similarly defined term) as defined in any Secured Credit Document.

" Grantors " means Holdings, the Borrower and each Subsidiary of the Borrower which has granted a security interest pursuant to any Pari Security Document to secure any Series of Pari Obligations. The Grantors existing on the date hereof are set forth in Annex I hereto.

" Holdings " has the meaning assigned to such term in the introductory paragraph to this agreement.

" Impairment " has the meaning assigned to such term in Section 1.03 .

" Initial Additional Authorized Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Initial Additional Pari Agreement " mean that certain [Agreement], dated as of [ ], 20[ ], among the Borrower, [the Grantors identified therein,] and [ ], as [description of capacity].

" Initial Additional Pari Collateral Agent " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Initial Additional Pari Documents " means the Initial Additional Pari Agreement, the debt securities or promissory notes issued thereunder, the Initial Additional Pari Security Agreement and any security documents and other operative agreements evidencing or governing the Indebtedness thereunder, and the Liens securing such Indebtedness, including any agreement entered into for the purpose of securing the Initial Additional Pari Obligations.

" Initial Additional Pari Obligations " means the "[Obligations]" as such term is defined in the Initial Additional Pari Security Agreement (or similar term in any Refinancing thereof).

" Initial Additional Pari Secured Parties " means the Initial Additional Pari Collateral Agent, the Initial Additional Authorized Representative and the holders of the Initial Additional Pari Obligations issued pursuant to the Initial Additional Pari Agreement.

" Initial Additional Pari Security Agreement " means the security agreement, dated as of the date hereof, among the Borrower, the Initial Additional Pari Collateral Agent and the other parties thereto.

" Insolvency or Liquidation Proceeding " means:

(1) any case commenced by or against the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to the Borrower or any other Grantor or any similar case or proceeding relative to the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, reorganization, marshalling of assets or liabilities or other winding up of or relating to the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" Intervening Creditor " has the meaning assigned to such term in Section 2.01(a) .

" Joinder Agreement " means a joinder to this Agreement substantially in the form of Annex II hereto required to be delivered by an Additional Senior Class Debt Representative and the related Additional Senior Class Debt Collateral Agent pursuant to Section 5.12 hereof in order to establish an additional Series of Additional Senior Class Debt and add Additional Senior Class Debt Parties hereunder.

" Major Non-Controlling Authorized Representative " means, with respect to any Shared Collateral the Authorized Representative of the Series of Additional Pari Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of Pari Obligations (including the Credit Agreement Obligations) with respect to such Shared Collateral.

" New York UCC " means the UCC as from time to time in effect in the State of New York.

" Non-Controlling Authorized Representative " means, at any time with respect to any Shared Collateral, any Authorized Representative that is not the Applicable Authorized Representative at such time with respect to such Shared Collateral.

" Non-Controlling Authorized Representative Enforcement Date " means, with respect to any Non-Controlling Authorized Representative, the date which is 180 consecutive days (throughout which consecutive 180 day period such Non-Controlling Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (i) an Event of Default (under and as defined in the Additional Pari Document under which such Non-Controlling Authorized Representative is the Authorized Representative) and (ii) each Collateral Agent's and each other Authorized Representative's receipt of written notice from such Non-Controlling Authorized Representative certifying that (x) such Non-Controlling Authorized Representative is the Major Non-Controlling Authorized Representative and that an Event of Default (under and as defined in the Additional Pari Document under which such Non-Controlling Authorized Representative is the Authorized Representative) has occurred and is continuing and (y) the Additional Pari Obligations of the Series with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Additional Pari Document; provided that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Shared Collateral (1) at any time the Administrative Agent, the Applicable Authorized Representative or the Controlling Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding. If the Non-Controlling Authorized Representative or any other Non-Controlling Secured Party exercises any rights or remedies with respect to the Shared Collateral in accordance with the immediately preceding sentence of this paragraph and thereafter the Controlling Collateral Agent or any other Controlling Secured Party commences (or attempts to commence) the exercise of any of its rights or remedies with respect to the Shared Collateral (including seeking relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding), the Non-Controlling Authorized Representative Enforcement Date shall be deemed not to have occurred and the Non-Controlling Authorized Representative or any other Non-Controlling Secured Party shall stop exercising any such rights or remedies with respect to the Shared Collateral.

" Non-Controlling Secured Parties " means, with respect to any Shared Collateral, the Pari Secured Parties which are not Controlling Secured Parties with respect to such Shared Collateral.

" Pari Obligations " means, collectively, (i) the Credit Agreement Obligations and (ii) each Series of Additional Pari Obligations.

" Pari Secured Parties " means (i) the Credit Agreement Secured Parties and (ii) the Additional Pari Secured Parties with respect to each Series of Additional Pari Obligations.

" Pari Security Documents " means, collectively, (i) the Credit Agreement Collateral Documents and (ii) the Additional Pari Security Documents with respect to each Series of Additional Pari Obligations.

" Person " shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, unlimited liability company, association, trust, or other enterprise or any Governmental Authority.

" Possessory Collateral " means any Shared Collateral in the possession of a Collateral Agent (or its agents or bailees), to the extent that possession thereof perfects a Lien thereon under the UCC of any jurisdiction. Possessory Collateral includes, without limitation, any Certificated Securities, Promissory Notes, Instruments, and Chattel Paper, in each case, delivered to or in the possession of a Collateral Agent under the terms of the Pari Security Documents.

" Post-Petition Interest " means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

" Proceeds " has the meaning assigned to such term in Section 2.01(a) .

" Refinance " means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other Indebtedness or enter into alternative financing arrangements, in exchange or replacement for such Indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including in each case, but not limited to, after the original instrument giving rise to such Indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " Refinanced " and " Refinancing " have correlative meanings.

" Secured Cash Management Obligations " shall mean [obligations under cash management agreements that are intended under the applicable Additional Pari Security Documents to be secured by Shared Collateral.]

" Secured Hedge Obligations " shall mean [obligations under hedging agreements that are intended under the applicable Additional Pari Security Document to be secured by Shared Collateral.]

" Secured Credit Document " means (i) the Credit Agreement and each Credit Document (as defined in the Credit Agreement), (ii) each Initial Additional Pari Document, and (iii) each other Additional Pari Document.

" Series " means (a) with respect to the Pari Secured Parties, each of (i) the Credit Agreement Secured Parties (in their capacities as such), (ii) the Initial Additional Pari Secured Parties (in their capacities as such), and (iii) the Additional Pari Secured Parties that become subject to this Agreement after the date hereof that are represented by a common Authorized Representative (in its capacity as such for such Additional Pari Secured Parties) and (b) with respect to any Pari Obligations, each of (i) the Credit Agreement Obligations, (ii) the Initial Additional Pari Obligations, and (iii) the Additional Pari Obligations incurred after the date hereof pursuant to any Additional Pari Document, which pursuant to any Joinder Agreement, are to be represented hereunder by a common Authorized Representative (in its capacity as such for such Additional Pari Obligations).

" Shared Collateral " means, at any time, Collateral in which the holders (or their Collateral Agent) of two or more Series of Pari Obligations hold a security interest at such time. If more than two Series of Pari Obligations are outstanding at any time and the holders of less than all Series of Pari Obligations hold a security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of Pari Obligations that hold a security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series which does not have a security interest in such Collateral at such time.

SECTION 1.02. Interpretive Provision . The interpretive provisions contained in Section 1 of the Credit Agreement are incorporated herein, *mutatis mutandis* , as if a part hereof.

SECTION 1.03. Impairments . It is the intention of the Pari Secured Parties of each Series that the holders of Pari Obligations of such Series (and not the Pari Secured Parties of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the Pari Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of Pari Obligations), (y) any of the Pari Obligations of such Series do not have an

enforceable security interest in any of the Collateral securing any other Series of Pari Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of Pari Obligations) on a basis ranking prior to the security interest of such Series of Pari Obligations but junior to the security interest of any other Series of Pari Obligations or (ii) the existence of any Collateral for any other Series of Pari Obligations that is not Shared Collateral for such Series (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of Pari Obligations, an " Impairment " of such Series); provided that the existence of a maximum claim with respect to any Mortgaged Property (as defined in the Credit Agreement) that applies to all Pari Obligations shall not be deemed to be an Impairment of any Series of Pari Obligations. In the event of any Impairment with respect to any Series of Pari Obligations, the results of such Impairment shall be borne solely by the holders of such Series of Pari Obligations, and the rights of the holders of such Series of Pari Obligations (including, without limitation, the right to receive distributions in respect of such Series of Pari Obligations pursuant to Section 2.01) set forth herein shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such Pari Obligations subject to such Impairment. Additionally, in the event the Pari Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), any reference to such Pari Obligations or the Pari Security Documents governing such Pari Obligations shall refer to such obligations or such documents as so modified.

ARTICLE II
PRIORITIES AND AGREEMENTS WITH RESPECT TO SHARED COLLATERAL

SECTION 2.01. Priority of Claims .

(a) Anything contained herein or in any of the Secured Credit Documents to the contrary notwithstanding (but subject to Section 1.03 and the terms of the ABL Intercreditor Agreement), if an Event of Default has occurred and is continuing, and the Controlling Collateral Agent or any Pari Secured Party is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any Insolvency or Liquidation Proceeding of the Borrower or any other Grantor or any Pari Secured Party receives any payment pursuant to any intercreditor agreement (other than this Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation of any such Shared Collateral by any Pari Secured Party or received by the Controlling Collateral Agent or any Pari Secured Party pursuant to any such intercreditor agreement with respect to such Shared Collateral and proceeds of any such distribution to which the Pari Obligations are entitled under any intercreditor agreement (other than this Agreement) (subject, in the case of any such proceeds and distribution, to the second sentence immediately following) (all proceeds of any sale, collection or other liquidation of any Shared Collateral and any payment or distribution made in respect of Shared Collateral pursuant to any intercreditor agreement or in an Insolvency or Liquidation Proceeding being collectively referred to as " Proceeds "), shall be applied (i) FIRST, to the payment of all amounts owing to each Collateral Agent (in its capacity as such) pursuant to the terms of each applicable Secured Credit Document, (ii) SECOND, to the payment in full of the Pari Obligations of each Series on a ratable basis, with such Proceeds to be applied to the Pari Obligations of a given Series in accordance with the terms of the applicable Secured Credit Documents and (iii) THIRD, after payment in full of all Pari Obligations, to the Borrower and the other Grantors or their successors or assigns, as their interests may appear, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct; provided that following commencement of any Insolvency or Liquidation Proceeding with respect to any Grantor, solely for purposes of this Section 2.01(a) and not any other Secured Credit Document, in the event the value of the Shared Collateral is not sufficient for the entire amount of Post-Petition Interest on the Pari Obligations to be allowed under Sections 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other Bankruptcy Law in such Insolvency or Liquidation Proceeding, the amount of Pari Obligations of each Series of Pari Obligations shall include only the

maximum amount of Post-Petition Interest allowable under Sections 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other Bankruptcy Law in such Insolvency or Liquidation Proceeding. If, despite the provisions of this Section 2.01(a), any Pari Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the Pari Obligations to which it is then entitled in accordance with this Section 2.01(a), such Pari Secured Party shall hold such payment or recovery in trust for the benefit of all Pari Secured Parties for distribution in accordance with this Section 2.01(a). Notwithstanding the foregoing, with respect to any Shared Collateral for which a third party (other than a Pari Secured Party) has a Lien or security interest that is junior in priority to the security interest of any Series of Pari Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of Pari Obligations (such third party, an "Intervening Creditor"), the value of any Shared Collateral or Proceeds allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or Proceeds to be distributed in respect of the Series of Pari Obligations with respect to which such Impairment exists.

(b) It is acknowledged that the Pari Obligations of any Series may, subject to the limitations set forth in the then extant Secured Credit Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, Refinanced or otherwise amended or modified from time to time, all without affecting the priorities set forth in Section 2.01(a) or the provisions of this Agreement defining the relative rights of the Pari Secured Parties of any Series.

(c) Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing any Series of Pari Obligations granted on the Shared Collateral and notwithstanding any provision of the UCC of any jurisdiction, or any other Applicable Law or the Secured Credit Documents or any defect or deficiencies in the Liens securing the Pari Obligations of any Series or any other circumstance whatsoever (but, in each case, subject to Section 1.03), each Pari Secured Party hereby agrees that the Liens securing each Series of Pari Obligations on any Shared Collateral shall be of equal priority.

SECTION 2.02. [Reserved].

SECTION 2.03. Actions with Respect to Shared Collateral; Prohibition on Contesting Liens.

(a) Only the Controlling Collateral Agent shall act or refrain from acting with respect to any Shared Collateral (including with respect to the ABL Intercreditor Agreement or any other intercreditor agreement with respect to any Shared Collateral). At any time when the Credit Agreement Collateral Agent is the Controlling Collateral Agent, no Additional Pari Secured Party shall or shall instruct any Collateral Agent to, and neither the Initial Additional Pari Collateral Agent nor any other Collateral Agent that is not the Controlling Collateral Agent shall, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to the ABL Intercreditor Agreement or any other intercreditor agreement with respect to any Shared Collateral), whether under any Additional Pari Security Document, Applicable Law or otherwise, it being agreed that only the Credit Agreement Collateral Agent (or a Person authorized by it), acting in accordance with the Credit Agreement Collateral Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral at such time.

(b) With respect to any Shared Collateral at any time when the Credit Agreement Collateral Agent is not the Controlling Collateral Agent with respect thereto, (i) the Controlling Collateral Agent shall act only on the instructions of the Applicable Authorized Representative, (ii) the Controlling Collateral Agent shall not follow any instructions with respect to such Shared Collateral (including with respect to the ABL Intercreditor Agreement or any other intercreditor agreement with respect to any Shared Collateral) from any Non-Controlling Authorized Representative (or any other Pari Secured Party other than the Applicable Authorized Representative) and (iii) no Non-Controlling Authorized Representative or other Pari Secured Party (other than the Applicable Authorized Representative) shall or shall instruct the Controlling Collateral Agent to, commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to the ABL Intercreditor Agreement or any other intercreditor agreement with respect to any Shared Collateral), whether under any Pari Security Document, Applicable Law or otherwise, it being agreed that only the Controlling Collateral Agent (or a Person authorized by it), acting on the instructions of the Applicable Authorized Representative and in accordance with the applicable Additional Pari Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to such Shared Collateral.

(c) Notwithstanding the equal priority of the Liens securing each Series of Pari Obligations with respect to any Shared Collateral, the Controlling Collateral Agent with respect thereto (acting on the instructions of the Applicable Authorized Representative if it is not the Credit Agreement Collateral Agent) may deal with such Shared Collateral as if such Controlling Collateral Agent had a senior Lien on such Collateral. No Non-Controlling Authorized Representative or Non-Controlling Secured Party in respect of any Shared Collateral will contest, protest or object to any foreclosure proceeding or action brought by the Controlling Collateral Agent, the Applicable Authorized Representative or any Controlling Secured Party or any other exercise by the Controlling Collateral Agent, the Applicable Authorized Representative or a Controlling Secured Party of any rights and remedies relating to such Shared Collateral, or to cause the Controlling Collateral Agent to do so. The foregoing shall not be construed to limit the rights and priorities of any Pari Secured Party, Collateral Agent or any Authorized Representative with respect to any Collateral not constituting Shared Collateral.

(d) Each of the Pari Secured Parties agrees that it will not (and hereby waives any right to) question or contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the Pari Secured Parties in all or any part of the Collateral, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any Collateral Agent or any Authorized Representative to enforce this Agreement.

SECTION 2.04. No Interference; Payment Over .

(a) Each Pari Secured Party agrees that (i) it will not challenge or question in any proceeding the validity or enforceability of any Pari Obligations of any Series or any Pari Security Document or the validity, attachment, perfection or priority of any Lien under any Pari Security Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of this Agreement; (ii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of any Shared Collateral by the Controlling Collateral Agent, (iii) except as provided in Section 2.03 , it shall have no right to (A) direct the Controlling Collateral Agent or any other Pari Secured Party to exercise, and shall not exercise, any right, remedy or power with respect to any Shared Collateral (including pursuant to the ABL Intercreditor Agreement or any other intercreditor agreement) or (B) consent to the exercise by the Controlling Collateral Agent or any other Pari Secured Party of any right, remedy or power with respect to any Shared Collateral, (iv) it will not institute any suit or assert in

any suit, Insolvency or Liquidation Proceeding or other proceeding any claim against the Controlling Collateral Agent or any other Pari Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and none of the Controlling Collateral Agent, any Applicable Authorized Representative or any other Pari Secured Party shall be liable for any action taken or omitted to be taken by the Controlling Collateral Agent, such Applicable Authorized Representative or other Pari Secured Party with respect to any Shared Collateral in accordance with the provisions of this Agreement, (v) if not the Controlling Collateral Agent, it will not seek, and hereby waives any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral and (vi) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Controlling Collateral Agent or any other Pari Secured Party to enforce this Agreement.

(b) Each Pari Secured Party hereby agrees that if it shall obtain possession of any Shared Collateral or shall realize any Proceeds or payment in respect of any such Shared Collateral, pursuant to any Pari Security Document or by the exercise of any rights available to it under Applicable Law or in any Insolvency or Liquidation Proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the Discharge of each of the Pari Obligations, then it shall hold such Shared Collateral, Proceeds or payment in trust for the other Pari Secured Parties and promptly transfer such Shared Collateral, Proceeds or payment, as the case may be, to the Controlling Collateral Agent, to be distributed in accordance with the provisions of Section 2.01 hereof.

SECTION 2.05. Automatic Release of Liens; Amendments to Pari Security Documents .

(a) If, at any time the Controlling Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens in favor of each other Collateral Agent for the benefit of each Series of Pari Secured Parties upon such Shared Collateral will automatically be released and discharged as and when, but only to the extent, such Liens of the Controlling Collateral Agent on such Shared Collateral are released and discharged; provided that any Proceeds of any Shared Collateral realized therefrom shall be allocated and applied pursuant to Section 2.01 .

(b) Each Collateral Agent and Authorized Representative agrees to execute and deliver (at the sole cost and expense of the Grantors) all such authorizations and other instruments as shall reasonably be requested by the Controlling Collateral Agent to evidence and confirm any release of Shared Collateral provided for in this Section.

SECTION 2.06. Certain Agreements with Respect to Bankruptcy or Insolvency Proceedings .

(a) This Agreement shall continue in full force and effect notwithstanding the commencement of any Insolvency or Liquidation Proceeding (including any Bankruptcy Case) by or against Holdings, the Borrower or any of their respective Subsidiaries. The parties hereto acknowledge that the provisions of this Agreement are intended to be and shall be enforceable as contemplated by Section 510(a) of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law.

(b) If the Borrower and/or any other Grantor shall become subject to a case (a " Bankruptcy Case ") under the Bankruptcy Code or any other applicable Bankruptcy Law and shall, as debtor(s)-in-possession, move for approval of financing (the " DIP Financing ") to be provided by one or more lenders (the " DIP Lenders ") under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law or the use of cash collateral under Section 363 of the Bankruptcy Code or

any equivalent provision of any other Bankruptcy Law, each Pari Secured Party (other than any Controlling Secured Party or the Authorized Representative of any Controlling Secured Party) agrees that it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same (" DIP Financing Liens ") or to any use of cash collateral that constitutes Shared Collateral, unless the Controlling Collateral Agent (in the case of any Collateral Agent other than the Credit Agreement Collateral Agent, acting on the instructions of the Applicable Authorized Representative) shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Pari Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank pari passu with the Liens on any such Shared Collateral granted to secure the Pari Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth herein), in each case so long as (A) the Pari Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-à-vis all the other Pari Secured Parties (other than any Liens of the Pari Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the Pari Secured Parties of each Series are granted Liens on any additional collateral pledged to any Pari Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral (in each case, except to the extent a Lien on additional collateral is granted to one Series in consideration of Collateral of such Series that is not Shared Collateral for a Series that does not receive a Lien on such additional collateral), with the same priority vis-à-vis the Pari Secured Parties as set forth in this Agreement (other than any Liens of the Pari Secured Parties constituting DIP Financing Liens), (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Pari Obligations, such amount is applied pursuant to Section 2.01 (in each case, except to the extent a payment is made to one Series in consideration of Collateral of such Series that is not Shared Collateral for a Series that does not receive such payment), and (D) if any Pari Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to Section 2.01 (in each case, except to the extent such adequate protection is granted to one Series in consideration of Collateral of such Series that is not Shared Collateral for a Series that does not receive such adequate protection); provided that the Pari Secured Parties of each Series shall have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the Pari Secured Parties of such Series or its Authorized Representative that shall not constitute Shared Collateral; and provided , further , that the Pari Secured Parties receiving adequate protection shall not object to any other Pari Secured Party receiving adequate protection comparable to any adequate protection granted to such Pari Secured Parties (other than as a provider of DIP Financing) in connection with a DIP Financing or use of cash collateral.

SECTION 2.07. Reinstatement . In the event that any of the Pari Obligations shall be paid in full and such payment or any part thereof shall subsequently, for whatever reason (including an order or judgment for disgorgement or avoidance of a preference under the Bankruptcy Code, or any Bankruptcy Law or other similar law, or the settlement of any claim in respect thereof), be required to be returned or repaid, the terms and conditions of this Article II shall be fully applicable thereto until all such Pari Obligations shall again have been paid in full in cash.

SECTION 2.08. Insurance . As between the Pari Secured Parties, the Controlling Collateral Agent shall have the right to adjust or settle any insurance policy or claim covering or constituting Shared Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral.

SECTION 2.09. Refinancings. The Pari Obligations of any Series may be Refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the Refinancing transaction under any Secured Credit Document) of any Pari Secured Party of any other Series, all without affecting the priorities provided for herein or the other provisions hereof; provided that the Authorized Representative and Collateral Agent of the holders of any such Refinancing indebtedness shall have executed a Joinder Agreement on behalf of the holders of such Refinancing indebtedness.

SECTION 2.10. Possessory Collateral Agent as Gratuitous Bailee for Perfection.

(a) Possessory Collateral shall be delivered to the Controlling Collateral Agent and the Controlling Collateral Agent agrees to hold all Possessory Collateral that is in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee (such bailment being intended, among other things, to satisfy the requirements of Section 8-301(a)(2) and 9-313(c) of the UCC, to the extent applicable) for the benefit of each other Pari Secured Party for which such Possessory Collateral is Shared Collateral and any assignee solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable Pari Security Documents, in each case, subject to the terms and conditions of this Section 2.10; provided that at any time a Collateral Agent ceases to be Controlling Collateral Agent with respect to any Possessory Collateral, such former Controlling Collateral Agent shall, at the request of the new Controlling Collateral Agent, promptly deliver all such Possessory Collateral to such new Controlling Collateral Agent together with any necessary endorsements (or otherwise allow such new Controlling Collateral Agent to obtain control of such Possessory Collateral). The Borrower shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify each Collateral Agent for loss or damage suffered by such Collateral Agent as a result of such transfer except for loss or damage suffered by such Collateral Agent as a result of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction.

(b) The Controlling Collateral Agent agrees to hold any Shared Collateral constituting Possessory Collateral, from time to time in its possession, as gratuitous bailee (such bailment being intended, among other things, to satisfy the requirements of Section 8-301(a)(2) and 9-313(c) of the UCC, to the extent applicable) for the benefit of each other Pari Secured Party and any assignee, solely for the purpose of perfecting the security interest granted in such Possessory Collateral, if any, pursuant to the applicable Pari Security Documents, in each case, subject to the terms and conditions of this Section 2.10.

(c) The duties or responsibilities of each Collateral Agent under this Section 2.10 shall be limited solely to holding any Shared Collateral constituting Possessory Collateral as gratuitous bailee (such bailment being intended, among other things, to satisfy the requirements of Section 8-301(a)(2) and 9-313(c) of the UCC, to the extent applicable) for the benefit of each other Pari Secured Party for purposes of perfecting the Lien held by such Pari Secured Parties thereon.

SECTION 2.11. Amendments to Security Documents.

(a) Without the prior written consent of the Credit Agreement Collateral Agent, each Additional Pari Secured Party agrees that no Additional Pari Security Document may be amended, restated, amended and restated, supplemented or otherwise modified or entered into to the extent such amendment, restatement, amendment and restatement, supplement or modification, or the terms of any new Additional Pari Security Document would contravene any of the terms of this Agreement.

(b) Without the prior written consent of the Additional Pari Collateral Agent, the Credit Agreement Collateral Agent agrees that no Credit Agreement Collateral Document may be amended, restated, amended and restated, supplemented or otherwise modified or entered into to the extent such amendment, restatement, amendment and restatement, supplement or modification, or the terms of any new Credit Agreement Collateral Document would contravene any of the terms of this Agreement.

(c) In making determinations required by this Section 2.11, each Collateral Agent may conclusively rely on a certificate of an Authorized Officer of the Borrower.

ARTICLE III
EXISTENCE AND AMOUNTS OF LIENS AND OBLIGATIONS

SECTION 3.01. Determinations with Respect to Amounts of Liens and Obligations. Whenever a Collateral Agent or any Authorized Representative shall be required, in connection with the exercise of its rights or the performance of its obligations hereunder, to determine the existence or amount of any Pari Obligations of any Series, or the Shared Collateral subject to any Lien securing the Pari Obligations of any Series, it may request that such information be furnished to it in writing by each other Authorized Representative or Collateral Agent and shall be entitled to make such determination or not make any determination on the basis of the information so furnished; provided, however, that if an Authorized Representative or a Collateral Agent shall fail or refuse reasonably promptly to provide the requested information, the requesting Collateral Agent or Authorized Representative shall be entitled to make any such determination by such method as it may, in the exercise of its good faith judgment, determine, including by reliance upon a certificate of the Borrower. Each Collateral Agent and each Authorized Representative may rely conclusively, and shall be fully protected in so relying, on any determination made by it in accordance with the provisions of the preceding sentence (or as otherwise directed by a court of competent jurisdiction) and shall have no liability to any Grantor, any Pari Secured Party or any other Person as a result of such determination.

ARTICLE IV
THE CONTROLLING COLLATERAL AGENT

SECTION 4.01. Authority.

(a) Notwithstanding any other provision of this Agreement, nothing herein shall be construed to impose any fiduciary or other duty on any Controlling Collateral Agent to any Non-Controlling Secured Party or give any Non-Controlling Secured Party the right to direct any Controlling Collateral Agent, except that each Controlling Collateral Agent shall be obligated to distribute Proceeds of any Shared Collateral in accordance with Section 2.01 hereof.

(b) In furtherance of the foregoing, each Non-Controlling Secured Party acknowledges and agrees that the Controlling Collateral Agent shall be entitled, for the benefit of the Pari Secured Parties, to sell, transfer or otherwise dispose of or deal with any Shared Collateral as provided herein and in the Pari Security Documents, as applicable, pursuant to which the Controlling Collateral Agent is the collateral agent for such Shared Collateral, without regard to any rights to which the Non-Controlling Secured Parties would otherwise be entitled as a result of the Pari Obligations held by such Non-Controlling Secured Parties. Without limiting the foregoing, each Non-Controlling Secured Party agrees that none of the Controlling Collateral Agent, the Applicable Authorized Representative or any other Pari Secured Party shall have any duty or obligation first to marshal or realize upon any type of Shared Collateral (or any other Collateral securing any of the Pari Obligations), or to sell, dispose of or otherwise liquidate all or any portion of such Shared Collateral (or any other Collateral securing any Pari Obligations), in any manner that would maximize the return to the Non-Controlling Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of

Proceeds actually received by the Non-Controlling Secured Parties from such realization, sale, disposition or liquidation. Each of the Pari Secured Parties waives any claim it may now or hereafter have against any Collateral Agent or the Authorized Representative of any other Series of Pari Obligations or any other Pari Secured Party of any other Series arising out of (i) any actions in accordance with this Agreement which any Collateral Agent, Authorized Representative or the Pari Secured Parties take or omit to take (including, actions with respect to the creation, perfection or continuation of Liens on any Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the Collateral and actions with respect to the collection of any claim for all or any part of the Pari Obligations from any account debtor, guarantor or any other party) in accordance with the Pari Security Documents or any other agreement related thereto or to the collection of the Pari Obligations or the valuation, use, protection or release of any security for the Pari Obligations, (ii) any election in accordance with this Agreement by any Applicable Authorized Representative or any holders of Pari Obligations, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b) of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law or (iii) subject to Section 2.06, any borrowing by, or grant of a security interest or administrative expense priority under Section 364 of the Bankruptcy Code or any equivalent provision of any other Bankruptcy Law, by the Borrower or any of its Subsidiaries, as debtor-in-possession. Notwithstanding any other provision of this Agreement, the Controlling Collateral Agent shall not accept any Shared Collateral in full or partial satisfaction of any Pari Obligations pursuant to Section 9-620 of the UCC of any jurisdiction, without the consent of each Authorized Representative representing holders of Pari Obligations for whom such Collateral constitutes Shared Collateral.

SECTION 4.02. Exculpatory Provisions. The Controlling Collateral Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, the Controlling Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby; provided that the Controlling Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Controlling Collateral Agent to liability or that is contrary to this Agreement or applicable law;

(iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a Grantor or any of its Affiliates that is communicated to or obtained by the Person serving as the Controlling Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) in the absence of its own gross negligence or willful misconduct or (2) in reliance on a certificate of an Authorized Officer of the Borrower stating that such action is permitted by the terms of this Agreement and each Secured Credit Document. The Controlling Collateral Agent shall be deemed not to have knowledge of any Event of Default under any Series of Pari Obligations unless and until notice describing such Event of Default and referencing the applicable Secured Credit Document is given to the Controlling Collateral Agent;

(v) shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with this Agreement or any other Secured Credit Document, (2) the contents of any certificate, report or other document delivered

hereunder or thereunder or in connection herewith or therewith, (3) 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 or Event of Default, (4) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Secured Credit Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Pari Security Documents, (5) the value or the sufficiency of any Collateral for any Series of Pari Obligations, or (6) the satisfaction of any condition set forth in any Secured Credit Document, other than to confirm receipt of items expressly required to be delivered to the Controlling Collateral Agent; and

(vi) need not segregate money held hereunder from other funds except to the extent required by Applicable Law. The Controlling Collateral Agent shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing.

ARTICLE V
M ISCELLANEOUS

SECTION 5.01. Notices . 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 facsimile, as follows:

(a) if to the Borrower or any Grantor, to the Borrower, at its address at:

c/o Avaya Inc.
4655 Great America Parkway
Santa Clara, California 95054
Attention: John Sullivan, Vice President and Corporate Treasurer
Tel: 408-496-3211
Email: jpsullivan@avaya.com

with copies to (which shall not constitute notice):

KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Attention: Melissa Hutson
Email: melissa.hutson@kirkland.com
Fax: (212) 446-6459

(b) if to the Credit Agreement Collateral Agent or the Administrative Agent, to it at:

GOLDMAN SACHS BANK USA
200 West Street, 16th Floor
New York, New York 10282
Attention: SBD Operations
Fax: 212-428-9270
Email: gs-sbdagency-borrowernotices@ny.email.gs.com

with a copy (which shall not constitute notice) to:
DAVIS POLK & WARDWELL LLP
450 Lexington Avenue

New York, NY 10017
Attention: Jason Kyrwood
Email: jason.kyrwood@davispolk.com
Fax: 212-450-5425

(c) if to the Initial Additional Authorized Representative or the Initial Additional Pari Collateral Agent, to it at:

[ ], Attention of [ ] (Email [ ]) (Fax No. [ ]); or

(d) if to any other Authorized Representative or Collateral Agent, to it at the address set forth in the applicable Joinder Agreement.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt (if a Business Day) and on the next Business Day thereafter (in all other cases) if delivered by hand or overnight courier service or sent by facsimile or on the date three Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 5.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 5.01 . As agreed to in writing among each Collateral Agent and each Authorized Representative from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 5.02. Waivers; Amendment; Joinder Agreements .

(a) No failure or delay on the part of any party hereto in exercising any right, remedy, privilege or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, privilege or power, or any abandonment or discontinuance of steps to enforce such a right, remedy, privilege or power, preclude any other or further exercise thereof or the exercise of any other right, remedy, privilege or power. The rights, powers, privileges and remedies of the parties hereto are cumulative and are not exclusive of any rights, powers, privileges or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by Section 5.02(b) , and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be terminated, waived, amended or modified (other than pursuant to any Joinder Agreement) except pursuant to an agreement or agreements in writing entered into by each Authorized Representative, each Collateral Agent and the Grantors.

(c) Notwithstanding the foregoing, without the consent of any Pari Secured Party, any Authorized Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 5.12 and upon such execution and delivery, such Authorized Representative and the Additional Pari Secured Parties and Additional Pari Obligations of the Series for which such Authorized Representative is acting shall be subject to the terms hereof.

(d) Notwithstanding the foregoing, in connection with any Refinancing of Pari Obligations of any Series, or the incurrence of Additional Pari Obligations of any Series, the Collateral Agents and the Authorized Representatives then party hereto shall enter (and are hereby authorized to enter without the consent of any other Pari Secured Party or any Grantor), at the request of any Collateral Agent, any Authorized Representative or the Borrower, into such amendments or modifications of this Agreement as are reasonably necessary to reflect such Refinancing or such incurrence and are reasonably satisfactory to each such Collateral Agent and each such Authorized Representative, provided that any Collateral Agent or Authorized Representative may condition its execution and delivery of any such amendment or modification on a receipt of a certificate from an Authorized Officer of the Borrower to the effect that such Refinancing or incurrence is permitted by the then existing Secured Credit Documents.

SECTION 5.03. Parties in Interest . This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and their respective successors and assigns and shall inure to the benefit of and bind each of the Pari Secured Parties. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the Pari Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 5.04. Survival of Agreement . All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 5.05. Counterparts . This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

SECTION 5.06. Severability . Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 5.07. GOVERNING LAW . THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 5.08. Submission to Jurisdiction Waivers; Consent to Service of Process . Each Collateral Agent and each Authorized Representative, on behalf of itself and the Pari Secured Parties of the Series for whom it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth in Section 5.01 ;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Holdings or the Borrower or any other Grantor in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 5.08 any special, exemplary, punitive or consequential damages.

SECTION 5.09. WAIVER OF JURY TRIAL . EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR FOR ANY COUNTERCLAIM THEREIN.

SECTION 5.10. Headings . Article, Section and Annex headings used herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

SECTION 5.11. Conflicts . In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any of the Pari Security Documents or any of the other Secured Credit Documents, the provisions of this Agreement shall control. Notwithstanding the foregoing, so long as any ABL Intercreditor Agreement is outstanding, prior to the Discharge of ABL Obligations (as defined in such ABL Intercreditor Agreement), the relative rights and obligations of the Collateral Agents, the Authorized Representatives and the other Pari Secured Parties with respect to any Shared Collateral (as defined in such ABL Intercreditor Agreement) shall be governed by the terms of such ABL Intercreditor Agreement and in the event of any conflict between such ABL Intercreditor Agreement and this Agreement with respect to the relative rights and obligations of the Collateral Agents, the Authorized Representatives and the other Pari Secured Parties with respect to such Shared Collateral, the provisions of the ABL Intercreditor Agreement shall control.

SECTION 5.12. Additional Senior Debt . To the extent, but only to the extent, permitted by the provisions of the Credit Agreement and the Additional Pari Documents, the Borrower may incur additional Indebtedness after the date hereof that is permitted by the Credit Agreement and the Additional Pari Documents to be incurred and secured on an equal and ratable basis with the Liens securing the then-extant Pari Obligations (such Indebtedness referred to as " Additional Senior Class Debt "). Any such Additional Senior Class Debt, together with obligations relating thereto, may be secured by such Liens if and subject to the condition that the trustee, administrative agent or similar representative for the holders of such Additional Senior Class Debt (each, an " Additional Senior Class Debt Representative "), and the collateral agent, collateral trustee or similar representative for the holders of such Additional Senior Class Debt (each, an " Additional Senior Class Debt Collateral Agent " and, together with the holders of such Additional Senior Class Debt and the related Additional Senior Class Debt Representative, the " Additional Senior Class Debt Parties "), in each case acting on behalf of the holders of such Additional Senior Class Debt, become a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iv) of the immediately succeeding paragraph.

In order, with respect to any Additional Senior Class Debt, for an Additional Senior Class Debt Representative and the related Additional Senior Class Debt Collateral Agent to become a party to this Agreement,

(i) such Additional Senior Class Debt Representative and Additional Senior Class Debt Collateral Agent, each Collateral Agent, each Authorized Representative and each Grantor shall have executed and delivered an instrument substantially in the form of Annex II (with such

changes as may be reasonably approved by such Collateral Agents, such Authorized Representatives and such Additional Senior Class Debt Representative) pursuant to which such Additional Senior Class Debt Representative becomes an "Authorized Representative" hereunder, such Additional Senior Class Debt Collateral Agent becomes a "Collateral Agent" hereunder and such Additional Senior Class Debt and the related Additional Senior Class Debt Parties become "Pari Secured Parties" and subject hereto and bound hereby;

(ii) the Borrower shall have (x) delivered to each Authorized Representative true and complete copies of each of the Additional Pari Documents relating to such Additional Senior Class Debt, certified as being true and correct by an Authorized Officer of the Borrower and (y) identified in a certificate of an Authorized Officer of the Borrower such Additional Senior Class Debt, stating the initial aggregate principal amount or face amount thereof, and the obligations to be designated as Additional Pari Obligations and certified that such obligations are permitted to be incurred and secured on a pari passu basis with the then-extant Pari Obligations and by the terms of the then-extant Secured Credit Documents;

(iii) all filings, recordations and/or amendments or supplements to the Pari Security Documents necessary or desirable in the reasonable judgment of such Additional Senior Class Debt Representative to confirm and perfect the Liens securing the relevant obligations relating to such Additional Senior Class Debt shall have been made, executed and/or delivered (or, with respect to any such filings or recordations, acceptable provisions to perform such filings or recordations shall have been taken in the reasonable judgment of such Additional Senior Class Debt Representative), and all fees and taxes in connection therewith shall have been paid (or acceptable provisions to make such payments have been taken in the reasonable judgment of such Additional Senior Class Debt Representative); and

(iv) the Additional Pari Documents, as applicable, relating to such Additional Senior Class Debt shall provide, in a manner reasonably satisfactory to each Collateral Agent, that each Additional Senior Class Debt Party with respect to such Additional Senior Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Additional Senior Class Debt.

SECTION 5.13. Agent Capacities . Except as expressly provided herein or in the Credit Agreement Collateral Documents, Goldman Sachs Bank USA is acting in the capacities of Administrative Agent and Credit Agreement Collateral Agent solely for the Credit Agreement Secured Parties. Except as expressly provided herein or in the Additional Pari Security Documents, [ ] is acting in the capacity of Initial Additional Pari Collateral Agent solely for the Initial Additional Pari Secured Parties. Except as expressly set forth herein, none of the Administrative Agent, the Credit Agreement Collateral Agent or any Additional Pari Collateral Agent shall have any duties or obligations in respect of any of the Collateral, all of such duties and obligations, if any, being subject to and governed by the applicable Secured Credit Documents. The Administrative Agent and the Credit Agreement Collateral Agent shall have no liability for any actions in any role under this Agreement to anyone other than the Credit Agreement Secured Parties and only then in accordance with the Credit Agreement Collateral Documents.

SECTION 5.14. Additional Grantors . In the event any Subsidiary or a Grantor shall have granted a Lien on any of its assets to secure any Pari Obligations, such Grantor shall cause such Subsidiary, if not already a party hereto, to become a party hereto as a "Grantor". Upon the execution and delivery by any Subsidiary of a Grantor of a Grantor Joinder Agreement in substantially the form of Annex III hereof, any such Subsidiary shall become a party hereto and a Grantor hereunder with the same force and effect as if originally named as such herein. The execution and delivery of any such instrument shall not require the consent of any other party hereto (except to the extent obtained on or prior to such date). The rights and obligations of each party hereto shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

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.

GOLDMAN SACHS BANK USA,
as Collateral Agent

By: _____
Name:
Title:

GOLDMAN SACHS BANK USA,
as Authorized Representative for the Credit Agreement Secured Parties

By: _____
Name:
Title:

[ ],
as a Collateral Agent and as Initial Additional Authorized Representative

By: _____
Name:
Title:

IN WITNESS WHEREOF , we have hereunto signed this Pari Intercreditor Agreement as of the date first written above.

AVAYA HOLDINGS, CORP.

By: _____
Name:
Title:

AVAYA INC.

By: _____
Name:
Title:

[GRANTORS]

By: _____
Name:
Title:

Grantors

Schedule 1

[ ]

[FORM OF] JOINDER NO. [ ] dated as of [ ], 20[ ] (this " Joinder Agreement ") to the FIRST LIEN PARI INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (the " Pari Intercreditor Agreement "), among AVAYA HOLDINGS, CORP., a Delaware corporation (" Holdings "), AVAYA, INC., a Delaware corporation (the " Borrower "), certain subsidiaries and affiliates of the Borrower (each, a " Grantor "), GOLDMAN SACHS BANK USA, as Credit Agreement Collateral Agent for the Credit Agreement Secured Parties under the Pari Security Documents (in such capacity, the " Credit Agreement Collateral Agent "), GOLDMAN SACHS BANK USA, as Authorized Representative for the Credit Agreement Secured Parties, [ ], as Initial Additional Authorized Representative, and the additional Authorized Representatives from time to time a party thereto. [1]

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Pari Intercreditor Agreement. Section 1.02 contained in the Pari Intercreditor Agreement is incorporated herein, *mutatis mutandis* , as if a part hereof.

B. As a condition to the ability of the Borrower to incur Additional Pari Obligations and to secure such Additional Senior Class Debt with the liens and security interests created by the Additional Pari Security Documents, the Additional Senior Class Debt Representative in respect of such Additional Senior Class Debt is required to become an Authorized Representative, the Additional Senior Class Debt Collateral Agent in respect of such Additional Senior Class Debt is required to become a Collateral Agent, and such Additional Senior Class Debt and the Additional Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the Pari Intercreditor Agreement. Section 5.12 of the Pari Intercreditor Agreement provides that such Additional Senior Class Debt Representative may become an Authorized Representative, such Additional Senior Class Debt Collateral Agent may become a Collateral Agent, and such Additional Senior Class Debt and such Additional Senior Class Debt Parties may become subject to and bound by the Pari Intercreditor Agreement upon the execution and delivery by the Additional Senior Class Debt Representative and the Additional Senior Class Debt Collateral Agent of an instrument in the form of this Joinder Agreement and the satisfaction of the other conditions set forth in Section 5.12 of the Pari Intercreditor Agreement. The undersigned Additional Senior Class Debt Representative (the " New Representative ") and Additional Senior Class Debt Collateral Agent (the " New Collateral Agent ") are executing this Joinder Agreement in accordance with the requirements of the Pari Intercreditor Agreement and the Pari Security Documents.

Accordingly, each Collateral Agent, each Authorized Representative, the New Representative and the New Collateral Agent agree as follows:

SECTION 1. In accordance with Section 5.12 of the Pari Intercreditor Agreement, the New Representative by its signature below becomes an Authorized Representative under, the New Collateral Agent by its signature below becomes a Collateral Agent under, and the related Additional Senior Class Debt and Additional Senior Class Debt Parties become subject to and bound by, the Pari Intercreditor Agreement with the same force and effect as if the New Representative had originally been named therein as an Authorized Representative and the New Collateral Agent had originally been named therein as a

[1] In the event of the Refinancing of the Credit Agreement Obligations, revise to reflect joinder by a new Credit Agreement Collateral Agent

Collateral Agent, and each of the New Representative and the new Collateral Agent, on its behalf and on behalf of such Additional Senior Class Debt Parties, hereby agrees to all the terms and provisions of the Pari Intercreditor Agreement applicable to it as Authorized Representative or Collateral Agent, as applicable, and to the Additional Senior Class Debt Parties that it represents as Additional Pari Secured Parties. Each reference to an " Authorized Representative " in the Pari Intercreditor Agreement shall be deemed to include the New Representative. Each reference to a " Collateral Agent " in the Pari Intercreditor Agreement shall be deemed to include the New Collateral Agent. Each reference to " Pari Secured Partners " in the Pari Intercreditor Agreement shall be deemed to include the Additional Senior Class Debt Parties represented by the New Collateral Agent and the New Representative. The Pari Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. Each of the New Representative and the New Collateral Agent represents and warrants to each Collateral Agent, each Authorized Representative and the other Pari Secured Parties, individually, that (i) it has full power and authority to enter into this Joinder Agreement, in its capacity as [trustee/administrative agent/collateral agent] under [describe new facility], (ii) this Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms and, (iii) the Additional Pari Documents relating to such Additional Senior Class Debt provide that, upon its entry into this Joinder Agreement, the Additional Senior Class Debt Parties in respect of such Additional Senior Class Debt will be subject to and bound by the provisions of the Pari Intercreditor Agreement as Additional Pari Secured Parties.

SECTION 3. This Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Joinder Agreement shall become effective when each Collateral Agent shall have received a counterpart of this Joinder Agreement that bears the signatures of the New Representative and the New Collateral Agent. Delivery of an executed signature page to this Joinder Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually signed counterpart of this Joinder Agreement.

SECTION 4. Except as expressly supplemented hereby, the Pari Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS JOINDER AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Joinder Agreement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Pari Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5.01 of the Pari Intercreditor Agreement. All communications and notices hereunder to the New Representative or the New Collateral Agent shall be given to it at its address set forth below its signature hereto.

SECTION 8. The Borrower agrees to reimburse each Collateral Agent and each Authorized Representative for its reasonable and documented out-of-pocket expenses in connection with this Joinder Agreement, including the reasonable documented fees, other charges and disbursements of counsel to the extent reimbursable under the Credit Agreement and the Credit Agreement Collateral Documents.

[Remainder of this page intentionally left blank – signature pages follow]

IN WITNESS WHEREOF , the New Representative has duly executed this Joinder Agreement to the Pari Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE], as
[ ] and as collateral agent for the holders of [ ],

By: _____
Name:
Title:

Address for notices:

_____

_____

attention of: _____
Telecopy: _____

[NAME OF NEW COLLATERAL AGENT], as
[ ] and as collateral agent for the holders of [ ],

By: _____
Name:
Title:

Address for notices:

_____

_____

attention of: _____
Telecopy: _____

Acknowledged by:

GOLDMAN SACHS BANK USA
as the Credit Agreement Collateral Agent and Authorized Representative

By: _____
Name:
Title:

[ ],
as the Initial Additional Authorized Representative and the Initial Additional Pari Collateral Agent

By: _____
Name:
Title:

[OTHER AUTHORIZED REPRESENTATIVES]

AVAYA HOLDINGS, CORP.

By: _____
Name:
Title:

AVAYA INC.

By: _____
Name:
Title:

THE OTHER GRANTORS
LISTED ON SCHEDULE I HERETO

By: _____
Name:
Title:

Grantors

[ ]

[FORM OF] GRANTOR JOINDER AGREEMENT NO. [ ] dated as of [ ] (this " Joinder Agreement ") to the PARI INTERCREDITOR AGREEMENT dated as of [ ], 20[ ] (the " Intercreditor Agreement "), among AVAYA HOLDINGS, CORP., a Delaware corporation (" Holdings "), AVAYA INC., a Delaware corporation (the " Borrower "), certain subsidiaries and affiliates of the Borrower (each, a " Grantor "), GOLDMAN SACHS BANK USA as Credit Agreement Collateral Agent for the Credit Agreement Secured Parties under the Pari Security Documents (in such capacity, the " Credit Agreement Collateral Agent "), GOLDMAN SACHS BANK USA as Authorized Representative for the Credit Agreement Secured Parties, [ ], as Initial Additional Authorized Representative, and the additional Authorized Representatives from time to time a party thereto.

Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

[ ], a [ ] [corporation] [limited liability company] and a Subsidiary of the Borrower (the " Additional Grantor "), has granted a Lien on all or a portion of its assets to secure Pari Obligations and such Additional Grantor is not a party to the Intercreditor Agreement.

The Additional Grantor wishes to become a party to the Pari Intercreditor Agreement and to acquire and undertake the rights and obligations of a Grantor thereunder. The Additional Grantor is entering into this Joinder Agreement in accordance with the provisions of the Intercreditor Agreement in order to become a Grantor thereunder.

Accordingly, the Additional Grantor agrees as follows, for the benefit of the Collateral Agents, the Authorized Representatives and the Pari Secured Parties:

SECTION 1.01 Accession to the Intercreditor Agreement . The Additional Grantor (a) hereby accedes and becomes a party to the Intercreditor Agreement as a "Grantor", (b) agrees to all the terms and provisions of the Intercreditor Agreement and (c) acknowledges and agrees that the Additional Grantor shall have the rights and obligations specified under the Intercreditor Agreement with respect to a "Grantor", and shall be subject to and bound by the provisions of the Intercreditor Agreement.

SECTION 1.02 Representations and Warranties of the Additional Grantor . The Additional Grantor represents and warrants to the Collateral Agents, the Authorized Representatives and the Pari Secured Parties on the date hereof that this Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 1.03 Parties in Interest . This Joinder Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, as well as the other Pari Secured Parties, all of whom are intended to be bound by, and to be third party beneficiaries of, this Agreement.

SECTION 1.04 Counterparts . This Joinder Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Joinder Agreement shall become effective when the Authorized Representatives shall have received a counterpart of this Joinder Agreement that bears the signature of the Additional Grantor. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Joinder Agreement.

SECTION 1.05 Governing Law . THIS JOINDER AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 1.06 Notices . Any notice or other communications herein required or permitted shall be in writing and given as provided in Section 5.01 of the Intercreditor Agreement.

SECTION 1.07 Expenses . The Grantor agrees to pay promptly the Collateral Agents and each of the Authorized Representatives for its reasonable and documented costs and expenses incurred in connection with this Joinder Agreement, including the reasonable documented fees, expenses and disbursements of counsel for the Collateral Agents and any of the Authorized Representatives to the extent reimbursable under the Credit Agreement and/or the other Secured Credit Documents.

SECTION 1.08 Incorporation by Reference . The provisions of Sections 1.02, 5.04, 5.06, 5.08, 5.09, 5.10, 5.11 and 5.12 of the Intercreditor Agreement are hereby incorporated by reference, *mutatis mutandis* , as if set forth in full herein.

IN WITNESS WHEREOF, the Additional Grantor has duly executed this Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[ADDITIONAL GRANTOR]

By: _____
Name:
Title:

EXHIBIT H
TO THE CREDIT AGREEMENT

FORM OF JUNIOR LIEN INTERCREDITOR AGREEMENT

[See attached]

[FORM OF]

JUNIOR LIEN INTERCREDITOR AGREEMENT

dated as of [ ]

among

[GOLDMAN SACHS BANK USA] [1] ,

as Senior Representative for the

First Lien Credit Agreement Secured Parties,

[ ],

as the Junior Priority Representative for the

Junior Lien Credit Agreement Secured Parties

and

each additional Representative from time to time party hereto,

and acknowledged and agreed to by

AVAYA HOLDINGS CORP.,

as Holdings,

AVAYA INC.,

as Borrower

and

the other Grantors party hereto

[1] NTD: If different, insert First Lien Collateral Representative on the date of this Agreement.

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JUNIOR LIEN INTERCREDITOR AGREEMENT dated as of [ ] (the "Effective Date") (as amended, restated, supplemented or otherwise modified from time to time, this " Agreement "), among GOLDMAN SACHS BANK USA, as Representative for the First Lien Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " First Lien Collateral Representative "), [ ], as Representative for the Junior Lien Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " Junior Lien Collateral Representative ") and as Administrative Agent for the Junior Lien Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " Junior Lien Administrative Agent "), and each additional Junior Priority Representative and Senior Representative that from time to time becomes a party hereto pursuant to Section 8.09, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation, in its capacity as Holdings and the other Grantors (as defined below) from time to time party hereto.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the First Lien Collateral Representative (for itself and on behalf of the First Lien Credit Agreement Secured Parties), the Junior Lien Collateral Representative (for itself and on behalf of the Junior Lien Credit Agreement Secured Parties), each additional Senior Representative (for itself and on behalf of the Additional Senior Debt Parties under the applicable Additional Senior Debt Facility) and each additional Junior Priority Representative (for itself and on behalf of the Junior Priority Debt Parties under the applicable Junior Priority Debt Facility) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings set forth in the First Lien Credit Agreement or, if defined in the New York UCC, the meanings specified therein. As used in this Agreement, the following terms have the meanings specified below:

" ABL Intercreditor Agreement " shall mean that certain ABL Intercreditor Agreement dated as of December 15, 2017 among Citibank, N.A., in its capacity as ABL Representative thereunder, Goldman Sachs Bank USA, in its capacity as First Lien Term Collateral Representative thereunder, the other Representatives party thereto from time to time as representatives for holders of one or more other classes of ABL Obligations or Term Priority Debt Obligations (as defined therein), Holdings, the Borrower and the Grantors party thereto from time to time, as amended, restated, supplemented or otherwise modified from time to time in accordance with the requirements thereof, and which shall also include any replacement intercreditor agreement entered into in accordance with the terms of the applicable Debt Documents.

" ABL Priority Collateral " has the meaning assigned to such term in the ABL Intercreditor Agreement.

" Additional Junior Priority Debt " means any Indebtedness that is issued or guaranteed by the Borrower and/or any other Grantor (other than Indebtedness constituting Junior Lien Credit Agreement Obligations), which Indebtedness and guarantees thereof are secured by the Junior Priority Collateral (or any portion thereof) on a pari passu basis (but without regard to control of remedies, other than as provided by the terms of the applicable Additional Junior Priority Debt Documents) or a junior priority basis with the Junior Lien Credit Agreement Obligations and any other Junior Priority Debt Obligations and which the applicable Additional Junior Priority Debt Documents provide that such

Indebtedness and guarantees are to be secured by such Junior Priority Collateral on a subordinate basis to the Senior Obligations; provided , however , that (i) such Indebtedness is expressly permitted to be incurred, secured and guaranteed on such basis by each then extant Senior Debt Document and Junior Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have (A) become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) become a party to the ABL Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement pursuant to, and by satisfying the conditions set forth in the applicable Sections thereof providing for the joinder of additional Indebtedness thereto; provided further that, if such Indebtedness will be the initial Additional Junior Priority Debt incurred by the Borrower or any other Grantor, then the Grantors, the then-existing Senior Representatives, the then-existing Junior Priority Representative and the Representative for such Indebtedness shall have executed and delivered each applicable Junior Lien Intercreditor Agreement. Additional Junior Priority Debt shall include any Registered Equivalent Notes and guarantees thereof by the Guarantors issued in exchange therefor.

" Additional Junior Priority Debt Documents " means, with respect to any series, issue or class of Additional Junior Priority Debt, the promissory notes, loan agreements, indentures, the Junior Priority Collateral Documents or other operative agreements evidencing or governing such Indebtedness, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" Additional Junior Priority Debt Facility " means, with respect to any series, issue or class of Additional Junior Priority Debt, each indenture, loan agreement or other governing agreement with respect to such Additional Junior Priority Debt.

" Additional Junior Priority Debt Obligations " means, with respect to any series, issue or class of Additional Junior Priority Debt, all amounts owing pursuant to the terms of such Additional Junior Priority Debt, including, without limitation, the obligation (including guarantee obligations) to pay principal, interest (including interest, fees, and expenses that accrue after the commencement of an Insolvency or Liquidation Proceeding, regardless of whether such interest is an allowed claim under such Insolvency or Liquidation Proceeding), letter of credit commissions, reimbursement obligations, charges, expenses, fees, attorneys costs, indemnities and other amounts payable by a Grantor under any Additional Junior Priority Debt Document.

" Additional Junior Priority Debt Parties " means, with respect to any series, issue or class of Additional Junior Priority Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Junior Priority Debt Documents and the beneficiaries of each indemnification obligation undertaken by the Borrower or any other Grantor under any related Additional Junior Priority Debt Documents.

" Additional Senior Debt " means any Indebtedness (or other secured obligations) that is incurred, issued or guaranteed by the Borrower and/or any other Grantor, (other than Indebtedness or obligations constituting First Lien Credit Agreement Obligations) which Indebtedness and guarantees thereof are secured by the Senior Collateral (or a portion thereof) on a pari passu basis or a junior priority basis (but without regard to control of remedies) with the First Lien Credit Agreement Obligations (but in either case on a senior priority basis to the Junior Priority Debt Obligations); provided , however , that (i) such Indebtedness is expressly permitted to be incurred, secured and guaranteed on such basis by each then extant Senior Debt Document and Junior Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have (A) become a party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) become a party to (x) the ABL Intercreditor Agreement and (y) the First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement, as applicable, in each case pursuant to, and by satisfying the conditions set forth

in the applicable Sections thereof providing for the joinder of additional Indebtedness thereto; provided further that, if such Indebtedness will be the initial Additional Senior Debt incurred by the Borrower, then the Grantors, the then-existing Senior Representatives and the Representative for such Indebtedness shall have executed and delivered the First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement, as applicable, in each case. Additional Senior Debt shall include any Registered Equivalent Notes and guarantees thereof by the Guarantors issued in exchange therefor.

" Additional Senior Debt Documents " means, with respect to any series, issue or class of Additional Senior Debt, the promissory notes, loan agreements, indentures, the Senior Collateral Documents or other operative agreements evidencing or governing such Indebtedness, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" Additional Senior Debt Facility " means, with respect to any series, issue or class of Additional Senior Debt, each indenture, loan agreement or other governing agreement with respect to such Additional Senior Debt.

" Additional Senior Debt Obligations " means, with respect to any series, issue or class of Additional Senior Debt, all amounts owing pursuant to the terms of such Additional Senior Debt, including, without limitation, the obligation (including guarantee obligations) to pay principal, interest (including interest, fees, and expenses that accrue after the commencement of an Insolvency or Liquidation Proceeding, regardless of whether such interest is an allowed or allowable claim under such Insolvency or Liquidation Proceeding), letter of credit commissions, reimbursement obligations, charges, expenses, fees, attorneys costs, indemnities and other amounts payable by a Grantor under any Additional Senior Debt Document.

" Additional Senior Debt Parties " means, with respect to any series, issue or class of Additional Senior Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Senior Debt Documents and the beneficiaries of each indemnification obligation undertaken by the Borrower or any other Grantor under any related Additional Senior Debt Documents.

" Agreement " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Applicable Laws " shall mean, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

" Authorized Officer " means "Authorized Officer" as defined in the ABL Credit Agreement.

" Bankruptcy Code " means title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor statute.

" Bankruptcy Law " means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar federal, state or foreign law for the relief of debtors.

" Borrower " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Business Day " means any day other than a Saturday, Sunday and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close.

" Capital Lease " means "Capital Lease" as defined in the ABL Credit Agreement as in effect on the date hereof.

" Class Debt " has the meaning assigned to such term in Section 8.09.

" Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Class Debt Representatives " has the meaning assigned to such term in Section 8.09.

" Collateral " means all Property now owned or hereafter acquired by the Borrower or any Guarantor in or upon which a Lien is granted or purported to be granted to any Senior Representative or any Junior Priority Representative under any of the Senior Collateral Documents or the Junior Priority Collateral Documents, as applicable.

" Collateral Documents " means the Senior Collateral Documents and the Junior Priority Collateral Documents.

" Debt Documents " means the Senior Debt Documents and the Junior Priority Debt Documents.

" Debt Facility " means any Senior Facility and any Junior Priority Debt Facility.

" Designated Junior Priority Representative " means (i) the Junior Lien Collateral Representative, so long as the Junior Lien Credit Agreement is the only Junior Priority Debt Facility under this Agreement and (ii) if there is more than one Junior Priority Debt Facility under this Agreement, the agent designated as the controlling agent under the applicable Junior Lien Intercreditor Agreement at such time; provided that if the Representatives for all Junior Priority Debt then outstanding are not a party to such Junior Lien Intercreditor Agreement at such time then the Junior Priority Representative designated from time to time by the Junior Priority Majority Representatives, in a notice to the Designated Senior Representative and the Borrower, as the " Designated Junior Priority Representative " for purposes hereof shall be the Designated Junior Priority Representative; it being understood that as of the date of this Agreement, the Designated Junior Priority Representative shall be the Junior Lien Collateral Representative. When any Designated Junior Priority Representative other than the Junior Lien Collateral Representative becomes the Designated Junior Priority Representative it shall send a written notice thereof to the Designated Senior Representative and the Borrower.

" Designated Senior Representative " means (i) if at any time there is only one Senior Facility with respect to which the Discharge of Senior Obligations has not occurred, the Senior Representative for such Senior Facility and (ii) at any time when clause (i) does not apply, the agent designated as the controlling agent under the First Lien Intercreditor Agreement at such time; it being understood that as of the date of this Agreement, the Designated Senior Representative shall be the First Lien Collateral Representative. When any Designated Senior Representative other than the First Lien Collateral Representative becomes the Designated Senior Representative it shall send a written notice thereof to the Designated Junior Priority Representative and the Borrower.

" DIP Financing " has the meaning assigned to such term in Section 6.01.

" Discharge " means, with respect to any Shared Collateral and any Debt Facility, the date on which such Debt Facility and the Senior Obligations or Junior Priority Debt Obligations thereunder, as the case may be, are no longer secured by, and are no longer required to be secured by, any such Shared Collateral pursuant to the terms of the documentation governing such Debt Facility. The term " Discharged " shall have a corresponding meaning.

" Discharge of First Lien Credit Agreement Obligations " means, with respect to any Shared Collateral, the Discharge of the First Lien Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of First Lien Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such First Lien Credit Agreement Obligations with an Additional Senior Debt Facility secured by such Shared Collateral under one or more Additional Senior Debt Documents which has been designated in writing by the First Lien Collateral Representative (under the First Lien Credit Agreement so Refinanced) to the Designated Senior Representative and each other Representative party hereto as the "First Lien Credit Agreement" and constituting "First Lien Credit Agreement Obligations" for purposes of this Agreement.

" Discharge of Senior Obligations " means, with respect to any Shared Collateral, the date on which the Discharge of First Lien Credit Agreement Obligations and the Discharge of each Additional Senior Debt Facility have occurred.

" Domestic Subsidiary " means each Subsidiary of the Borrower that is organized under the laws of the United States of America, or any state thereof, or the District of Columbia.

" Effective Date " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Event of Default " shall mean an Event of Default as defined in the First Lien Credit Agreement, any other Senior Debt Document relating to any Senior Obligations or the Junior Lien Credit Agreement or any other Junior Priority Debt Document relating to any Junior Priority Debt Obligations, as applicable.

" First Lien Intercreditor Agreement " means one or more intercreditor agreements among, *inter alios* , the First Lien Credit Agreement Administrative Agent and/or the First Lien Collateral Representative, on the one hand, and one or more representatives for the holders of Additional Senior Debt that are intended to be or are (i) senior to any Junior Priority Debt Obligations with respect to the Junior Priority Collateral, (ii) junior to the ABL Obligations with respect to the ABL Priority Collateral and (iii) senior to the ABL Obligations with respect to the Term Priority Collateral (as defined in the ABL Intercreditor Agreement), in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" First Lien Collateral Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor collateral agent under the First Lien Credit Agreement.

" First Lien Credit Agreement " means that certain Term Loan Credit Agreement, dated as of December 15, 2017, among, *inter alios* , the Borrower, the lenders and other financial institutions party thereto, Goldman Sachs Bank USA, as collateral agent and as administrative agent, as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement; *provided* that to the extent any

Indebtedness thereunder is expressly provided thereunder to be secured on a junior basis to the Liens securing the First Lien Credit Agreement Obligations in existence on the Effective Date, such Indebtedness (a) shall not constitute First Lien Credit Agreement Obligations and (b) subject to satisfaction of the conditions set forth in Section 8.09 hereof, shall constitute Additional Junior Priority Debt or Additional Senior Debt, as applicable.

" First Lien Credit Agreement Administrative Agent " means Goldman Sachs Bank USA, as administrative agent under the First Lien Credit Agreement and any successor thereto in such capacity.

" First Lien Credit Agreement Credit Documents " means the First Lien Credit Agreement and the other "Credit Documents" as defined in the First Lien Credit Agreement, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" First Lien Credit Agreement Obligations " means the "Obligations" as defined in the First Lien Credit Agreement, unless such "Obligations" are expressly provided under the First Lien Credit Agreement not to be secured on a pari passu basis with the First Lien Credit Agreement Obligations in existence on the Effective Date or unsecured.

" First Lien Credit Agreement Secured Parties " means the "Secured Parties" as defined in the First Lien Credit Agreement, other than any Secured Parties whose obligations are not secured on a pari passu basis with the First Lien Credit Agreement Obligations in existence on the Effective Date or unsecured.

" First Lien Security Agreement " means the "Security Agreement" as defined in the First Lien Credit Agreement, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Governmental Authority " shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

" Grantors " means the Borrower, Holdings and each of the other Guarantors, which has granted a security interest pursuant to any Collateral Document to secure any Secured Obligations. The Grantors existing on the date hereof are listed on the signature pages hereto as Grantors.

" Guarantors " means, collectively (a) Holdings, (b) each Domestic Subsidiary of the Borrower that provides a guarantee of any Secured Obligations pursuant to a Senior Debt Document or a Junior Priority Debt Document, as applicable and (c) the Borrower (other than with respect to its own obligations under the Senior Debt Documents and the Junior Priority Debt Documents).

" Holdings " means, initially, Avaya Holdings Corp., a Delaware corporation, and thereafter, any entity designated as "Holdings" pursuant to the terms of the First Lien Term Credit Agreement and the ABL Credit Agreement.

" Insolvency or Liquidation Proceeding " means:

(1) any case commenced by or against the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Borrower or any other Grantor, any receivership or

assignment for the benefit of creditors relating to the Borrower or any other Grantor or any similar case or proceeding relative to the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, reorganization, marshalling of assets or liabilities or other winding up of or relating to the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" Intellectual Property " means "Intellectual Property" as defined in the First Lien Security Agreement as in effect on the Effective Date.

" Joinder Agreement " means a supplement to this Agreement in substantially the form of Annex II or Annex III hereof.

[" Junior Lien Administrative Agent " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor Administrative Agent under the Junior Lien Credit Agreement.] [2]

[" Junior Lien Collateral Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor collateral agent under the Junior Lien Credit Agreement Credit Documents.]

[" Junior Lien Credit Agreement " means that certain [ ], as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.]

[" Junior Lien Credit Agreement Credit Documents " means the Junior Lien Credit Agreement and the other "[Credit Documents]" as defined in the Junior Lien Credit Agreement, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.]

[" Junior Lien Credit Agreement Obligations " means the "[Obligations]" as defined in the Junior Lien Credit Agreement.]

[" Junior Lien Credit Agreement Secured Parties " means the "[Secured Parties]" as defined in the Junior Lien Credit Agreement.]

" Junior Lien Intercreditor Agreement " means any intercreditor agreement among the Junior Lien Administrative Agent and/or the Junior Lien Collateral Representative and any other Person party thereto from time to time (including, without limitation, any Grantor), that defines the relative rights and priorities of the Junior Priority Debt Parties with respect to the Shared Collateral, in each case, as the same may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

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2 NTD: References to the Junior Lien Credit Agreement herein and related defined terms to be adjusted as necessary if the initial Junior Priority Debt is not in the form of a credit agreement.

[" Junior Lien Security Agreement " means the "[Security Agreement]" as defined in the Junior Lien Credit Agreement, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.]

" Junior Priority Class Debt " has the meaning assigned to such term in Section 8.09.

" Junior Priority Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Junior Priority Class Debt Representative " has the meaning assigned to such term in Section 8.09.

" Junior Priority Collateral " means any "Collateral" (or similar term) as defined in any Junior Lien Credit Agreement Credit Document or any other Junior Priority Debt Document or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Junior Priority Collateral Document as security for any Junior Priority Debt Obligation.

" Junior Priority Collateral Documents " means the Junior Lien Security Agreement and the other "[Security Documents]" as defined in the Junior Lien Credit Agreement, each applicable Junior Lien Intercreditor Agreement (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any other Grantor for purposes of providing collateral security for any Junior Priority Debt Obligation, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Junior Priority Debt Documents " means the Junior Lien Credit Agreement Credit Documents and any Additional Junior Priority Debt Documents, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Junior Priority Debt Facilities " means the Junior Lien Credit Agreement and any Additional Junior Priority Debt Facilities.

" Junior Priority Debt Obligations " means the Junior Lien Credit Agreement Obligations and any Additional Junior Priority Debt Obligations.

" Junior Priority Debt Parties " means the Junior Lien Credit Agreement Secured Parties and any Additional Junior Priority Debt Parties.

" Junior Priority Enforcement Date " means, with respect to any Junior Priority Representative, the date which is 180 days after the occurrence of the later of (i) an Event of Default (under and as defined in the Junior Priority Debt Documents for which such Junior Priority Representative has been named as Representative) and (ii) the Designated Senior Representative's receipt of written notice from such Junior Priority Representative that (x) such Junior Priority Representative is the Designated Junior Priority Representative and that an Event of Default (under and as defined in the Junior Priority Debt Documents for which such Junior Priority Representative has been named as Representative) has occurred and is continuing and (y) the Junior Priority Debt Obligations of the series with respect to which such Junior Priority Representative is the Junior Priority Representative are currently due and payable in full (whether as a result of the acceleration thereof or otherwise) in

accordance with the terms of the applicable Junior Priority Debt Documents; provided that the Junior Priority Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Shared Collateral if (1) at any time the Designated Senior Representative has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding; provided , further , that, if the Designated Senior Representative is stayed or otherwise precluded by law, regulation, or order from commencing or pursuing an enforcement action against such Shared Collateral, then such 180-day period shall not commence until the Designated Senior Representative is no longer stayed or otherwise precluded from commencing or pursuing an enforcement action against such Shared Collateral.

" Junior Priority Lien " means the Liens on the Junior Priority Collateral in favor of Junior Priority Debt Parties under Junior Priority Collateral Documents.

" Junior Priority Majority Representatives " means Junior Priority Representatives representing at least a majority of the then outstanding aggregate principal amount of Junior Priority Debt Obligations that agree to vote together.

" Junior Priority Representative " means (i) in the case of the Junior Lien Credit Agreement Obligations, the Junior Lien Collateral Representative and (ii) in the case of any Additional Junior Priority Debt Facility and the Additional Junior Priority Debt Parties thereunder, the Junior Priority Class Debt Representative in respect of such Additional Junior Priority Debt Facility hereunder or in the applicable Joinder Agreement.

" Lien " means any mortgage, pledge, security interest, hypothecation, collateral assignment, lien (statutory or other) or similar encumbrance (including any conditional sale or other title retention agreement or any Capital Lease).

" New York UCC " means the Uniform Commercial Code as from time to time in effect in the State of New York.

" Officer's Certificate " has the meaning assigned to such term in Section 8.09.

" Person " means any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

" Plan of Reorganization " means plan of reorganization, plan of liquidation, agreement for composition, or other type of plan of arrangement proposed in or in connection with any Insolvency or Liquidation Proceeding.

" Pledged or Controlled Collateral " has the meaning assigned to such term inSection 5.05(a).

" Proceeds " means the proceeds of any sale, collection or other liquidation of Shared Collateral and any payment or distribution made in respect of Shared Collateral in an Insolvency or Liquidation Proceeding and any amounts received by any Senior Representative or any Senior Secured Party from a Junior Priority Debt Party in respect of Shared Collateral pursuant to this Agreement and all other Proceeds (as defined in the New York UCC) of Shared Collateral.

" Property " shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

" Purchase Event " has the meaning assigned to such term in Section 5.07.

" Recovery " has the meaning assigned to such term in Section 6.04.

" Refinance " means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter into alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including, in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " Refinanced " and " Refinancing " have correlative meanings.

" Registered Equivalent Notes " means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" Replacement Senior Obligation " has the meaning assigned to such term in Section 8.10.

" Representatives " means the Senior Representatives and the Junior Priority Representatives.

" SEC " means the United States Securities and Exchange Commission and any successor agency thereto.

" Secured Creditor Remedies " shall mean, except as otherwise provided in the final sentence of this definition:

(a) the taking by any Secured Party of any action to enforce or realize upon any Lien, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code or other Applicable Law;

(b) the exercise by any Secured Party of any right or remedy provided to a secured creditor on account of a Lien under any of the Collateral Documents, under Applicable Law, in an Insolvency or Liquidation Proceeding or otherwise, including the election to retain any of the Shared Collateral in satisfaction of a Lien;

(c) the taking of any action by any Secured Party or the exercise of any right or remedy by any Secured Party in respect of the collection on, set off against, marshaling of, injunction respecting or foreclosure on the Shared Collateral or the Proceeds thereof;

(d) the appointment on the application of a Secured Party, of a receiver, receiver and manager or interim receiver of all or part of the Shared Collateral;

(e) the sale, lease, license, or other disposition of all or any portion of the Shared Collateral by private or public sale conducted by a Secured Party or any other means at the direction of a Secured Party permissible under Applicable Law;

(f) the exercise of any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code or under provisions of similar effect under other Applicable Law; and

(g) the exercise by a Secured Party of any voting rights relating to any Stock or Stock Equivalent included in the Shared Collateral.

For the avoidance of doubt, none of the following shall be deemed to constitute an exercise of Secured Creditor Remedies: (i) the filing of a proof of claim in any Insolvency or Liquidation Proceeding or seeking adequate protection by any Secured Party or (ii) the reduction of advance rates or sub-limits pursuant to the Debt Documents.

" Secured Obligations " means the Senior Obligations and the Junior Priority Debt Obligations.

" Secured Parties " means the Senior Secured Parties and the Junior Priority Debt Parties.

" Senior Class Debt " has the meaning assigned to such term in Section 8.09.

" Senior Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Senior Class Debt Representative " has the meaning assigned to such term in Section 8.09.

" Senior Collateral " means any "Collateral" (or similar term) as defined in any First Lien Credit Agreement Credit Document or any other Senior Debt Document or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Senior Collateral Document as security for any Senior Obligations.

" Senior Collateral Documents " means the First Lien Security Agreement and the other "Security Documents" as defined in the First Lien Credit Agreement, the First Lien Intercreditor Agreement (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any other Grantor for purposes of providing collateral security for any Senior Obligation, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Senior Debt Documents " means the First Lien Credit Agreement Credit Documents and any Additional Senior Debt Documents, in each case, as may be amended, restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" Senior Facilities " means the First Lien Credit Agreement and any Additional Senior Debt Facilities.

" Senior Lien " means the Liens on the Senior Collateral in favor of the Senior Secured Parties under the Senior Collateral Documents.

" Senior Obligations " means the First Lien Credit Agreement Obligations and any Additional Senior Debt Obligations[; provided that the aggregate principal or face amount of debt constituting Senior Obligations (excluding any Senior Obligations under Secured Cash Management Agreements and/or Secured Hedging Agreements) shall not exceed the amount of such debt permitted to be incurred in accordance with the terms of the Junior Priority Debt Documents in effect on the date hereof or on such later date to the extent such amount has been increased] [3] .

[3] NTD: In no event shall this amount be less than the maximum amount of First Lien Credit Agreement Obligations and Additional Senior Debt Obligations outstanding and permitted to be incurred as of the date of this Agreement.

" Senior Representative " means (i) in the case of any First Lien Credit Agreement Obligations and the First Lien Credit Agreement Secured Parties, the First Lien Collateral Representative and (ii) in the case of any Additional Senior Debt Facility and the Senior Debt Parties thereunder, the Additional Senior Class Debt Representative in respect of such Additional Senior Debt Facility hereunder or in the applicable Joinder Agreement.

" Senior Secured Parties " means the First Lien Credit Agreement Secured Parties and any Additional Senior Debt Parties.

" Shared Collateral " means, at any time, Collateral in which the holders of Senior Obligations under at least one Senior Facility and the holders of Junior Priority Debt Obligations under at least one Junior Priority Debt Facility (or, in each case, their Representatives) hold a security interest at such time (or, in the case of the Senior Facilities, are deemed pursuant to Article II to hold a security interest). If, at any time, any portion of the Senior Collateral under one or more Senior Facilities does not constitute Junior Priority Collateral under one or more Junior Priority Debt Facilities, then such portion of such Senior Collateral shall constitute Shared Collateral only with respect to the Junior Priority Debt Facilities for which it constitutes Junior Priority Collateral and shall not constitute Shared Collateral for any Junior Priority Debt Facility which does not have a security interest in such Collateral at such time.

" Stock " means shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

" Stock Equivalent " means all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable; provided that any instrument evidencing Indebtedness convertible or exchangeable for Stock Equivalents shall not be deemed to be Stock Equivalents unless and until such instrument is so converted or exchanged.

" Subsidiary " of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any limited liability company, partnership, association, joint venture or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% voting equity interest at the time or is a controlling general partner. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

" Uniform Commercial Code " or " UCC " means, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

SECTION 1.02. 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 neutral 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, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the Subsidiaries of such Person unless express reference is made to such Subsidiaries, (iii) 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, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, 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 (vi) the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or."

SECTION 1.03. Interpretation . The rules of interpretation specified in the First Lien Credit Agreement (including, without limitation, Sections 1.2 through 1.8 thereof) shall be applicable to this Agreement.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Subordination .

Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Junior Priority Representative or any other Junior Priority Debt Party on the Shared Collateral or of any Liens granted to any Senior Representative or any other Senior Secured Party on any Shared Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC of any applicable jurisdiction, any Applicable Law, any Junior Priority Debt Document or any Senior Debt Document or any other circumstance whatsoever, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby agrees that (a) any Lien on the Shared Collateral securing any Senior Obligations now or hereafter held by or on behalf of any Senior Representative or any other Senior Secured Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to all Liens on the Shared Collateral securing any Junior Priority Debt Obligations and (b) any Lien on the Shared Collateral securing any Junior Priority Debt Obligations now or hereafter held by or on behalf of any Junior Priority Representative, any other Junior Priority Debt Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Shared Collateral securing any Senior Obligations. All Liens on the Shared Collateral securing any Senior Obligations shall be and remain senior in all respects and prior to all Liens on the Shared Collateral securing any Junior Priority Debt Obligations for all purposes, whether or not such Liens securing any Senior Obligations are junior and/or subordinated to any Lien securing any other obligation of the Borrower, any Grantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed.

SECTION 2.02. Nature of Senior Lender Claims . Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges that (a) a portion of the Senior Obligations may be revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, (b) the terms of the Senior Debt Documents and the Senior Obligations may be amended, restated, amended and restated, supplemented or otherwise modified, and the Senior Obligations, or a portion thereof, may be Refinanced in whole or in part from time to time and (c) the aggregate amount of the Senior Obligations may be increased, in each case, without notice to or consent by any Junior Priority Representative or Junior Priority Debt Party and without affecting the provisions hereof. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, restatement, amendment and restatement, supplement or other modification, or any Refinancing, of either the Senior Obligations or the Junior Priority Debt Obligations, or any portion thereof. As between the Borrower and the other Grantors and the Junior Priority Debt Parties, the foregoing provisions will not limit or otherwise affect the obligations of the Borrower and the Grantors contained in any Junior Priority Debt Document with respect to the incurrence of additional Senior Obligations.

SECTION 2.03. Prohibition on Contesting Liens . Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Senior Obligations held (or purported to be held) by or on behalf of any Senior Representative or any of the other Senior Secured Parties or other agent or trustee therefor in any Senior Collateral. Each Senior Representative, for itself and on behalf of each Senior Secured Party under its Senior Facility, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Junior Priority Debt Obligations held (or purported to be held) by or on behalf of any of any Junior Priority Representative or any of the Junior Priority Debt Parties or other agent or trustee therefor in any Junior Priority Collateral. Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of any Senior Representative to enforce this Agreement (including the priority of the Liens securing the Senior Obligations as provided in Section 2.01) or any of the Senior Debt Documents.

SECTION 2.04. No Other Liens . The parties hereto (including the Borrower, on behalf of the Grantors) agree that it is their intention that the Collateral securing the Senior Obligations and the Junior Priority Debt Obligations be identical, except to the extent otherwise expressly set forth herein or to the extent the applicable Debt Document and each other then extant Debt Document does not require the applicable Debt Facility thereunder to be secured by such Collateral. The parties hereto further agree that, so long as the Discharge of Senior Obligations has not occurred, (a) none of the Grantors shall, or shall permit any of its Subsidiaries to, grant or permit any Lien on any asset to secure any Junior Priority Debt Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the Senior Obligations, and (b) if any Junior Priority Representative or any Junior Priority Debt Party shall hold any Lien on any assets or property of any Grantor securing any Junior Priority Debt Obligations that are not also subject to the Liens securing all Senior Obligations under the Senior Collateral Documents, such Junior Priority Representative or Junior Priority Debt Party (i) shall notify the Designated Senior Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to each Senior Representative as security for the Senior Obligations, shall assign such Lien to the Designated Senior Representative as security for all Senior Obligations for the benefit of the Senior Secured Parties (but may retain a junior Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar

Lien to each Senior Representative, shall be deemed to hold and have held such Lien for the benefit of each Senior Representative and the other Senior Secured Parties as security for the Senior Obligations. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, without limiting any other right or remedy available to any Senior Representative or any other Senior Secured Party, each Junior Priority Representative agrees, for itself and on behalf of the other Junior Priority Debt Parties, that any amounts received by or distributed to any Junior Priority Debt Party pursuant to or as a result of any Lien granted in contravention of this Section 2.04 shall be subject to Sections 4.01 and 4.02.

SECTION 2.05. Perfection of Liens . Except for the limited agreements of the Senior Representatives pursuant to Section 5.05 hereof, none of the Senior Representatives or the Senior Secured Parties shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Shared Collateral for the benefit of the Junior Priority Representatives or the Junior Priority Debt Parties. The provisions of this Agreement are intended to govern the respective Lien priorities as between the Senior Secured Parties and the Junior Priority Debt Parties and shall not impose on the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives, the Junior Priority Debt Parties or any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Shared Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any Applicable Law.

SECTION 2.06. Certain Cash Collateral . Notwithstanding anything in this Agreement or any Senior Debt Document or Junior Priority Debt Document to the contrary, (i) funds deposited for the satisfaction, discharge, redemption or defeasance of any Secured Obligations in accordance with the terms of the applicable Senior Debt Documents or Junior Priority Debt Document, (ii) cash collateral deposited with (or pledged to) any Senior Representative, Junior Priority Representative or Secured Party in accordance with the terms of the applicable Senior Debt Documents or Junior Priority Debt Document and (iii) cash collateral deposited with any Senior Representative, Junior Priority Representative or Secured Party in respect of any Senior Obligations arising under any Secured Hedging Agreement or any Secured Cash Management Agreement which are secured under the applicable Senior Debt Documents shall, in each case, be applied as specified in the applicable Senior Debt Documents or Junior Priority Debt Document, as applicable, and will not constitute Shared Collateral.

ARTICLE III

Enforcement

SECTION 3.01. Exercise of Remedies .

(a) With respect to any Senior Collateral, so long as the Discharge of Senior Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, (i) neither any Junior Priority Representative nor any Junior Priority Debt Party will (x) exercise any Secured Creditor Remedies with respect to any such Senior Collateral in respect of any Junior Priority Debt Obligations secured by such Senior Collateral, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to (A) any foreclosure proceeding or action brought with respect to such Senior Collateral or any other Senior Collateral by any Senior Representative or any Senior Secured Party in respect of the Senior Obligations, (B) the exercise of any right by any Senior Representative or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Obligations under any lockbox agreement, control agreement, landlord waiver or bailee’s letter or similar agreement or arrangement to which any Senior Representative or any Senior Secured

Party either is a party or may have rights as a third party beneficiary, or (C) any other exercise by any such party of any rights and remedies relating to such Senior Collateral under the Senior Debt Documents or otherwise in respect of the Senior Collateral or the Senior Obligations, or (z) object to the forbearance by the Senior Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to such Senior Collateral in respect of Senior Obligations and (ii) the Senior Representatives and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to such Senior Collateral without any consultation with or the consent of any Junior Priority Representative or any other Junior Priority Debt Party; provided , however , that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Borrower or any other Grantor, any Junior Priority Representative may file a claim, proof of claim, or statement of interest with respect to the Junior Priority Debt Obligations under its Junior Priority Debt Facility, (B) any Junior Priority Representative may take any action (so long as such action is not adverse to the prior Liens on the Shared Collateral securing the Senior Obligations or the rights of the Senior Representatives or the other Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Shared Collateral, (C) any Junior Priority Representative and the Junior Priority Debt Parties may exercise their rights and remedies as unsecured creditors, to the extent provided in Section 5.04, (D) the Junior Priority Debt Parties may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Priority Debt Parties or the avoidance of any Junior Priority Lien to the extent not inconsistent with the terms of this Agreement, (E) the Junior Priority Debt Parties may vote with respect to any Plan of Reorganization in a manner that is consistent with and otherwise in accordance with this Agreement, and (F) from and after the Junior Priority Enforcement Date (and subject to the occurrence thereof), the Designated Junior Priority Representative may exercise Secured Creditor Remedies with respect to any Senior Collateral in respect of any Junior Priority Debt Obligations) (in each case of (A) through (F) above, solely to the extent such action is not inconsistent with, or could not result in a resolution inconsistent with, the terms of this Agreement). In exercising rights and remedies with respect to the Senior Collateral, the Senior Representatives and the Senior Secured Parties may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Senior Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the UCC of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) With respect to any Senior Collateral, so long as the Discharge of Senior Obligations has not occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a) and in Article VI, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will not, in the context of its role as a secured creditor, take or receive any Senior Collateral or any Proceeds of Senior Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any Senior Collateral in respect of Junior Priority Debt Obligations. Without limiting the generality of the foregoing, with respect to any Senior Collateral unless and until the Discharge of Senior Obligations has occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a) and in Article VI, the sole right of the Junior Priority Representatives and the Junior Priority Debt Parties with respect to the Senior Collateral is to hold a Lien on the Senior Collateral in respect of Junior Priority Debt Obligations pursuant to the Junior Priority Debt Documents for the period set forth, and to the extent granted, therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Senior Obligations has occurred.

(c) Subject to the proviso in clause (ii) of Section 3.01(a), (i) each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that neither such Junior Priority Representative nor any such Junior Priority Debt Party will take any action that would hinder any exercise of remedies undertaken by any Senior Representative or any Senior Secured Party with respect to the Senior Collateral under the Senior Debt Documents, including any sale, lease, exchange, transfer or other disposition of the Senior Collateral, whether by foreclosure or otherwise, and (ii) each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby waives any and all rights it or any such Junior Priority Debt Party may have as a junior lien creditor or otherwise to object to the manner in which the Senior Representatives or the Senior Secured Parties seek to enforce or collect the Senior Obligations or the Liens granted on any of the Senior Collateral, regardless of whether any action or failure to act by or on behalf of any Senior Representative or any other Senior Secured Party is adverse to the interests of the Junior Priority Debt Parties.

(d) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Junior Priority Debt Document shall be deemed to restrict in any way the rights and remedies of the Senior Representatives or the Senior Secured Parties with respect to the Senior Collateral as set forth in this Agreement and the Senior Debt Documents.

(e) Subject to Section 3.01(a), with respect to any Senior Collateral, the Designated Senior Representative shall have the exclusive right to exercise any right or remedy with respect to such Senior Collateral and shall have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto. Following the Discharge of Senior Obligations with respect to any Senior Collateral, the Designated Junior Priority Representative shall have the exclusive right to exercise any right or remedy with respect to such Senior Collateral, and the Designated Junior Priority Representative shall have the exclusive right to direct the time, method and place of exercising or conducting any proceeding for the exercise of any right or remedy available to the Junior Priority Debt Parties with respect to such Senior Collateral, or of exercising or directing the exercise of any trust or power conferred on the Junior Priority Representatives, or for the taking of any other action authorized by the Junior Priority Collateral Documents; provided , however , that nothing in this Section 3.01(e) shall impair the right of any Junior Priority Representative or other agent or trustee acting on behalf of the Junior Priority Debt Parties to take such actions with respect to the Senior Collateral after the Discharge of Senior Obligations in respect of such Senior Collateral as may be otherwise required or authorized pursuant to any intercreditor agreement governing the Junior Priority Debt Parties or the Junior Priority Debt Obligations (including the First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement).

SECTION 3.02. Cooperation. Subject to the proviso in clause (ii) of Section 3.01(a), each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that, unless and until the Discharge of Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Senior Representatives upon the request of the Designated Senior Representative) in commencing, any enforcement, collection, execution, levy, foreclosure or other action or proceeding with respect to any Lien held by it in the Senior Collateral under any of the Junior Priority Debt Documents or otherwise in respect of the Junior Priority Debt Obligations.

SECTION 3.03. Actions upon Breach . Should any Junior Priority Representative or any Junior Priority Debt Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with respect to the Senior Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, any

Senior Representative or other Senior Secured Party or the Borrower or any other Grantor may obtain relief against such Junior Priority Representative or such Junior Priority Debt Party by injunction, specific performance or other appropriate equitable relief. Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby (i) agrees that the Senior Secured Parties' damages from the actions of the Junior Priority Representatives or any Junior Priority Debt Party may at that time be difficult to ascertain and may be irreparable and waives any defense that the Borrower, any other Grantor or the Senior Secured Parties cannot demonstrate damage or be made whole by the awarding of damages and (ii) irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by any Senior Representative or any other Senior Secured Party.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds .

(a) After an Event of Default under any Senior Debt Document has occurred and until such Event of Default is cured or waived, so long as the Discharge of Senior Obligations has not occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, the Senior Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Senior Collateral or upon the exercise of any other remedies shall be applied by the Designated Senior Representative to the Senior Obligations in such order as specified in the relevant Senior Debt Documents (including the First Lien Intercreditor Agreement) until the Discharge of Senior Obligations has occurred. Following the Discharge of Senior Obligations, each applicable Senior Representative shall deliver promptly to the Designated Junior Priority Representative any Senior Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the Designated Junior Priority Representative to the Junior Priority Debt Obligations in such order as specified in the relevant Junior Priority Debt Documents (including the First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement).

(b) In exercising remedies, whether as a secured creditor or otherwise, no Senior Representative shall have any obligation or liability to the Designated Junior Priority Representative or to any other Junior Priority Debt Party, and no Junior Priority Representative shall have any obligation or liability to any Senior Representative or to any other Senior Secured Party, in each case regarding the adequacy of any Proceeds or for any action or omission, except solely for an action or omission that breaches the express obligations undertaken by such Person under the terms of this Agreement. Notwithstanding anything to the contrary herein contained, none of the parties hereto waives any claim that it may have against a Secured Party on the grounds that any sale, transfer or other disposition by the Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

(c) Following the Discharge of Senior Obligations, the Designated Senior Representative shall deliver to the Designated Junior Priority Representative or shall execute such documents as the Designated Junior Priority Representative may reasonably request (at the expense of the Borrower) to enable the Designated Junior Priority Representative to have control over any Pledged or Controlled Collateral still in the Designated Senior Representative's possession, custody, or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct.

SECTION 4.02. Payments Over . Unless and until the Discharge of Senior Obligations has occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, any Senior Collateral or Proceeds thereof received by any Junior Priority Representative or any Junior Priority Debt Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral, whether or not in contravention of this Agreement or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Designated Senior Representative for the benefit of the Senior Secured Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Designated Senior Representative is hereby authorized to make any such endorsements as agent for each of the Junior Priority Representatives or any such Junior Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

SECTION 4.03. Specific Performance . Each of the First Lien Collateral Representative, the Junior Lien Collateral Representative and each other Representative that becomes a party to this Agreement is hereby authorized to demand specific performance of this Agreement, whether or not the Borrower or any Guarantor shall have complied with any of the provisions of any of the Debt Documents, at any time when any other party hereto shall have failed to comply with any of the provisions of this Agreement applicable to it. Each of the Senior Representatives, for and on behalf of itself and the applicable Senior Secured Parties, and each Junior Priority Representative, for and on behalf of itself and the applicable Junior Priority Debt Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

ARTICLE V

Other Agreements

SECTION 5.01. Releases .

(a) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that, in the event of a sale, transfer or other disposition of any specified item of Shared Collateral (including all or substantially all of the Stock and Stock Equivalent of any Subsidiary of the Borrower) (i) in connection with the exercise of Secured Creditor Remedies by the Designated Senior Representative in respect of such Shared Collateral following and during the continuation of an Event of Default under the Senior Debt Documents or (ii) if not in connection with the exercise of Secured Creditor Remedies by the Designated Senior Representative in respect of such Shared Collateral, so long as such sale, transfer or other disposition is (x) permitted by the terms of the Junior Priority Debt Documents or (y) made with the consent of the Designated Senior Representative at a time when an Event of Default (as defined in the applicable Senior Debt Document) is continuing, the Liens granted to the Junior Priority Representatives and the Junior Priority Debt Parties upon such Shared Collateral to secure Junior Priority Debt Obligations shall (whether or not any Insolvency or Liquidation Proceeding is pending at such time) terminate and be released, immediately and automatically and without any further action by any Person, concurrently with the termination and release of all Liens granted upon such Shared Collateral to secure Senior Obligations. Upon delivery to a Junior Priority Representative of an Officer's Certificate stating that any such termination and release of Liens securing the Senior Obligations has become effective (or shall become effective concurrently with such termination and release of the Liens granted to the Junior Priority Debt Parties and the Junior Priority Representatives) and any necessary or proper instruments of termination or release prepared by the Borrower or any other Grantor, such Junior Priority Representative will promptly execute, deliver or acknowledge, at the Borrower's or the other Grantor's sole cost and expense, such instruments to evidence such termination and release of the Liens. Nothing in this Section 5.01(a) will be

deemed to affect any agreement of a Junior Priority Representative, for itself and on behalf of the Junior Priority Debt Parties under its Junior Priority Debt Facility, to release the Liens on the Junior Priority Collateral as set forth in the relevant Junior Priority Debt Documents.

(b) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby irrevocably constitutes and appoints the Designated Senior Representative and any officer or agent of the Designated Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Junior Priority Representative or such Junior Priority Debt Party or in the Designated Senior Representative's own name, from time to time in the Designated Senior Representative's discretion, for the purpose of carrying out the terms of Section 5.01(a), to take any and all appropriate action and to execute and/or authorize any and all documents and instruments that may be necessary or desirable to accomplish the purposes of Section 5.01(a), including any termination statements, notations of liens, endorsements or other instruments of transfer or release. The Designated Senior Representative hereby agrees to take action reasonably requested by the Grantors to carry out the terms of this Section 5.01(b) or to accomplish the purposes of Section 5.01(a).

(c) With respect to any Senior Collateral, unless and until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby consents to the application, whether prior to or after an Event of Default under any Senior Debt Document, of proceeds of such Senior Collateral to the repayment of Senior Obligations pursuant to the Senior Debt Documents, provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Junior Priority Representatives or the Junior Priority Debt Parties to receive proceeds in connection with the Junior Priority Debt Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Junior Priority Collateral Document, in the event the terms of a Senior Collateral Document and a Junior Priority Collateral Document each require any Grantor (i) to make any payments in respect of any item of Shared Collateral to, (ii) to deliver or afford control over any item of Shared Collateral to, or deposit any item of Shared Collateral with, (iii) to make notations of lien or register ownership of any item of Shared Collateral in the name of or make an assignment of ownership of any Shared Collateral or the rights thereunder to, (iv) cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Shared Collateral, with instructions or orders from, or to treat, in respect of any item of Shared Collateral, as the entitlement holder, (v) hold any item of Shared Collateral in trust for (to the extent such item of Shared Collateral cannot be held in trust for multiple parties under Applicable Law), (vi) obtain the agreement of a bailee or other third party to hold any item of Shared Collateral for the benefit of or subject to the control of or, in respect of any item of Shared Collateral, to follow the instructions of or (vii) obtain the agreement of a landlord with respect to access to leased premises where any item of Shared Collateral is located or waivers or subordination of rights with respect to any item of Shared Collateral in favor of, in any case, both any Senior Representative and any Junior Priority Representative or Junior Priority Debt Party, such Grantor may, until the applicable Discharge of Senior Obligations has occurred, comply with such requirement under the Junior Priority Collateral Document as it relates to such Shared Collateral by taking any of the actions set forth above only with respect to, or in favor of, the Designated Senior Representative; provided that, notwithstanding anything to the contrary, any action or compliance with respect to the foregoing by any Grantor shall not cause a default or Event of Default to exist under any Senior Debt Document or any Junior Priority Debt Document.

SECTION 5.02. Insurance and Condemnation Awards . Proceeds of Shared Collateral include insurance proceeds and, therefore, the Lien priorities set forth herein shall govern the ultimate disposition of casualty insurance proceeds. Unless and until the Discharge of Senior Obligations has occurred, the Designated Senior Representative and the Senior Secured Parties shall have the sole and exclusive right, as against the Junior Priority Representatives and the Junior Priority Debt Parties, subject to the rights of the Grantors under the Senior Debt Documents, (a) to be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Shared Collateral, (b) to adjust settlement for any insurance policy covering the Shared Collateral in the event of any loss, theft or destruction thereunder and (c) to approve any award granted in any condemnation or similar proceeding affecting the Shared Collateral. Subject to the rights of the Grantors under the applicable Senior Debt Documents, unless and until the Discharge of Senior Obligations has occurred, all proceeds of any such policy and any such award, if in respect of any Senior Collateral, shall be paid (i) first, prior to the occurrence of the Discharge of Senior Obligations, to the Designated Senior Representative for the benefit of Senior Secured Parties pursuant to the terms of such Senior Debt Documents, (ii) second, after the occurrence of the Discharge of Senior Obligations, to the Designated Junior Priority Representative for the benefit of the Junior Priority Debt Parties pursuant to the terms of the applicable Junior Priority Debt Documents and (iii) third, if no Junior Priority Debt Obligations are outstanding (other than unasserted contingent indemnification obligations and expense reimbursement obligations), to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If any Junior Priority Representative or any Junior Priority Debt Party shall, at any time, receive any proceeds of any such insurance policy or any such award prior to the Discharge of Senior Obligations, it shall pay such proceeds over to the Designated Senior Representative in accordance with the terms of Section 4.02 to be applied in accordance with the immediately preceding sentence.

SECTION 5.03. Amendments to Debt Documents .

(a) The Senior Debt Documents may be amended, restated, amended and restated, supplemented, extended, renewed, replaced, restructured, and/or otherwise modified in accordance with their terms, and the Indebtedness under the Senior Debt Documents may be Refinanced or replaced, in whole or in part, in each case, without the consent of any Junior Priority Debt Party, all without affecting the Lien priorities provided for herein and the other provisions hereof; provided , however , that, without the consent of the Designated Junior Priority Representative, no such amendment, restatement, amendment and restatement, supplement, extension, renewal, replacement, restructuring or other modification or Refinancing (or successive amendments, restatements, amendment and restatements, supplements, extensions, renewals, replacements, restructurings or other modifications or Refinancings) shall contravene the provisions of this Agreement.

(b) Without the prior written consent of the Designated Senior Representative, no Junior Priority Debt Document may be amended, restated, amended and restated, supplemented, extended, renewed, replaced, restructured, or otherwise modified, or entered into, and no Indebtedness under the Junior Priority Debt Documents may be Refinanced, to the extent such amendment, restatement, supplement or modification or Refinancing, or the terms of such new Junior Priority Debt Document, would (i) contravene the provisions of this Agreement, (ii) unless expressly permitted by the terms of each then extant Senior Debt Document, change to earlier dates any scheduled (other than mandatory prepayments) dates for payment of principal (including the final maturity date) on Indebtedness under such Junior Priority Debt Document that would cause any additional scheduled payments (other than mandatory prepayments) of principal Indebtedness to be paid, in each case, only to the extent such payment is scheduled to be paid prior to the final maturity date of any applicable Senior Obligation (except in connection with a refinancing or replacement permitted by Section 8.10 and the Senior Debt Documents), or (iii) reduce the capacity to incur Indebtedness for borrowed money constituting Senior Obligations to an amount less than the maximum aggregate principal amount of Indebtedness, in each case, permitted to be incurred pursuant to the Senior Debt Documents on the day of any such amendment, restatement, supplement, modification or Refinancing (other than reductions in connection with any costs, expenses or fees incurred in connection therewith).

(c) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that each Junior Priority Collateral Document under its Junior Priority Debt Facility shall include the following language (or language to similar effect reasonably approved by the Designated Senior Representative):

"Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the [Junior Priority Representative] pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted in favor of the Senior Secured Parties (as defined in the Junior Lien Intercreditor Agreement referred to below), including liens and security interests granted to Goldman Sachs Bank USA, in connection with the First Lien Credit Agreement, dated as of December 15, 2017, among Holdings, the Borrower, the lenders from time to time party thereto, Goldman Sachs Bank USA, as administrative agent and collateral agent and the other parties thereto, as amended, restated, amended and restated, replaced, extended, renewed, refinanced, supplemented or otherwise modified from time to time and (ii) the exercise of any right or remedy by the [Junior Priority Representative] hereunder is subject to the limitations and provisions of the Junior Lien Intercreditor Agreement dated as of [ ] (as amended, restated, supplemented or otherwise modified from time to time, the " Junior Lien Intercreditor Agreement "), among Goldman Sachs Bank USA, as First Lien Collateral Representative, [ ], as Junior Lien Collateral Representative, Holdings, the Borrower and the Subsidiaries of Holdings from time to time party thereto and affiliated entities party thereto. In the event of any conflict between the terms of the Junior Lien Intercreditor Agreement and the terms of this Agreement, the terms of the Junior Lien Intercreditor Agreement shall govern and control."

(d) In the event that each applicable Senior Representative and/or the Senior Secured Parties enter into any amendment, waiver or consent in respect of any of the Senior Collateral Documents for the purpose of adding to or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Collateral Document or changing in any manner the rights of the Senior Representatives, the Senior Secured Parties, the Borrower or any other Grantor thereunder (including the release of any Liens in Senior Collateral) in a manner that is applicable to all Senior Facilities, then such amendment, waiver or consent shall apply automatically to any comparable provision of each comparable Junior Priority Collateral Document without the consent of any Junior Priority Representative or any Junior Priority Debt Party and without any action by any Junior Priority Representative, the Borrower or any other Grantor; provided , however , that (i) no such amendment, waiver or consent shall (A) remove assets subject to the Junior Priority Liens or release any such Liens, except to the extent that such release is permitted or required by Section 5.01(a) and provided that there is a concurrent release of the corresponding Senior Liens or (B) amend, modify or otherwise affect the rights or duties of any Junior Priority Representative in its role as Junior Priority Representative without its prior written consent and (ii) written notice of such amendment, waiver or consent shall have been given to each Junior Priority Representative by the Borrower within 10 Business Days after the effectiveness of such amendment, waiver or consent; provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

SECTION 5.04. Rights as Unsecured Creditors . Except as otherwise expressly provided for herein, the Junior Priority Representatives and the Junior Priority Debt Parties may exercise rights and remedies as unsecured creditors against the Borrower and any other Grantor in accordance with the terms of the Junior Priority Debt Documents and Applicable Law so long as such rights and remedies

do not violate any express provision of this Agreement. Nothing in this Agreement shall prohibit the receipt by any Junior Priority Representative or any Junior Priority Debt Party of the required payments of principal, premium, interest, fees and other amounts due under the Junior Priority Debt Documents so long as such receipt is not the direct or indirect result of the exercise by a Junior Priority Representative or any Junior Priority Debt Party of rights or remedies as a secured creditor in respect of Shared Collateral in contravention of this Agreement, or of any other action in contravention of this Agreement. In the event that any Junior Priority Representative or any Junior Priority Debt Party becomes a judgment lien creditor in respect of Shared Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of Junior Priority Debt Obligations, such judgment lien shall be subordinated to the Liens securing Senior Obligations and any DIP Financing (and all obligations relating thereto) on the same basis as the other Liens securing the Junior Priority Debt Obligations are so subordinated and junior to such Liens securing Senior Obligations under this Agreement. Nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the Senior Representatives or the Senior Secured Parties may have with respect to the Senior Collateral.

SECTION 5.05. Gratuitous Bailee for Perfection .

(a) Each Senior Representative acknowledges and agrees that if it shall at any time hold a Lien securing any Senior Obligations on any Shared Collateral that can be perfected by the possession or control of such Shared Collateral or of any account in which such Shared Collateral is held, and if such Shared Collateral or any such account is in fact in the possession or under the control of such Senior Representative, or of agents or bailees of such Person (such Shared Collateral being referred to herein as the " Pledged or Controlled Collateral "), or if it shall any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral or if it shall be the registered owner, assignee or lienholder (or other similar designation) on any certificate of title or other notation of liens, the applicable Senior Representative shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Junior Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Junior Priority Collateral Documents or granting rights or access to any Shared Collateral subject to such landlord waiver or bailee's letter or any similar agreement or arrangement and subject to the terms and conditions of this Section 5.05.

(b) With respect to any Pledged or Controlled Collateral constituting Senior Collateral, except as otherwise specifically provided herein, until the Discharge of Senior Obligations has occurred, the Senior Representatives and the Senior Secured Parties shall be entitled to deal with such Pledged or Controlled Collateral in accordance with the terms of the Senior Debt Documents as if the Liens under the Junior Priority Collateral Documents did not exist. The rights of the Junior Priority Representatives and the Junior Priority Debt Parties with respect to such Pledged or Controlled Collateral shall at all times be subject to the terms of this Agreement.

(c) The Senior Representatives and the Senior Secured Parties shall have no obligation whatsoever to the Junior Priority Representatives or any Junior Priority Debt Party to assure that any of the Pledged or Controlled Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Shared Collateral, except as expressly set forth in this Section 5.05. The duties or responsibilities of the Senior Representatives under this Section 5.05 shall be limited solely to holding or controlling the Shared Collateral and the related Liens referred to in paragraph (a) of this Section 5.05 as sub-agent and gratuitous bailee for the relevant Junior Priority Representative for purposes of perfecting the Lien held by such Junior Priority Representative.

(d) The Senior Representatives shall not have, by reason of the Junior Priority Collateral Documents or this Agreement, or any other document, a fiduciary relationship in respect of any Junior Priority Representative or any Junior Priority Debt Party, and each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby waives and releases the Senior Representatives from all claims and liabilities arising pursuant to the Senior Representatives' roles under this Section 5.05 as sub-agents and gratuitous bailees with respect to the Shared Collateral.

(e) With respect to any Pledged or Controlled Collateral constituting Senior Collateral, upon the Discharge of Senior Obligations, each applicable Senior Representative shall, at the Grantors' sole cost and expense and to the extent not otherwise required to act differently pursuant to the terms of the First Lien Intercreditor Agreement or any Junior Lien Intercreditor Agreement (in each case if then in effect), (i) (A) deliver to the Designated Junior Priority Representative, to the extent that it is legally permitted to do so, all such Pledged or Controlled Collateral in its possession, including all proceeds thereof, held or controlled by such Senior Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of such Pledged or Controlled Collateral, together with any necessary endorsements or notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral or make any necessary notations of liens to effect such transfer, or (B) direct and deliver such Shared Collateral as a court of competent jurisdiction may otherwise direct, (ii) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (iii) notify any governmental authority involved in any condemnation or similar proceeding involving any Grantor that the Designated Junior Priority Representative is entitled to approve any awards granted in such proceeding. The Borrower and the other Grantors shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify each Senior Representative for loss or damage suffered by such Senior Representative as a result of such transfer, except for loss or damage suffered by any such Person as a result of its own willful misconduct, gross negligence or bad faith, as determined by a final nonappealable judgment of a court of competent jurisdiction. The Senior Representatives have no obligations to follow instructions from any Junior Priority Representative or any other Junior Priority Debt Party in contravention of this Agreement (as determined in good faith by such Senior Representative).

(f) None of the Senior Representatives nor any of the other Senior Secured Parties shall be required to marshal any present or future collateral security for any obligations of the Borrower or any Subsidiary to any Senior Representative or any Senior Secured Party under the Senior Debt Documents or any assurance of payment in respect thereof or to any Junior Priority Debt Party, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising. Until the Discharge of Senior Obligations, no Junior Priority Debt Party will assert any marshaling, appraisal, valuation or other similar right that may otherwise be available to a junior secured creditor.

SECTION 5.06. When Discharge of Senior Obligations Deemed To Not Have Occurred. If, at any time substantially concurrently with or after the occurrence of the Discharge of Senior Obligations with respect to any Shared Collateral, the Borrower or any Subsidiary consummates any Refinancing of or incurs any Senior Obligations with respect to such Shared Collateral, then such Discharge of Senior Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of such first Discharge of Senior Obligations) and the applicable agreement governing such Senior Obligations shall automatically be treated as a Senior Debt Document for all

purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Shared Collateral set forth herein and the agent, representative or trustee for the holders of such Senior Obligations shall be a Senior Representative for all purposes of this Agreement. Upon receipt of notice of such incurrence (including the identity of the new Senior Representative) from the Borrower and the new Senior Representative under the agreement governing such Senior Obligations, each Junior Priority Representative (including the Designated Junior Priority Representative) shall promptly (a) enter into such documents and agreements (at the expense of the Borrower), including amendments or supplements to this Agreement, as the Borrower or such new Senior Representative shall reasonably request in writing in order to provide such new Senior Representative the rights of a Senior Representative contemplated hereby, (b) deliver to such Senior Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by such Junior Priority Representative or any of its agents or bailees, including the transfer of possession and control, as applicable of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, (c) notify any applicable insurance carrier that it is no longer (and such new Senior Representative is) entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (d) notify any governmental authority involved in any condemnation or similar proceeding involving a Grantor that the new Senior Representative is entitled to approve any awards granted in such proceeding.

SECTION 5.07. Purchase Right . Without prejudice to the enforcement of the Senior Secured Parties' remedies, the Senior Secured Parties agree that following (a) the acceleration of the Senior Obligations in accordance with the terms of Senior Debt Documents or (b) the commencement of an Insolvency or Liquidation Proceeding (each, a " Purchase Event "), within thirty (30) days of the Purchase Event, one or more of the Junior Priority Debt Parties may request, and the Senior Secured Parties hereby offer the Junior Priority Debt Parties the option, to purchase all, but not less than all, of the aggregate amount of outstanding Senior Obligations at the time of purchase at (a) in the case of Senior Obligations other than Senior Obligations arising under any Secured Hedging Agreement or any Secured Cash Management Agreement, par (plus any premium that would be applicable upon prepayment of the Senior Obligations (including as a result of the occurrence of any such Purchase Event) and accrued and unpaid interest, fees and expenses) and (b) in the case of Senior Obligations arising under any Secured Hedging Agreement or any Secured Cash Management Agreement, an amount equal to the greater of (i) all amounts payable by any Grantor under the terms of such Secured Hedging Agreement or Secured Cash Management Agreement in the event of a termination of such Secured Hedging Agreement or Secured Cash Management Agreement and (ii) with respect to any Secured Hedging Agreement, the mark-to-market value of such Secured Hedging Agreement, as determined by the counterparty to the Grantor thereunder with respect to such Secured Hedging Agreement in accordance with the terms thereof and in accordance with customary methods for calculating mark-to-market amounts under similar arrangements by such counterparty, in each case, without warranty or representation or recourse (except for representations and warranties required to be made by assigning lenders pursuant to an Assignment and Assumption. If such right is exercised, the parties shall endeavor to close promptly thereafter but in any event shall close within ten (10) Business Days of the request. If one or more of the Junior Priority Debt Parties exercise such purchase right, it shall be exercised pursuant to documentation mutually acceptable to each of the applicable Senior Representatives and the applicable Junior Priority Representative, in each case, at no cost or expense of the Grantors or the Senior Secured Parties. If none of the Junior Priority Debt Parties exercise such right within thirty (30) days of such Purchase Event, the applicable Senior Secured Parties shall have no further obligations pursuant to this Section 5.07 for such Purchase Event and may take any further actions in their sole discretion in accordance with the applicable Senior Debt Documents and this Agreement. For the avoidance of doubt, such purchase shall not reduce or limit the benefits of the Senior Debt Documents in favor of any Senior Secured Party that expressly

survive the assignment of all or any portion of the applicable Senior Obligations by such Senior Secured Party, including, without limitation, any indemnity obligations of the Grantors thereunder. The applicable Senior Representative hereby consents to any Assignment and Assumption effectuated to one or more purchasers pursuant to the terms of this Section 5.07 and hereby agrees that no further consent from the First Lien Credit Agreement Administrative Agent or any other Senior Represent shall be required.

ARTICLE VI

Insolvency or Liquidation Proceedings.

SECTION 6.01. Financing Issues . Until the Discharge of Senior Obligations has occurred, if the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and any Senior Representative or any Senior Secured Party shall desire to consent (or not object) to the use of Shared Collateral (including, for the avoidance of doubt, cash or the sale or use of other collateral that is Shared Collateral) or to consent (or not object) to the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law (including, for the avoidance of doubt, any such financing that Refinances in whole or in part the Senior Obligations pursuant to a "rollup" or "roll-over") secured by Shared Collateral (" DIP Financing "), then each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will raise no objection to (and will not support any similar objection) and will not otherwise contest (or support any other Person contesting) (a) such use of such Shared Collateral, unless the Designated Senior Representative shall oppose or object to such use of such Shared Collateral (in which case, no Junior Priority Representative nor any other Junior Priority Debt Party shall seek any relief in connection therewith that is inconsistent with the relief being sought by the Senior Secured Parties); (b) such DIP Financing, unless the Designated Senior Representative shall oppose or object to such DIP Financing; provided that the foregoing shall not prevent the Junior Priority Debt Parties from proposing any other DIP Financing to any Grantors or to a court of competent jurisdiction, and, except to the extent expressly permitted by the proviso in clause (ii) of Section 3.01(a) and Section 6.03, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens on the Shared Collateral securing any Senior Obligations are subordinated or pari passu with such DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the Shared Collateral securing the Junior Priority Debt Obligations to (x) the Liens securing such DIP Financing (and all obligations relating thereto) on the same basis as the Liens on the Shared Collateral securing the Junior Priority Debt Obligations are so subordinated to the Liens on the Shared Collateral securing Senior Obligations under this Agreement, (y) any adequate protection Liens on Shared Collateral provided to the Senior Secured Parties, and (z) any "carve-out" for court-approved professional and United States Trustee fees agreed to by the Senior Representatives; (c) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Senior Obligations or the Shared Collateral made by any Senior Representative or any other Senior Secured Party; (d) any exercise by any Senior Secured Party of the right to credit bid Senior Obligations at any sale in foreclosure of Senior Collateral under Section 363(k) of the Bankruptcy Code or other Applicable Law; (e) any other request for judicial relief made in any court by any Senior Secured Party relating to the lawful enforcement of any Lien on Shared Collateral; or (f) any order relating to a sale or other disposition of any Shared Collateral of any Grantor to which any Senior Representative has consented or not objected that provides, to the extent such sale or other disposition is to be free and clear of Liens, that the Liens securing the Senior Obligations and the Junior Priority Debt Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens on the Shared Collateral securing the Senior Obligations rank to the Liens on the Shared Collateral securing the Junior Priority Debt Obligations pursuant to this Agreement (without limiting the foregoing, each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt

Facility, agrees that it may not raise any objections based on rights afforded by Sections 363(e) and (f) of the Bankruptcy Code to secured creditors (or any comparable provisions of any other Bankruptcy Law) with respect to the Liens granted to such person in respect of such assets); provided that the Junior Priority Debt Parties are not deemed to have waived any rights to credit bid on the Shared Collateral in any such sale or disposition in accordance with Section 363(k) of the Bankruptcy Code (or any similar provision under any other applicable Bankruptcy Law), so long as any such credit bid provides for the payment in full in cash of the Senior Obligations upon consummation thereof. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that notice received at least two Business Days prior to the entry of an order approving such usage of cash or other collateral or approving such DIP Financing shall be adequate notice. [4]

SECTION 6.02. Relief from the Automatic Stay . Until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, on behalf of itself and the Junior Priority Debt Parties represented by it, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any portion of the Shared Collateral without the express written consent of the Designated Senior Representative.

SECTION 6.03. Adequate Protection . Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that none of them shall (i) object to, contest or support any other Person objecting to or contesting (a) any request by any Senior Representative or any Senior Secured Party for adequate protection in any form, (b) any objection by any Senior Representative or any Senior Secured Party to any motion, relief, action or proceeding based on any Senior Representative's or Senior Secured Party's claiming a lack of adequate protection or (c) the payment of interest, fees, expenses or other amounts of any Senior Representative or any other Senior Secured Party as adequate protection or otherwise under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law or (ii) assert or support any claim for costs or expenses of preserving or disposing of any Collateral under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.03 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the Senior Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral or superpriority claims in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, then each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral and/or a superpriority claim (as applicable), which (A) Lien is subordinated to the Liens on the Shared Collateral securing all Senior Obligations and all adequate protection Liens granted to the Senior Secured Parties, on the same basis as the other Liens on the Shared Collateral securing the Junior Priority Debt Obligations are so subordinated to the Liens on the Shared Collateral securing Senior Obligations under this Agreement and/or (B) superpriority claim is subordinated to all superpriority claims of the Senior Secured Parties on the same basis as the other claims of the Junior Priority Debt Parties are so subordinated to the claims of the Senior Secured Parties under this Agreement; provided that each Junior Priority Debt Party shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in

4 NTD: The final form of this Agreement may include a cap on DIP Financing of not less than 120% of the Senior Obligations outstanding as of the date of this agreement if reasonably required by the Junior Lien Credit Agreement Secured Parties and agreed to by the Designated Senior Representative (in its sole discretion and without the need for further consent by any other Senior Representative or any other Senior Secured Party).

any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims, (ii) in the event any Junior Priority Representatives, for themselves and on behalf of the Junior Priority Debt Parties under their Junior Priority Debt Facilities, are granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a Lien on additional or replacement collateral constituting Shared Collateral, then such Junior Priority Representatives, for themselves and on behalf of each Junior Priority Debt Party under their Junior Priority Debt Facilities, agree that each Senior Representative shall also be granted a senior Lien on such additional or replacement collateral as adequate protection and security for the Senior Obligations and that any Lien on such additional or replacement collateral securing and granted as adequate protection with respect to the Junior Priority Debt Obligations shall be subordinated to the Liens on such collateral securing the Senior Obligations and any other Liens on Shared Collateral granted to the Senior Secured Parties as adequate protection on the same basis as the other Liens on the Shared Collateral securing the Junior Priority Debt Obligations are so subordinated to such Liens securing Senior Obligations under this Agreement (and, to the extent the Senior Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Junior Priority Debt Party pursuant to or as a result of any Lien on such additional or replacement collateral so granted to the Junior Priority Debt Parties shall be subject to Section 4.02), and/or (iii) in the event any Junior Priority Representatives, for themselves and on behalf of the Junior Priority Debt Parties under their Junior Priority Debt Facilities, are granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a superpriority claim in respect of Shared Collateral, then such Junior Priority Representatives, for themselves and on behalf of each Junior Priority Debt Party under their Junior Priority Debt Facilities, agree that each Senior Representative shall also be granted adequate protection in the form of a superpriority claim in respect of Shared Collateral, which superpriority claim shall be senior to the superpriority claim of the Junior Priority Debt Parties on the same basis as the other Liens on the Shared Collateral securing the Senior Obligations are so senior to such Liens securing Junior Priority Debt Obligations under this Agreement (and, to the extent the Senior Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Junior Priority Debt Party pursuant to or as a result of any such superpriority claim so granted to the Junior Priority Debt Parties shall be subject to Section 4.02). Without limiting the generality of the foregoing, to the extent that the Senior Secured Parties are granted adequate protection in respect of Shared Collateral in the form of payments in the amount of current post-petition fees and expenses (including, without limitation, professional and advisors' fees contemplated by the Senior Debt Documents), then each Junior Priority Representatives, for themselves and on behalf of each Junior Priority Debt Party under their Junior Priority Debt Facilities, shall not be prohibited from seeking and accepting adequate protection in the form of payments in the amount of current post-petition incurred fees and expenses, (as applicable), subject to the right of the Senior Secured Parties to object to the reasonableness of the amounts of fees and expenses so sought by the Junior Priority Debt Parties.

SECTION 6.04. Preference Issues . If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (any such amount, a " Recovery "), then the applicable Senior Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to the benefits of this Agreement until a Discharge of Senior Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby agrees that none of them shall be entitled to

benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 6.05. Separate Grants of Security and Separate Classifications . Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges and agrees that (a) the grants of Liens pursuant to the Senior Collateral Documents and the Junior Priority Collateral Documents constitute separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Shared Collateral, the Junior Priority Debt Obligations with respect to any Shared Collateral are fundamentally different from the Senior Obligations with respect to such Shared Collateral, and, in each case, must be separately classified in any Plan of Reorganization proposed, confirmed, or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that any claims of the Senior Secured Parties and the Junior Priority Debt Parties in respect of the Shared Collateral constitute a single class of claims (rather than separate classes of senior and junior secured claims), then each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby acknowledges and agrees that all distributions from such Shared Collateral shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of such Shared Collateral, with the effect being that, to the extent that the aggregate value of such Shared Collateral is sufficient (for this purpose ignoring all claims held by the Junior Priority Debt Parties), the Senior Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, and expenses, and other claims, all amounts owing in respect of post-petition interest, fees, and expenses (whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding) before any distribution from such Shared Collateral is made in respect of the Junior Priority Debt Obligations, and each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby acknowledges and agrees to turn over to the Designated Senior Representative amounts otherwise received or receivable by them from such Shared Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Junior Priority Debt Parties.

SECTION 6.06. No Waivers of Rights of Senior Secured Parties . Nothing contained herein shall, except as expressly provided herein, prohibit or in any way limit any Senior Representative or any other Senior Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Junior Priority Debt Party with respect to any Shared Collateral on which such Junior Priority Debt Party holds a Junior Priority Lien, including the seeking by any Junior Priority Debt Party of adequate protection or the assertion by any Junior Priority Debt Party of any of its rights and remedies under the Junior Priority Debt Documents or otherwise.

SECTION 6.07. Application . This Agreement, which the parties hereto expressly acknowledge is a “subordination agreement” under Section 510(a) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation Proceeding. The relative rights as to the Shared Collateral and proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor, subject to any court order approving the financing of, or use of cash collateral by, any Grantor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 6.08. Other Matters. To the extent that any Junior Priority Representative or any Junior Priority Debt Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law with respect to any of the Shared Collateral on which it holds a Junior Priority Lien, such Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, or such Junior Priority Debt Party agrees not to assert any such rights without the prior written consent of each Senior Representative, provided that if requested by any Senior Representative, such Junior Priority Representative shall timely exercise such rights in the manner requested by the Senior Representatives (acting unanimously), including any rights to payments in respect of such rights.

SECTION 6.09. 506(c) Claims. Until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will not assert or enforce any claim under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law senior to or on a pari passu basis with the Liens securing the Senior Obligations for costs or expenses of preserving or disposing of any Shared Collateral on which it holds a Junior Priority Lien.

SECTION 6.10. Reorganization Securities.

(a) If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a Plan of Reorganization, on account of both the Senior Obligations and the Junior Priority Debt Obligations, then, to the extent the debt obligations distributed on account of the Senior Obligations and on account of the Junior Priority Debt Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(b) No Junior Priority Debt Party (whether in the capacity of a secured creditor or an unsecured creditor) shall propose, vote in favor of, or otherwise directly or indirectly support any Plan of Reorganization that is inconsistent with the priorities or other provisions of this Agreement, other than with the prior written consent of each Senior Representative or to the extent any such plan (i) pays off, in cash, in full, the Senior Obligations (other than unasserted contingent indemnification obligations and expense reimbursement obligations) or (ii) is proposed or supported by the number of Senior Secured Parties required under Section 1126(c) of the Bankruptcy Code.

SECTION 6.11. Section 1111(b) of the Bankruptcy Code. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, shall not object to, oppose, support any objection, or take any other action to impede, the right of any Senior Secured Party to make an election under Section 1111(b)(2) of the Bankruptcy Code with respect to any Shared Collateral on which such Junior Priority Representative holds a Junior Priority Lien. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, waives any claim it may hereafter have against any senior claimholder arising out of the election by any Senior Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with any such Shared Collateral in any Insolvency or Liquidation Proceeding with respect to any Grantor.

SECTION 6.12. Post-Petition Interest.

(a) None of the Junior Priority Representatives or any other Junior Priority Debt Party shall oppose or seek to challenge any claim by any Senior Representative or any other Senior Secured Party for allowance in any Insolvency or Liquidation Proceeding of Senior Obligations consisting of claims for post-petition interest, fees, or expenses, under Section 506(b) of the Bankruptcy Code or otherwise to the attributable to the Senior Collateral for such Senior Representative or Senior Secured Party (for this purpose ignoring all claims held by the Junior Priority Debt Parties).

(b) None of the Senior Representatives or any or other Senior Secured Party shall oppose or seek to challenge any claim by the Junior Priority Representative or any other Junior Priority Debt Party for allowance in any Insolvency or Liquidation Proceeding of Junior Priority Debt Obligations consisting of claims for post-petition interest, fees, or expenses, under Section 506(b) of the Bankruptcy Code or otherwise to the extent attributable to the Junior Priority Collateral for such Junior Priority Representative, to the extent of the value of the Lien of the Junior Priority Representative on behalf of the Junior Priority Debt Parties on such Junior Priority Collateral (after taking into account value of the Senior Obligations); provided , however , to the extent that any such payments are later recharacterized as payments of principal by the applicable bankruptcy court, such payments shall, upon such recharacterization, be turned over to the Senior Secured Parties and applied to the Senior Obligations in accordance with Section 4.01.

ARTICLE VII

Reliance; Etc.

SECTION 7.01. Reliance . All loans and other extensions of credit made or deemed made prior to, on and after the date hereof by the Senior Secured Parties to the Borrower or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges that it and such Junior Priority Debt Parties have, independently and without reliance on any Senior Representative or other Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Junior Priority Debt Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decisions in taking or not taking any action under the Junior Priority Debt Documents or this Agreement.

SECTION 7.02. No Warranties or Liability . Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges and agrees that neither any Senior Representative nor any other Senior Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Senior Debt Documents, the ownership of any Shared Collateral or the perfection or priority of any Liens thereon. The Senior Secured Parties will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Secured Parties may manage their loans and extensions of credit without regard to any rights or interests that the Junior Priority Representatives and the Junior Priority Debt Parties have in the Shared Collateral or otherwise, except as otherwise provided in this Agreement. Neither any Senior Representative nor any other Senior Secured Party shall have any duty to any Junior Priority Representative or Junior Priority Debt Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreement with the Borrower or any Subsidiary (including the Junior Priority Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectability of any of the Senior Obligations, the Junior Priority Debt

Obligations or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Grantor's title to or right to transfer any of the Shared Collateral or (c) any other matter except as expressly set forth in this Agreement.

SECTION 7.03. Obligations Unconditional. All rights, interests, agreements and obligations of the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Senior Debt Document or any Junior Priority Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the Senior Obligations or Junior Priority Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the First Lien Credit Agreement or any other Senior Debt Document or of the terms of the Junior Lien Credit Agreement or any other Junior Priority Debt Document;

(c) any exchange of any security interest in any Shared Collateral or any other collateral or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Senior Obligations or Junior Priority Debt Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Borrower or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to (i) the Borrower or any other Grantor in respect of the Senior Obligations (other than the Discharge of Senior Obligations subject to Sections 5.06 and 6.04) or (ii) any Junior Priority Representative or Junior Priority Debt Party in respect of this Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Conflicts. Subject to Section 8.22, in the event of any conflict between the provisions of this Agreement and the provisions of any Senior Debt Document or any Junior Priority Debt Document, the provisions of this Agreement shall govern. Notwithstanding the foregoing, the relative rights and obligations of the First Lien Collateral Representative, the Senior Representatives and the Senior Secured Parties (as amongst themselves) with respect to any Senior Collateral shall be governed by the terms of the First Lien Intercreditor Agreement and in the event of any conflict between the First Lien Intercreditor Agreement and this Agreement as to such relative rights and obligations, the provisions of the First Lien Intercreditor Agreement shall control. Notwithstanding the foregoing, the relative rights and obligations of the Junior Lien Collateral Representative, the Junior Priority Representatives and the other Junior Priority Debt Parties (as amongst themselves) with respect to any Junior Priority Collateral shall be governed by the terms of each applicable Junior Lien Intercreditor Agreement and in the event of any conflict between any such Junior Lien Intercreditor Agreement, on the one hand, and this Agreement on the other hand, as to such relative rights and obligations, the provisions of such Junior Lien Intercreditor Agreement shall control. Notwithstanding the foregoing, so long as any ABL Intercreditor Agreement is outstanding, prior to the Discharge of ABL Obligations (as defined in such ABL Intercreditor Agreement), the relative rights and obligations of the Senior Representatives and the Junior Priority Representatives with respect to any Shared Collateral (as defined in the ABL

Intercreditor Agreement) shall be governed by the terms of such ABL Intercreditor Agreement and in the event of any conflict between such ABL Intercreditor Agreement and this Agreement with respect to the relative rights and obligations of the Secured Parties with respect to such Shared Collateral, the provisions of the ABL Intercreditor Agreement shall control.

SECTION 8.02. Continuing Nature of this Agreement; Severability . Subject to Section 6.04, this Agreement shall continue to be effective until the earlier of the Discharge of Senior Obligations and the Discharge of Junior Priority Debt Obligations. This is a continuing agreement of Lien subordination, and the Senior Secured Parties may continue, at any time and without notice to the Junior Priority Representatives or any Junior Priority Debt Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrower or any Subsidiary constituting Senior Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8.03. Amendments; Waivers .

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder 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 the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) This Agreement may be amended, and may only be amended, in writing signed by each Representative (in each case, acting in accordance with the documents governing the applicable Debt Facility) and the Borrower. Any such amendment, supplement or waiver shall be in writing and shall be binding upon the Grantors, Senior Secured Parties and the Junior Priority Debt Parties and their respective successors and assigns.

(c) Notwithstanding the foregoing, without the consent of any Secured Party and the Borrower, any Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 8.09 of this Agreement and upon such execution and delivery, such Representative and the Secured Parties and Senior Obligations or Junior Priority Debt Obligations, as applicable, of the Debt Facility for which such Representative is acting shall be subject to the terms hereof.

SECTION 8.04. Information Concerning Financial Condition of the Borrower and the Subsidiaries . The Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Borrower and the Subsidiaries and all endorsers or guarantors of the Senior Obligations or the Junior Priority Debt Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Senior Obligations or the Junior Priority Debt

Obligations. The Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that any Senior Representative, any Senior Secured Party, any Junior Priority Representative or any Junior Priority Debt Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 8.05. Subrogation . Each Junior Priority Representative, for and on behalf of itself and each Junior Priority Debt Party represented by it, agrees that no payment to any Senior Representative or any Senior Secured Party pursuant to the provisions of this Agreement in respect of any Shared Collateral in which such Junior Priority Representative holds a Junior Priority Lien shall entitle any Junior Priority Representative or any other Junior Priority Debt Party to exercise any rights of subrogation in respect thereof until the Discharge of Senior Obligations has occurred.

SECTION 8.06. Application of Payments . Except as otherwise provided herein, all payments received by the Senior Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Senior Obligations as the Senior Secured Parties, in their sole discretion, deem appropriate, consistent and in accordance with the terms of the Senior Debt Documents. Except as otherwise provided herein, all payments received by the Junior Priority Debt Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Junior Priority Debt Obligations as the Junior Priority Debt Parties, in their sole discretion, deem appropriate, consistent and in accordance with the terms of the Junior Priority Debt Documents. Except as otherwise provided herein, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, assents to any such extension or postponement of the time of payment of the Senior Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Obligations and to the addition or release of any other Person primarily or secondarily liable therefor. Notwithstanding the foregoing, but in each case subject to the terms of the ABL Intercreditor Agreement, (x) solely as between the Senior Secured Parties, but subject to the terms set forth in this Agreement, the terms of the First Lien Intercreditor Agreement (if then in effect) shall govern the application of payments as amongst the Senior Secured Parties and (y) solely as between the Junior Priority Debt Parties, but subject to the terms set forth in this Agreement, the terms of each applicable Junior Lien Intercreditor Agreement (if then in effect) shall govern the application of payments as amongst the Junior Priority Debt Parties.

SECTION 8.07. Additional Grantors . The Borrower agrees that, if any Domestic Subsidiary that is not an Excluded Subsidiary (as defined in the applicable Debt Documents) shall become a Guarantor after the date hereof pursuant to the requirements set forth in the applicable Debt Documents, it will promptly cause such Domestic Subsidiary to become party hereto by executing and delivering an instrument in the form of Annex I. Upon such execution and delivery, such Domestic Subsidiary will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the Designated Senior Representative and the Designated Junior Priority Representative. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 8.08. Dealings with Grantors . Upon any application or demand by the Borrower or any Grantor to any Representative to take any action under any of the provisions of this Agreement or under any Collateral Document (if such action is subject to the provisions hereof), at the reasonable written request of such Representative, the Borrower or such Grantor, as appropriate, shall furnish to such Representative a certificate of an Authorized Officer thereof (an " Officer ' s Certificate ") stating that all conditions precedent, if any, expressly provided for in this Agreement or such Collateral Document, as the case may be, relating to the proposed action have been complied with or waived, except (a) that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Agreement or any Collateral Document relating to such particular application or demand, no additional certificate or opinion need be furnished or (b) conditions that require the approval or satisfaction of any other Person or require actions not in the Borrower's or any Grantor's control.

SECTION 8.09. Additional Debt Facilities . To the extent, but only to the extent, permitted by the provisions of the then extant Senior Debt Documents and Junior Priority Debt Documents, the Borrower may incur or issue and sell one or more series or classes of Additional Junior Priority Debt and one or more series or classes of Additional Senior Debt. Any such additional class or series of Additional Junior Priority Debt (the " Junior Priority Class Debt ") may be secured by a second priority or third priority (or lower priority), subordinated Lien on Shared Collateral, in each case under and pursuant to the relevant Junior Priority Collateral Documents for such Junior Priority Class Debt, if and subject to the condition that the Representative of any such Junior Priority Class Debt (each, a " Junior Priority Class Debt Representative "), acting on behalf of the holders of such Junior Priority Class Debt (such Representative and holders in respect of any Junior Priority Class Debt being referred to as the " Junior Priority Class Debt Parties "), becomes a party to this Agreement by satisfying conditions (i) through (iii), as applicable, of the immediately succeeding paragraph. Any such additional class or series of Additional Senior Debt (the " Senior Class Debt "; and the Senior Class Debt and Junior Priority Class Debt, collectively, the " Class Debt ") may be secured by a Lien on Shared Collateral, in each case under and pursuant to the relevant Senior Collateral Documents, if and subject to the condition that the Representative of any such Senior Class Debt (each, a " Senior Class Debt Representative; " and the Senior Class Debt Representatives and Junior Priority Class Debt Representatives, collectively, the " Class Debt Representatives "), acting on behalf of the holders of such Senior Class Debt (such Representative and holders in respect of any such Senior Class Debt being referred to as the " Senior Class Debt Parties "; and the Senior Class Debt Parties and Junior Priority Class Debt Parties, collectively, the " Class Debt Parties "), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iii), as applicable, of the immediately succeeding paragraph. In order for a Class Debt Representative to become a party to this Agreement:

(i) such Class Debt Representative shall have executed and delivered to the Designated Senior Representative and the Designated Junior Priority Representative a Joinder Agreement substantially in the form of Annex II (if such Class Debt Representative is a Junior Priority Class Debt Representative) or Annex III (if such Class Debt Representative is a Senior Class Debt Representative) (with such changes as may be reasonably approved by the Designated Senior Representative, the Designated Junior Priority Representative and such Class Debt Representative) pursuant to which it becomes a Representative hereunder, and the Class Debt in respect of which such Class Debt Representative is the Representative constitutes Additional Senior Debt or Additional Junior Priority Debt, as applicable, and the related Class Debt Parties become subject hereto and bound hereby as Additional Senior Debt Parties or Additional Junior Priority Debt Parties, as applicable;

(ii) the Borrower (a) shall have delivered to the Designated Senior Representative and the Designated Junior Priority Representative an Officer's Certificate identifying the

obligations to be designated as Additional Senior Debt or Additional Junior Priority Debt, as applicable, and the initial aggregate principal amount or face amount thereof and certifying that such obligations are permitted under each Debt Document then in effect to be incurred and secured (I) in the case of Additional Senior Debt, on a pari passu or junior basis to the First Lien Credit Agreement Obligations and on a senior basis to any Junior Priority Debt and (II) in the case of Additional Junior Priority Debt, on a junior basis to the Senior Obligations and (b) if requested, shall have delivered true and complete copies of each of the material Junior Priority Debt Documents or material Senior Debt Documents (in each case, other than any fee or side letters), as applicable, relating to such Class Debt, certified as being true and correct by an Authorized Officer of the Borrower; and

(iii) the Junior Priority Debt Documents or Senior Debt Documents, as applicable, relating to such Class Debt shall provide that each Class Debt Party with respect to such Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Class Debt.

SECTION 8.10. Refinancings . The Senior Obligations and the Junior Priority Debt Obligations may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing or replacement transaction under any Senior Debt Document or any Junior Priority Debt Document) of any Senior Representative or any Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof; provided that, if secured, any such refinancing or replacement debt shall satisfy the requirements of Section 8.09. The Designated Junior Priority Representative hereby agrees that at the request of the Borrower, in connection with refinancing or replacement of Senior Obligations in accordance with Section 5.06 (" Replacement Senior Obligations "), it will enter into a customary agreement with the agent for the Replacement Senior Obligations containing terms and conditions substantially similar to the terms and conditions of this Agreement or otherwise terms and conditions that are customary.

SECTION 8.11. Consent to Jurisdiction; Waivers . Each Representative, on behalf of itself and the Secured Parties of the Debt Facility for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Collateral Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and any appellate court from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth in Section 8.12 or at such other address of which the other parties hereto shall have been notified pursuant to Section 8.12;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.11 any special, exemplary, punitive or consequential damages.

SECTION 8.12. Notices . All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to the Borrower or any Grantor, to the Borrower, at its address at:

c/o Avaya Inc.
4655 Great America Parkway
Santa Clara, California 95054
Attention: John Sullivan, Vice President and Corporate Treasurer
Tel: 408-496-3211
Email: jpsullivan@avaya.com

with a copy to (which shall not constitute notice):

KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Attention: Melissa Hutson
Email: melissa.hutson@kirkland.com
Fax: (212) 446-6459

(ii) if to the First Lien Collateral Representative, to it at:

GOLDMAN SACHS BANK USA
200 West Street, 16th Floor
New York, New York 10282
Attention: SBD Operations
Fax: 212-428-9270
Email: gs-sbdagency-borrowernotices@ny.email.gs.com

with a copy (which shall not constitute notice) to:

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, NY 10017
Attention: Jason Kyrwood
Email: jason.kyrwood@davispolk.com
Fax: 212-450-5425

(iii) if to the Junior Lien Collateral Representative to it at:

[ ]
Fax: [ ]
Email: [ ]
Attention: [ ]

(iv) if to any other Representative, to it at the address specified by it in the Joinder Agreement delivered by it pursuant to Section 8.09.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

SECTION 8.13. Further Assurances . Each Senior Representative, on behalf of itself and each Senior Secured Party under the Senior Facility for which it is acting, each Junior Priority Representative, on behalf of itself, and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will, at the Grantors' expense, take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the other parties hereto may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

SECTION 8.14. **GOVERNING LAW; WAIVER OF JURY TRIAL** .

(A) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(B) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY SENIOR DEBT DOCUMENT OR ANY JUNIOR PRIORITY DEBT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8.15. Binding on Successors and Assigns . This Agreement shall be binding upon the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives, the Junior Priority Debt Parties, the Borrower, the other Grantors party hereto and their respective successors and assigns.

SECTION 8.16. Section Titles . The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 8.17. Counterparts . This Agreement may be executed in one or more counterparts, including by means of facsimile or other electronic method, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 8.18. Authorization . By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The First Lien Collateral Representative represents and warrants that this Agreement is binding upon the First Lien Credit Agreement Secured Parties. The Junior Lien Collateral Representative represents and warrants that this Agreement is binding upon the Junior Lien Credit Agreement Secured Parties.

SECTION 8.19. No Third Party Beneficiaries; Successors and Assigns . The lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such lien priorities shall inure solely to the benefit of the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives, the Junior Priority Debt Parties, the Grantors and their respective permitted successors and assigns, and no other Person (including any trustee, receiver, debtor in possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights. Nothing in this Agreement is intended to or shall impair the rights or obligations of the Borrower or any other Grantor, which obligations are absolute and unconditional, to pay the Senior Obligations and the Junior Priority Debt Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 8.20. Effectiveness . This Agreement shall become effective when executed and delivered by the parties hereto on the Effective Date.

SECTION 8.21. Collateral Agent and Representative . It is understood and agreed that (a) the First Lien Collateral Representative is entering into this Agreement in its capacity as [administrative agent and collateral agent under the First Lien Credit Agreement and the provisions of Section 12 of the First Lien Credit Agreement applicable to the Agents (as defined therein)] thereunder shall also apply to the First Lien Collateral Representative hereunder and (b) the Junior Lien Collateral Representative is entering into this Agreement in its capacity as administrative agent and collateral agent under the Junior Lien Credit Agreement and the provisions of [Section [ ]] of the Junior Lien Credit Agreement applicable to the [Agents] (as defined therein) thereunder shall also apply to the Junior Lien Collateral Representative hereunder.

SECTION 8.22. Relative Rights . Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Section 5.01(a), 5.01(d) or 5.03(d) with respect to Junior Priority Debt Documents), nothing in this Agreement is intended to or will (a) amend, waive or otherwise modify the provisions of the First Lien Credit Agreement, any other Senior Debt Document, the Junior Lien Credit Agreement or any other Junior Priority Debt Documents, (b) change the relative priorities of the Senior Obligations or the Liens granted under the Senior Collateral Documents on the Shared Collateral (or any other assets) as among the Senior Secured Parties, (c) change the relative priorities of the Junior Priority Debt Obligations or the Liens granted under the Junior Priority Collateral Documents on the Shared Collateral (or any other assets) as among the Junior Priority Debt Parties, (d) otherwise change the relative rights of the Senior Secured Parties in respect of the Shared Collateral as among such Senior Secured Parties or (e) obligate the Borrower or any other Grantor to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the First Lien Credit Agreement, any other Senior Debt Document, the Junior Lien Credit Agreement or any other Junior Priority Debt Document.

SECTION 8.23. Survival of Agreement . All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

[Remainder of page intentionally left blank]

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.

GOLDMAN SACHS BANK USA, as First Lien Collateral Representative

By: _____
Name:
Title:

[ ],
as Junior Lien Administrative Agent and Junior Lien Collateral Representative

By: _____
Name:
Title:

Acknowledged and Agreed to by:

[ ],
as a Grantor

By: _____
Name:
Title:

[ ],
as a Grantor

By: _____
Name:
Title:

[ ],
as a Grantor

By: _____
Name:
Title:

[Add other Grantors],
as a Grantor

By: _____
Name:
Title:

ANNEX I

SUPPLEMENT (this " Supplement ") dated as of [ ], 20[ ], to the JUNIOR LIEN INTERCREDITOR AGREEMENT dated as of [ ] (the " Junior Lien Intercreditor Agreement "), among GOLDMAN SACHS BANK USA, as First Lien Collateral Representative under the First Lien Credit Agreement, [ ], as Junior Lien Collateral Representative under the Junior Lien Credit Agreement, and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Junior Lien Intercreditor Agreement.

B. The Grantors have entered into the Junior Lien Intercreditor Agreement. Pursuant to the First Lien Credit Agreement, the Junior Lien Credit Agreement, certain Additional Senior Debt Documents, and certain Additional Junior Priority Debt Documents, certain newly acquired or organized Subsidiaries of the Borrower are required to enter into the Junior Lien Intercreditor Agreement. Section 8.07 of the Junior Lien Intercreditor Agreement provides that such Subsidiaries may become party to the Junior Lien Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the " New Grantor ") is executing this Supplement in accordance with the requirements of the First Lien Credit Agreement, the Junior Lien Credit Agreement, the Additional Junior Priority Debt Documents and Additional Senior Debt Documents, as applicable.

Accordingly, the Designated Senior Representative, the Designated Junior Priority Representative and the New Grantor agree as follows:

SECTION 1. In accordance with Section 8.07 of the Junior Lien Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the Junior Lien Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the Junior Lien Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the Junior Lien Intercreditor Agreement shall be deemed to include the New Grantor. The Junior Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants on the date hereof to the Designated Senior Representative and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by Bankruptcy Laws and by general principles of equity.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Designated Senior Representative and the Designated Junior Priority Representative shall have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission or other electronic method shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Junior Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Junior Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the Junior Lien Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the Junior Lien Intercreditor Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Grantor, the Designated Senior Representative and the Designated Junior Priority Representative have duly executed this Supplement to the Junior Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY GRANTOR]

By: _____
Name:
Title:

Acknowledged by:
[ ], as Designated Senior Representative

By: _____
Name:
Title:

[ ], as Designated Junior Priority Representative

By: _____
Name:
Title:

ANNEX II

[FORM OF] JUNIOR PRIORITY CLASS DEBT REPRESENTATIVE SUPPLEMENT (this " Representative Supplement ") dated as of [ ], 20[ ] to the JUNIOR LIEN INTERCREDITOR AGREEMENT dated as of [ ] (the " Junior Lien Intercreditor Agreement "), among GOLDMAN SACHS BANK USA, as First Lien Collateral Representative under the First Lien Credit Agreement, [ ], as Junior Lien Collateral Representative under the Junior Lien Credit Agreement, and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Junior Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Junior Priority Class Debt after the date of the Junior Lien Intercreditor Agreement and to secure such Junior Priority Class Debt with the Junior Priority Lien and to have such Junior Priority Class Debt guaranteed by the Grantors, in each case under and pursuant to the Junior Priority Collateral Documents relating thereto, the Junior Priority Class Debt Representative in respect of such Junior Priority Class Debt is required to become a Representative under, and such Junior Priority Class Debt and the Junior Priority Class Debt Parties in respect thereof are required to become subject to and bound by, the Junior Lien Intercreditor Agreement. Section 8.09 of the Junior Lien Intercreditor Agreement provides that such Junior Priority Class Debt Representative may become a Representative under, and such Junior Priority Class Debt and such Junior Priority Class Debt Parties may become subject to and bound by, the Junior Lien Intercreditor Agreement as Additional Junior Priority Debt Obligations and Additional Junior Priority Debt Parties, respectively, pursuant to the execution and delivery by the Junior Priority Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions precedent set forth in Section 8.09 of the Junior Lien Intercreditor Agreement. The undersigned Junior Priority Class Debt Representative (the " New Representative ") is executing this Representative Supplement in accordance with the requirements of the Senior Debt Documents and the Junior Priority Debt Documents.

Accordingly, the Designated Senior Representative, the Designated Junior Priority Representative, the Borrower and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the Junior Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative and a Junior Priority Class Debt Representative, in each case, under, and the related Junior Priority Class Debt and Junior Priority Class Debt Parties become subject to and bound by, the Junior Lien Intercreditor Agreement as Additional Junior Priority Debt Obligations and Additional Junior Priority Debt Parties, respectively, with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Junior Priority Class Debt Parties, hereby agrees to all the terms and provisions of the Junior Lien Intercreditor Agreement applicable to it as a Junior Priority Representative and to the Junior Priority Class Debt Parties that it represents as Junior Priority Debt Parties. Each reference to a " Representative " or " Junior Priority Representative " in the Junior Lien Intercreditor Agreement shall be deemed to include the New Representative. The Junior Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants on the date hereof to the Designated Senior Representative, the Designated Junior Priority Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity

as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Junior Priority Debt Documents relating to such Junior Priority Class Debt provide that, upon the New Representative's entry into this Agreement, the Junior Priority Class Debt Parties in respect of such Junior Priority Class Debt will be subject to and bound by the provisions of the Junior Lien Intercreditor Agreement as Junior Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Designated Senior Representative and the Designated Junior Priority Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the Junior Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Junior Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the Junior Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Representative, the Designated Senior Representative, the Designated Junior Priority Representative and the Borrower have duly executed this Representative Supplement to the Junior Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE],
as [ ] for the holders of [ ]

By: _____
Name:
Title:

Address for notices:

_____

_____

Attention of: _____
Telecopy: _____

[ ],
as Designated Senior Representative

By: _____
Name:
Title:

[ ],
as Designated Junior Priority Representative

By: _____
Name:
Title:

[ ],
as Borrower

By: _____
Name:
Title:

ANNEX III

[FORM OF] SENIOR CLASS DEBT REPRESENTATIVE SUPPLEMENT (this " Representative Supplement ") dated as of [ ], 20[ ] to the JUNIOR LIEN INTERCREDITOR AGREEMENT dated as of [ ] (the " Junior Lien Intercreditor Agreement "), among GOLDMAN SACHS BANK USA, as First Lien Collateral Representative under the First Lien Credit Agreement, [ ], as Junior Lien Collateral Representative under the Junior Lien Credit Agreement, and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Junior Lien Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Senior Class Debt after the date of the Junior Lien Intercreditor Agreement and to secure such Senior Class Debt with the Senior Lien and to have such Senior Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Senior Collateral Documents relating thereto, the Senior Class Debt Representative in respect of such Senior Class Debt is required to become a Representative under, and such Senior Class Debt and the Senior Class Debt Parties in respect thereof are required to become subject to and bound by, the Junior Lien Intercreditor Agreement. Section 8.09 of the Junior Lien Intercreditor Agreement provides that such Senior Class Debt Representative may become a Representative under, and such Senior Class Debt and such Senior Class Debt Parties may become subject to and bound by, the Junior Lien Intercreditor Agreement as Additional Senior Debt Obligations and Additional Senior Debt Parties, respectively, pursuant to the execution and delivery by the Senior Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions precedent set forth in Section 8.09 of the Junior Lien Intercreditor Agreement. The undersigned Senior Class Debt Representative (the " New Representative ") is executing this Representative Supplement in accordance with the requirements of the Senior Debt Documents and the Junior Priority Debt Documents.

Accordingly, the Designated Senior Representative, the Designated Junior Priority Representative, the Borrower and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the Junior Lien Intercreditor Agreement, the New Representative by its signature below becomes a Representative and a Senior Representative under, and the related Senior Class Debt and Senior Class Debt Parties become subject to and bound by, the Junior Lien Intercreditor Agreement as Additional Senior Debt Obligations and Additional Senior Debt Parties, respectively, with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Senior Class Debt Parties, hereby agrees to all the terms and provisions of the Junior Lien Intercreditor Agreement applicable to it as a Senior Representative and to the Senior Class Debt Parties that it represents as Additional Senior Debt Parties. Each reference to a " Representative " or " Senior Representative " in the Junior Lien Intercreditor Agreement shall be deemed to include the New Representative. The Junior Lien Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants as of the date hereof to the Designated Senior Representative, the Designated Junior Priority Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Senior Debt Documents relating to such Senior Class Debt provide

that, upon the New Representative's entry into this Agreement, the Senior Class Debt Parties in respect of such Senior Class Debt will be subject to and bound by the provisions of the Junior Lien Intercreditor Agreement as Senior Secured Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the Designated Senior Representative and the Designated Junior Priority Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the Junior Lien Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Junior Lien Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the Junior Lien Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Representative, the Designated Senior Representative, the Designated Junior Priority Representative and the Borrower have duly executed this Representative Supplement to the Junior Lien Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE],
as [ ] for the holders of [ ]

By: _____
Name:
Title:

Address for notices:

_____

_____

Attention of: _____
Telecopy: _____

[ ],
as Designated Senior Representative

By: _____
Name:
Title:

[ ],
as Designated Junior Priority Representative

By: _____
Name:
Title:

[ ],
as Borrower

By: _____
Name:
Title:

EXHIBIT I
TO THE CREDIT AGREEMENT

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[See attached]

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [the][each] [1] Assignor identified in item 1 below ([the][each, an] " Assignor ") and [the][each] [2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] [3] hereunder are several and not joint.] [4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the " Standard Terms and Conditions ") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, any guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)] [the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] " Assigned Interest "). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s] : _____

2. Assignee[s] : _____

[Assignee is an [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrower : Avaya Inc., a Delaware corporation

4. Administrative Agent : Goldman Sachs Bank USA, as the Administrative Agent under the Credit Agreement

5. Credit Agreement : Term Loan Credit Agreement, dated as of December [ ], 2017, among Avaya Holdings Corp., a Delaware corporation, the Borrower, the lending institutions from time to time parties thereto and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent.

6. Assigned Interest[s]:

Assignor[s] [5]	Assignee[s] [6]	Facility Assigned [7]	Aggregate Amount of Commitment/Loans for all Lenders [8]	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans [9]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

[7. Trade Date: _____] [10]

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Term Loan Commitment," etc.).
8 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
9 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
10 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

[Remainder of this page intentionally left blank]

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and] [11] Accepted:

GOLDMAN SACHS BANK USA, as Administrative Agent

By: _____
Name:
Title:

[Consented to:] [12]

[NAME OF RELEVANT PARTY]

By: _____
Name:
Title:

11 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
12 To be added only if the consent of the Borrower and/or other parties is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2 Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 13.6(b)(ii) and (iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 13.6(b)(i) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 9.1 of the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vii) it is not a natural person or an investment vehicle established primarily for the benefit of a natural person and (viii) it is not a Disqualified Institution; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption, and the rights and obligations of the parties hereunder, shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

EXHIBIT J-1
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement dated as of December [ ], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Borrower "), the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders ") and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Term Loan(s) (as well as any note(s) evidencing such Term Loan(s)) and any other obligations(s) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF NON-U.S. LENDER]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT J-2
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement dated as of December [ ], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Borrower "), the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders ") and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT J-3
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement dated as of December [__], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Borrower "), the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders ") and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT J-4
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Term Loan Credit Agreement dated as of December [ ], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Borrower "), the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders ") and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Term Loan(s) (as well as any note(s) evidencing such Term Loan(s)) and any other obligation(s) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Term Loan(s) (as well as any note(s) evidencing such Term Loan(s)) and any such other obligation(s), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Credit Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF NON-U.S. LENDER]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT K
TO THE CREDIT AGREEMENT

DUTCH AUCTION PROCEDURES

[See attached]

EXHIBIT K

[FORM OF] DUTCH AUCTION PROCEDURES

*This outline is intended to summarize certain basic terms of procedures with respect to certain Borrower buy-backs pursuant to and in accordance with the terms and conditions of Section 13.6(g) of the Credit Agreement to which this Exhibit K is attached. It is not intended to be a definitive list of all of the terms and conditions of a Dutch auction and all such terms and conditions shall be set forth in the applicable auction procedures documentation set for each Dutch auction (the " **Offer Documents** "). None of the Administrative Agent, the Auction Agent or any of their respective Affiliates makes any recommendation pursuant to the Offer Documents as to whether or not any Lender should sell by assignment any of its Term Loans pursuant to the Offer Documents (including, for the avoidance of doubt, by participating in the Dutch auction as a Lender) or whether or not the Borrower should purchase by assignment any Term Loans from any Lender pursuant to any Dutch auction. Each Lender should make its own decision as to whether to sell by assignment any of its Term Loans and, if so, the principal amount of and price to be sought for such Term Loans. In addition, each Lender should consult its own attorney, business advisor or tax advisor as to legal, business, tax and related matters concerning any Dutch auction and the Offer Documents. Capitalized terms not otherwise defined in this Exhibit K have the meanings assigned to them in the Credit Agreement.*

Summary . The Borrower may purchase (by assignment) Term Loans on a non-pro rata basis by conducting one or more Dutch auctions pursuant to the procedures described herein; *provided* that no more than one Dutch auction may be ongoing at any one time and no more than four Dutch auctions may be made in any period of four consecutive fiscal quarters of the Borrower.

1. Notice Procedures . In connection with each Dutch auction, the Borrower will notify the Auction Agent (for distribution to the Lenders) of the Term Loans that will be the subject of the Dutch auction by delivering to the Auction Agent a written notice in form and substance reasonably satisfactory to the Auction Agent (an " ***Auction Notice*** "). Each Auction Notice shall contain (i) the maximum principal amount of Term Loans the Borrower is willing to purchase (by assignment) in the Dutch auction (the " ***Auction Amount*** "), which shall be no less than $10,000,000 or an integral multiple of $500,000 in excess of thereof, (ii) the range of discounts to par (the " ***Discount Range*** "), expressed as a range of prices per $1,000 of Term Loans, at which the Borrower would be willing to purchase Term Loans in the Dutch auction and (iii) the date on which the Dutch auction will conclude, on which date Return Bids (as defined below) will be due at the time provided in the Auction Notice (such time, the " ***Expiration Time*** "), as such date and time may be extended upon notice by the Borrower to the Auction Agent not less than 24 hours before the original Expiration Time. The Auction Agent will deliver a copy of the Offer Documents to each Lender promptly following completion thereof.

2. Reply Procedures . In connection with any Dutch auction, each Lender holding Term Loans wishing to participate in such Dutch auction shall, prior to the Expiration Time, provide the Auction Agent with a notice of participation in form and substance reasonably satisfactory to the Auction Agent (the " ***Return Bid*** ") to be included in the Offer Documents, which shall specify (i) a discount to par that must be expressed as a price per $1,000 of Term

Loans (the " ***Reply Price*** ") within the Discount Range and (ii) the principal amount of Term Loans, in an amount not less than $10,000,000, that such Lender is willing to offer for sale at its Reply Price (the " ***Reply Amount*** "); *provided* that each Lender may submit a Reply Amount that is less than the minimum amount and incremental amount requirements described above only if the Reply Amount equals the entire amount of the Term Loans held by such Lender at such time. A Lender may only submit one Return Bid per Dutch auction, but each Return Bid may contain up to three component bids, each of which may result in a separate Qualifying Bid (as defined below) and each of which will not be contingent on any other component bid submitted by such Lender resulting in a Qualifying Bid. In addition to the Return Bid, a participating Lender must execute and deliver, to be held by the Auction Agent, an assignment and assumption in the form included in the Offer Documents which shall be in form and substance reasonably satisfactory to the Auction Agent and the Administrative Agent (the " ***Auction Assignment and Assumption*** "). The Borrower will not purchase any Term Loans at a price that is outside of the applicable Discount Range, nor will any Return Bids (including any component bids specified therein) submitted at a price that is outside such applicable Discount Range be considered in any calculation of the Applicable Threshold Price (as defined below).

3. Acceptance Procedures . Based on the Reply Prices and Reply Amounts received by the Auction Agent, the Auction Agent, in consultation with the Borrower, will calculate the lowest purchase price (the " ***Applicable Threshold Price*** ") for the Dutch auction within the Discount Range for the Dutch auction that will allow the Borrower to complete the Dutch auction by purchasing the full Auction Amount (or such lesser amount of Term Loans for which the Borrower has received Qualifying Bids). The Borrower shall purchase (by assignment) Term Loans from each Lender whose Return Bid is within the Discount Range and contains a Reply Price that is equal to or less than the Applicable Threshold Price (each, a " ***Qualifying Bid*** "). All Term Loans included in Qualifying Bids received at a Reply Price lower than the Applicable Threshold Price will be purchased at a purchase price equal to the applicable Reply Price and shall not be subject to proration. If a Lender has submitted a Return Bid containing multiple component bids at different Reply Prices, then all Term Loans of such Lender offered in any such component bid that constitutes a Qualifying Bid with a Reply Price lower than the Applicable Threshold Price shall also be purchased at a purchase price equal to the applicable Reply Price and shall not be subject to proration.

4. Proration Procedures . All Term Loans offered in Return Bids (or, if applicable, any component bid thereof) constituting Qualifying Bids equal to the Applicable Threshold Price will be purchased at a purchase price equal to the Applicable Threshold Price; *provided* that if the aggregate principal amount of all Term Loans for which Qualifying Bids have been submitted in any given Dutch auction equal to the Applicable Threshold Price would exceed the remaining portion of the Auction Amount (after deducting all Term Loans purchased below the Applicable Threshold Price), the Borrower shall purchase the Term Loans for which the Qualifying Bids submitted were at the Applicable Threshold Price ratably based on the respective principal amounts offered and in an aggregate amount up to the amount necessary to complete the purchase of the Auction Amount. For the avoidance of doubt, no Return Bids (or any component thereof) will be accepted above the Applicable Threshold Price.

5. Notification Procedures . The Auction Agent will calculate the Applicable Threshold Price no later than 3 Business Days after the date that the Return Bids were due. The Auction Agent will insert the amount of Term Loans to be assigned and the applicable settlement date determined by the Auction Agent in consultation with the Borrower onto each applicable Auction Assignment and Assumption received in connection with a Qualifying Bid. Upon written request of the submitting Lender, the Auction Agent will promptly return any Auction Assignment and Assumption received in connection with a Return Bid that is not a Qualifying Bid.

6. Additional Procedures . Once initiated by an Auction Notice, the Borrower may withdraw a Dutch auction by written notice to the Auction Agent no later than 24 hours before the original Expiration Time so long as no Qualifying Bids have been received by the Auction Agent at or prior to the time the Auction Agent receives such written notice from the Borrower. Any Return Bid (including any component bid thereof) delivered to the Auction Agent may not be modified, revoked, terminated or cancelled; *provided* that a Lender may modify a Return Bid at any time prior to the Expiration Time solely to reduce the Reply Price included in such Return Bid. However, a Dutch auction shall become void if the Borrower fails to satisfy one or more of the conditions to the purchase of Term Loans set forth in, or to otherwise comply with the provisions of Section 13.6(g) of the Credit Agreement to which this Exhibit K is attached. The purchase price for all Term Loans purchased in a Dutch auction shall be paid in cash by the Borrower directly to the respective assigning Lender on a settlement date as determined by the Auction Agent in consultation with the Borrower (which shall be no later than ten (10) Business Days after the date Return Bids are due), along with accrued and unpaid interest (if any) on the applicable Term Loans up to the settlement date. The Borrower shall execute each applicable Auction Assignment and Assumption received in connection with a Qualifying Bid.

All questions as to the form of documents and validity and eligibility of Term Loans that are the subject of a Dutch auction will be determined by the Auction Agent, in consultation with the Borrower, and the Auction Agent's determination will be conclusive, absent manifest error. The Auction Agent's interpretation of the terms and conditions of the Offer Document, in consultation with the Borrower, will be final and binding.

None of the Administrative Agent, the Auction Agent, any other Agent or any of their respective Affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Borrower, the Subsidiaries or any of their Affiliates contained in the Offer Documents or otherwise or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Auction Agent acting in its capacity as such under a Dutch auction shall be entitled to the benefits of the provisions of Section 13.5 of the Credit Agreement to the same extent as if each reference therein to the "Administrative Agent" were a reference to the Auction Agent, each reference therein to the "Credit Documents" were a reference to the Offer Documents, the Auction Notice and Auction Assignment and Assumption and each reference therein to the "Transactions" were a reference to the transactions contemplated hereby and the Administrative Agent shall cooperate with the Auction Agent as reasonably requested by the Auction Agent in order to enable it to perform its responsibilities and duties in connection with each Dutch auction.

This Exhibit K shall not require the Borrower or any Subsidiary to initiate any Dutch auction, nor shall any Lender be obligated to participate in any Dutch auction.

Exhibit 10.6

EXECUTION VERSION

ABL CREDIT AGREEMENT

Dated as of December 15, 2017

among

AVAYA HOLDINGS CORP.,
as Holdings,

AVAYA INC.,
as the Parent Borrower,

The Several Borrowers Party Hereto,

CITIBANK, N.A.,
as Administrative Agent and Collateral Agent,

The Several Lenders
From Time to Time Parties Hereto,

and

CITIGROUP GLOBAL MARKETS INC.
GOLDMAN SACHS BANK USA
JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
CREDIT SUISSE SECURITIES (USA) LLC
and
DEUTSCHE BANK SECURITIES INC.

as Joint Lead Arrangers and Joint Bookrunners

Notice: Under the Credit Reporting Act 2013 of Ireland, lenders are required to provide personal and credit information for credit applications and credit agreements of €500 and above to the Central Credit Register. This information will be held on the Central Credit Register and may be used by other lenders when making decisions on your credit applications and credit agreements.

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SCHEDULES

EXHIBITS

ABL CREDIT AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, the " **Agreement** "), dated as of December 15, 2017, among AVAYA HOLDINGS CORP., a Delaware corporation (" **Avaya Holdings** "), in its capacity as Holdings, AVAYA INC., a Delaware corporation (the " **Parent Borrower** "), AVAYA CANADA CORP., an unlimited liability company organized under the laws of the province of Nova Scotia (the " **Canadian Borrower** "), AVAYA UK, a company incorporated in England and Wales with company number 03049861 (the " **U.K. Borrower** "), AVAYA INTERNATIONAL SALES LIMITED, a private company limited by shares incorporated under the laws of Ireland with registered number 342279 (the " **Irish Borrower** "), AVAYA DEUTSCHLAND GMBH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany (" **Avaya Deutschland** "), AVAYA GMBH & CO. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany (" **Avaya KG** ", and together with Avaya Deutschland, the " **German Borrowers** "), the Lenders from time to time parties hereto, the lending institutions named herein as L/C Issuers and Swing Line Lenders and CITIBANK, N.A., as Administrative Agent and Collateral Agent.

RECITALS:

WHEREAS, capitalized terms used and not defined in the preamble and these recitals shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, on January 19, 2017, Avaya Holdings, the Parent Borrower and certain of the Parent Borrower's Domestic Subsidiaries (collectively, the " **Avaya Debtors** ") filed voluntary petitions for relief under Chapter 11 in the United States Bankruptcy Court for the Southern District of New York (such court, together with any other court having exclusive jurisdiction over the Case from time to time and any Federal appellate court thereof, the " **Bankruptcy Court** ") and commenced cases, jointly administered under Case No. 17-10089 (collectively, the " **Case** "), and have continued in the possession and operation of their assets and in the management of their businesses pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Avaya Debtors are parties to the certain Superpriority Secured Debtor-In-Possession Credit Agreement, dated as of January 24, 2017 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the **"Existing DIP Agreement** "), by and among the Avaya Debtors, Citibank N.A., as administrative agent and collateral agent and the lending institutions from time to time parties thereto;

WHEREAS, the Avaya Debtors filed the Second Amended Joint Chapter 11 Plan of Reorganization of Avaya Inc. and its Debtor Affiliates in the Bankruptcy Court on October 24, 2017 [Docket No. 1372] (together with all schedules, documents and exhibits contained therein, as amended, supplemented, modified or waived from time to time, the " **Plan** ");

WHEREAS, on November 28, 2017, the Bankruptcy Court entered an order confirming the Plan with respect to the Avaya Debtors (the " **Confirmation Order** ") [Docket No. 1579];

WHEREAS, the Lenders agree, (a) on the Closing Date, upon the satisfaction (or waiver) of certain conditions precedent set forth in Section 6 and (b) after the Closing Date, upon the satisfaction (or waiver) of certain conditions precedent set forth in Section 7, to extend credit to the Borrowers in the form of a revolving credit facility consisting of a U.S. tranche and a foreign tranche with Aggregate Revolving Credit Commitments in an aggregate principal amount of $300,000,000, on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1 Definitions

1.1 Defined Terms

As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires:

" **ABL Intercreditor Agreement** " shall mean the ABL Intercreditor Agreement substantially in the form of Exhibit F, among the Collateral Agent, the Term Loan Collateral Agent and the representatives for holders of one or more other classes of Indebtedness, the Parent Borrower and the other parties thereto, as amended, restated, supplemented or otherwise modified from time to time in accordance with the requirements thereof and of this Agreement, and which shall also include any replacement intercreditor agreement entered into in accordance with the terms hereof.

" **ABL Priority Collateral** " shall mean the "ABL Priority Collateral" under and as defined in the ABL Intercreditor Agreement.

" **ABR** " shall mean for any day a fluctuating rate per annum equal to the greatest of (a) the Federal Funds Effective Rate *plus* 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate" and (c) the LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) *plus* 1.00%; *provided* that, if at any time any rate described in clause (a) or (b) above is less than 0.00% then such rate in clause (a) or (b) shall be deemed to be 0.00%; *provided, further* , that, for the avoidance of doubt, for purposes of calculating the LIBOR Rate pursuant to clause (c), the LIBOR Rate for any day shall be based on the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on such day by reference to the ICE Benchmark Administration (or any successor organization) LIBOR Rate (the " **Relevant LIBOR Rate** ") for deposits in Dollars (as published by Reuters or any other commonly available source providing quotations of the Relevant LIBOR Rate as designated by the Administrative Agent) for a period equal to one month. If the Administrative Agent is unable to ascertain the Federal Funds

Effective Rate due to its inability to obtain sufficient quotations in accordance with the definition thereof, after notice is provided to the Parent Borrower, the ABR shall be determined without regard to clause (a) above until the circumstances giving rise to such inability no longer exist. Any change in the ABR due to a change in such rate announced by the Administrative Agent or in the Federal Funds Effective Rate shall take effect at the opening of business on the day specified in the public announcement of such change or on the effective date of such change in the Federal Funds Effective Rate or the Relevant LIBOR Rate, as applicable.

" **ABR Loan** " shall mean each Loan denominated in Dollars bearing interest based on the ABR.

" **Account** " shall mean (a) any right to payment of a monetary obligation arising from the provision of goods or services by any Person and (b) without duplication, any "Account" (as such term is defined in the UCC or PPSA, as applicable), any "Payment Intangibles" (as such term is defined in the UCC) and any accounts receivable, any rights to payment and/or reimbursement of every kind and description, in each case, whether or not earned by performance, in each case arising in the course of such Person's operations.

" **Account Debtor** " shall mean any Person obligated on an Account.

" **Acquired EBITDA** " shall mean, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary (any of the foregoing, a " **Pro Forma Entity** ") for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined using such definitions as if references to the Parent Borrower and the Restricted Subsidiaries therein were to such Pro Forma Entity and its Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity in a manner not inconsistent with GAAP.

" **Acquired Entity or Business** " shall have the meaning provided in the definition of the term "Consolidated EBITDA".

" **Additional Lender** " shall mean any Person (other than (w) Holdings, the Parent Borrower or any of its Subsidiaries, (x) a natural person, (y) any investment vehicle established primarily for the benefit of a natural person or (z) a Disqualified Institution) that is not an existing Lender and that has agreed to provide Incremental Commitments pursuant to Section 2.14.

" **Adjustment Date** " shall have the meaning provided in the definition of "Applicable Rate".

" **Administrative Agent** " shall mean Citibank, N.A., as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9, it being understood that Citibank, N.A. may designate any of its Affiliates as administrative agent for a particular Alternative Currency and that such Affiliate shall be considered an Administrative Agent for all purposes hereunder.

“ **Administrative Agent ’ s Office** ” shall mean, with respect to any currency, the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 13.2 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify to the applicable Administrative Borrower and the Lenders.

“ **Administrative Borrower** ” shall mean (a) with respect to the Parent Borrower, the Parent Borrower and (b) with respect to any Foreign Borrower, the Parent Borrower or the Irish Borrower.

“ **Administrative Questionnaire** ” shall mean an administrative questionnaire in a form supplied by the Administrative Agent.

“ **Advisors** ” shall mean legal counsel, financial advisors and third-party appraisers and consultants advising the Agents, the L/C Issuers, the Lenders and their Related Parties in connection with this Agreement, the other Credit Documents and the consummation of the Transactions, limited in the case of legal counsel to one primary counsel for the Agents (as of the Closing Date, Davis Polk & Wardwell LLP) and, if necessary, one firm of local counsel in each appropriate jurisdiction (and, in the case of an actual or perceived conflict of interest where the Person affected by such conflict informs the Parent Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for all such affected Persons (taken as a whole)).

“ **Affiliate** ” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities or by contract. The terms “controlling” and “controlled” shall have meanings correlative thereto.

“ **Agent Parties** ” shall have the meaning provided in Section 13.17(d).

“ **Agents** ” shall mean the Administrative Agent, the Collateral Agent and each Joint Lead Arranger.

“ **Aggregate Borrowing Base** ” shall mean, at any time of determination, the sum of the U.S. Borrowing Base and the Foreign Borrowing Base; *provided* that the Aggregate Borrowing Base shall be determined without giving effect to clause (f) of the definition of Foreign Borrowing Base.

“ **Aggregate Excess Availability** ” shall mean, at any time of determination, the difference of (a) the Aggregate Line Cap at such time *minus* (b) the Aggregate Revolving Credit Exposure.

“ **Aggregate Line Cap** ” shall mean the sum at any time of the lesser of (a) the Aggregate Borrowing Base at such time and (b) the Aggregate Revolving Credit Commitments.

" **Aggregate Revolving Credit Commitments** " shall mean the sum of the Revolving Credit Commitments of all Lenders.

" **Aggregate Revolving Credit Exposure** " shall mean the sum of (a) the aggregate U.S. Revolving Credit Exposure and (b) the aggregate Foreign Revolving Credit Exposure.

" **Agreement** " shall have the meaning provided in the introductory paragraph hereto.

" **Agreement Currency** " shall have the meaning provided in Section 13.20.

" **AHYDO Catch-Up Payment** " shall mean any payment or redemption of Indebtedness, including any Junior Indebtedness, to avoid the application of Code Section 163(e)(5) thereto or that are necessary to prevent any such Indebtedness from being treated as an "applicable high yield discount obligation" within the meaning of Section 163(i)(1) of the Code.

" **Alternative Currency** " shall mean (a) Canadian Dollars, Sterling, Euros and (b) each other currency (other than Dollars) that is approved in accordance with Section 1.8.

" **Anti-Corruption Laws** " shall have the meaning provided in Section 8.19.

" **Applicable Intercreditor Agreements** " shall mean (a) to the extent executed in connection with the incurrence of any Indebtedness secured by Liens on the U.S. Collateral that (i) are intended to rank junior in priority to the Liens on the ABL Priority Collateral securing the Obligations and (ii) are intended to rank senior in priority to the Liens on the Term Priority Collateral securing the Obligations, the ABL Intercreditor Agreement, (b) to the extent executed in connection with the incurrence of any Indebtedness secured by Liens on the Collateral that are intended to rank junior in priority to the Liens on the Collateral securing the Obligations, the Junior Lien Intercreditor Agreement and (c) any other intercreditor agreement entered into to implement the intercreditor arrangements set forth in Section 10.2 in form and substance reasonably acceptable to the Parent Borrower and the Collateral Agent.

" **Applicable Laws** " shall mean, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

" **Applicable Rate** " shall mean a percentage per annum equal to (a) from the Closing Date through the first full fiscal quarter ending after the Closing Date, (i) for LIBOR Loans, CDOR Loans, EURIBOR Loans and Overnight LIBOR Loans, 1.75%, (ii) for ABR Loans or Canadian Prime Rate Loans, 0.75% and (iii) for Letter of Credit Fees, the Applicable Rate for (x) with respect to Letters of Credit denominated in Dollars or any Alternative Currency other than Canadian Dollars or Euros, LIBOR Loans, (y) with respect to Letters of Credit denominated in Canadian Dollars, CDOR Loans and (z) with respect to Letters of Credit denominated in Euros, EURIBOR Loans, in each case then in effect, and (b) thereafter, the following percentages per annum, based upon the Average Aggregate Historical Excess Availability as set forth in the most recent Monthly Borrowing Base Certificate received by the Administrative Agent pursuant to Section 9.1(i):

Applicable Rate

Pricing Level	Average Aggregate Historical Excess Availability (as a percentage of Aggregate Revolving Credit Commitments)	LIBOR Rate, CDOR Rate, EURIBOR Rate and Overnight LIBOR Loans and Letter of Credit Fees	Base Rate and Canadian Prime Rate for Loans
1	less than 33.3%	2.00%	1.00%
2	greater than 33.3% but less than 66.6%	1.75%	0.75%
3	greater than or equal to 66.6%	1.50%	0.50%

Any increase or decrease in the Applicable Rate resulting from a change in the Average Aggregate Historical Excess Availability shall become effective as of the first Business Day immediately following the date a Monthly Borrowing Base Certificate is delivered pursuant to Section 9.1(i) (each, an " **Adjustment Date** "); *provided* that the highest pricing level shall apply as of the first Business Day of each calendar month after the date on which a Monthly Borrowing Base Certificate was required to have been delivered but was not delivered and shall continue to so apply to and including the date on which such Monthly Borrowing Base Certificate is so delivered (and thereafter the pricing level previously in effect until otherwise determined in accordance with this definition).

Notwithstanding anything to the contrary contained above in this definition or elsewhere in this Agreement, if it is subsequently determined before the 91st day after the date on which all Loans have been repaid and all Revolving Credit Commitments have been terminated that the Average Aggregate Historical Excess Availability set forth in any Monthly Borrowing Base Certificate delivered to the Administrative Agent is inaccurate for any reason and the result thereof is that the Lenders received interest or fees for any period based on an Applicable Rate that is less than that which would have been applicable had the Average Aggregate Historical Excess Availability been accurately determined, then, for all purposes of this Agreement, the "Applicable Rate" for any day occurring within the period covered by such Monthly Borrowing Base Certificate shall retroactively be deemed to be the relevant percentage as

based upon the accurately determined Average Aggregate Historical Excess Availability for such period, and any shortfall in the interest or fees theretofore paid by the Borrowers for the relevant period as a result of the miscalculation of the Average Aggregate Historical Excess Availability shall be deemed to be (and shall be) due and payable upon the date that is five (5) Business Days after notice by the Administrative Agent to the Parent Borrower of such miscalculation. If the preceding sentence is complied with, the failure to previously pay such interest and fees shall not in and of itself constitute a Default and no amounts shall be payable at the Default Rate in respect of any such interest or fees.

" **Applicable Time** " shall mean, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the relevant L/C Issuer or Swing Line Lender, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

" **Appropriate Lender** " shall mean, at any time, (a) with respect to U.S. Revolving Credit Loans, the U.S. Revolving Credit Lenders, (b) with respect to Foreign Revolving Credit Loans, the Foreign Revolving Credit Lenders, (c) with respect to any U.S. Letter of Credit, (i) the relevant L/C Issuer and (ii) the U.S. Revolving Credit Lenders, (d) with respect to any Foreign Letter of Credit, (i) the relevant L/C Issuer and (ii) the Foreign Revolving Credit Lenders, (e) with respect to any U.S. Swing Line Loan, the U.S. Swing Line Lender and if any U.S. Swing Line Loans are outstanding pursuant to Section 3.2(a), the U.S. Revolving Credit Lenders, (f) with respect to any Foreign Swing Line Loan, (i) the applicable Swing Line Lender and (ii) if such Foreign Swing Line Loans are outstanding pursuant to Section 3.2(a), the Foreign Revolving Credit Lenders, (g) with respect to any U.S. Protective Advance, the Administrative Agent and the U.S. Revolving Credit Lenders and (h) with respect to any Foreign Protective Advance, the Administrative Agent and the Foreign Revolving Credit Lenders.

" **Approval Order** " shall mean the Order (I) Authorizing (A) Entry into the Exit Financing Letters and Related Exit ABL/Term Loan Fee Letter and (B) Payment of Associated Fees and Expenses and (II) Granting Related Relief entered by the Bankruptcy Court on November 1, 2017 [Docket No. 1430].

" **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.

" **Assignment and Assumption** " shall mean an assignment and assumption substantially in the form of Exhibit I, or such other form as may be approved by the Administrative Agent and the Parent Borrower.

“ **Authorized Officer** ” shall mean the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Treasurer, any Assistant Treasurer, any statutory director, authorized signatory, attorney, the Controller, any Senior Vice President, with respect to any Irish Credit Party, a director of that Irish Credit Party, with respect to certain companies or partnerships that do not have officers, any manager, managing director, managing member or general partner (or such general partner's representative) thereof and any other authorized person in accordance with the Organizational Documents of such Person, any other senior officer of Holdings, any Borrower or any other Credit Party designated as such in writing to the Administrative Agent by Holdings, such Borrower or such other Credit Party, as applicable from time to time, and, with respect to any document delivered on the Closing Date, the Secretary or any Assistant Secretary of any Credit Party. Any document delivered hereunder that is signed by an Authorized Officer shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, unlimited liability company, partnership and/or other action on the part of Holdings, such Borrower or any other Credit Party and such Authorized Officer shall be conclusively presumed to have acted on behalf of such Person. Notwithstanding the foregoing, the solvency certificate required to be delivered on the Closing Date shall be delivered by the Chief Financial Officer of Holdings.

“ **Auto-Renewal Letter of Credit** ” shall have the meaning provided in Section 3.1(b)(iii).

“ **Availability Requirements** ” shall mean, at any time, that (a) the U.S. Revolving Credit Exposure of each U.S. Revolving Credit Lender shall not exceed its U.S. Revolving Credit Commitments, (b) the Foreign Revolving Credit Exposure of each Foreign Revolving Credit Lender shall not exceed its Foreign Revolving Credit Commitments, (c) the aggregate U.S. Revolving Credit Exposure shall not exceed the U.S. Line Cap, (d) the aggregate Foreign Revolving Credit Exposure shall not exceed the Foreign Line Cap and (e) the aggregate Foreign Adjusted Revolving Credit Exposure shall not exceed the Foreign Adjusted Line Cap. In addition, solely with respect to (i) any Credit Extension to, or (ii) the aggregate amount of Credit Extensions outstanding at any time to, (x) Avaya Deutschland, the aggregate Avaya Deutschland Revolving Credit Exposure shall not exceed the Avaya Deutschland Line Cap and (y) Avaya KG, the aggregate Avaya KG Revolving Credit Exposure shall not exceed the Avaya KG Line Cap at any time.

“ **Availability Reserves** ” shall mean, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, such reserves, subject to Section 2.17, as the Administrative Agent, in its Permitted Discretion, determines as being appropriate to reflect any impediments to the realization upon the Collateral consisting of Eligible Accounts or Eligible Inventory included in the applicable Borrowing Base (including claims that the Administrative Agent determines will need to be satisfied in connection with the realization upon such Collateral).

“ **Available Equity Amount** ” shall mean, at any time (the “ **Available Equity Amount Reference Time** ”), an amount equal to, without duplication, (a) the amount of any capital contributions made in cash, marketable securities or other property to, or any proceeds of an equity issuance received by the Parent Borrower during the period from and including the Business Day immediately following the Closing Date

through and including the Available Equity Amount Reference Time (in the case of any marketable securities or property, up to its fair market value as determined by the Parent Borrower in good faith), including proceeds from the issuance of Stock or Stock Equivalents of Holdings or any direct or indirect parent of Holdings (to the extent the proceeds of any such issuance are contributed to the Parent Borrower), but excluding all proceeds from the issuance of Disqualified Stock,

minus (b) the sum, without duplication, of:

(i) the aggregate amount of Investments made pursuant to Section 10.5(v)(x) following the Closing Date and prior to the Available Equity Amount Reference Time;

(ii) the aggregate amount of Restricted Payments pursuant to Section 10.6(c)(x) following the Closing Date and prior to the Available Equity Amount Reference Time;

(iii) the aggregate amount of prepayments, repurchases, redemptions and defeasances pursuant to Section 10.7(a)(iii)(2) following the Closing Date and prior to the Available Equity Amount Reference Time; and

(iv) the aggregate amount of Indebtedness incurred pursuant to Section 10.1(x) and outstanding at the Available Equity Amount Reference Time;

provided that issuances and contributions pursuant to Sections 10.5(f)(ii), 10.6(a) and 10.6(b)(i) shall not increase the Available Equity Amount.

" **Available Equity Amount Reference Time** " shall have the meaning provided in the definition of "Available Equity Amount".

" **Avaya Debtors** " shall have the meaning provided in the Recitals to this Agreement.

" **Avaya Deutschland** " shall have the meaning specified in the introductory paragraph to this Agreement.

" **Avaya Deutschland Borrowing Base** " shall mean, on any date, an amount equal to (a) the sum of (i) 85% *multiplied* by the book value of the Eligible Accounts, *plus* (ii) 90% *multiplied* by the book value of the Eligible Investment Grade Accounts *plus* (iii) 85% *multiplied* by the Net Orderly Liquidation Value of Eligible Inventory, in each case of clauses (i) – (iii), owned by Avaya Deutschland *minus* (b) any Reserves.

" **Avaya Deutschland Line Cap** " shall mean, at any time, the lesser of (a) the Avaya Deutschland Borrowing Base at such time and (b) the aggregate Foreign Revolving Credit Commitments at such time.

" **Avaya Deutschland Revolving Credit Exposure** " shall mean, as to each Foreign Revolving Credit Lender at any time, the sum of the Outstanding Amount of such Lender's Foreign Revolving Credit Loans made to Avaya Deutschland, its Pro Rata Share or other applicable share provided for under this Agreement of the Foreign L/C Obligations in respect of Foreign Letters of Credit, the Foreign Swing Line Loans and the Foreign Protective Advances, in each case issued for the account of or made to Avaya Deutschland.

" **Avaya Holdings** " shall have the meaning in the introductory paragraph hereto.

" **Avaya KG** " shall have the meaning specified in the introductory paragraph to this Agreement.

" **Avaya KG Borrowing Base** " shall mean, on any date, an amount equal to (a) the sum of (i) 85% *multiplied* by the book value of the Eligible Accounts, *plus* (ii) 90% *multiplied* by the book value of the Eligible Investment Grade Accounts *plus* (iii) 85% *multiplied* by the Net Orderly Liquidation Value of Eligible Inventory, in each case of clauses (i) – (iii), owned by Avaya KG *minus* (b) any Reserves.

" **Avaya KG Line Cap** " shall mean, at any time, the lesser of (a) the Avaya KG Borrowing Base at such time and (b) the aggregate Foreign Revolving Credit Commitments at such time.

" **Avaya KG Revolving Credit Exposure** " shall mean, as to each Foreign Revolving Credit Lender at any time, the sum of the Outstanding Amount of such Lender's Foreign Revolving Credit Loans made to Avaya KG, its Pro Rata Share or other applicable share provided for under this Agreement of the Foreign L/C Obligations in respect of Foreign Letters of Credit, the Foreign Swing Line Loans and the Foreign Protective Advances, in each case issued for the account of or made to Avaya KG.

" **Average Aggregate Historical Excess Availability** " shall mean, at any Adjustment Date, the average daily Aggregate Excess Availability for the three calendar month period immediately preceding such Adjustment Date (with the Aggregate Borrowing Base for any day used to determine "Aggregate Excess Availability" calculated by reference to the most recent Monthly Borrowing Base Certificate delivered to the Administrative Agent on or prior to such day pursuant to Section 9.1(i)).

" **Bail-In Action** " shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" **Bail-In Legislation** " shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“ **Bank Product Reserves** ” shall mean such reserves as the Administrative Agent, from time to time during a Cash Dominion Period, determines in its Permitted Discretion to reflect the reasonably anticipated liabilities and obligations of the Credit Parties with respect to applicable Cash Management Obligations under Secured Cash Management Agreements then provided or outstanding, to the extent secured by the applicable Collateral included in the applicable Borrowing Base.

“ **Bankruptcy Code** ” shall mean Title 11 of the United States Code entitled “Bankruptcy”.

“ **Bankruptcy Court** ” shall have the meaning provided in the preamble to this Agreement.

“ **Benefited Lender** ” shall have the meaning provided in Section 13.8(a).

“ **Blocked Account Agreement** ” shall have the meaning provided in Section 9.16(b).

“ **Blocked Accounts** ” shall have the meaning provided in Section 9.16(b).

“ **Board** ” shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

“ **Borrowers** ” shall mean, collectively, the Parent Borrower, the Canadian Borrower, the U.K. Borrower, the Irish Borrower and the German Borrowers.

“ **Borrowing** ” shall mean a Revolving Credit Borrowing, a Swing Line Borrowing or a Protective Advance, as the context may require.

“ **Borrowing Base** ” shall mean, without duplication, the Foreign Borrowing Base, the Foreign Adjusted Borrowing Base, the Canadian Borrowing Base, the U.K. Borrowing Base, the Irish Borrowing Base, the Avaya Deutschland Borrowing Base, the Avaya KG Borrowing Base, the U.S. Borrowing Base and/or the Aggregate Borrowing Base, as the context may require. Each Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 9.1(i), but shall in addition be adjusted (including for purposes of the Availability Requirements) to reflect the amount of the U.S. Borrowing Base Excess Amount at any applicable time of determination.

“ **Borrowing Base Certificate** ” shall mean a certificate, duly executed by an Authorized Officer of the Parent Borrower, appropriately completed and substantially in the form of Exhibit K or another form that is reasonably acceptable to the Administrative Agent.

“ **Broker-Dealer Subsidiary** ” shall mean any Subsidiary that is registered as a broker-dealer under the Exchange Act or any other Applicable Law requiring similar registration.

" **Business Day** " shall mean any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Applicable Laws of, or are in fact closed in, New York City or in the jurisdiction where the Administrative Agent's Office with respect to Obligations denominated in Dollars is located and:

(a) if such day relates to any interest rate settings as to a LIBOR Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such LIBOR Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such LIBOR Loan, means any such day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market;

(b) if such day relates to any interest rate settings as to a EURIBOR Loan, any fundings, disbursements, settlements and payments in Euros in respect of any such EURIBOR Loan, or any other dealings in Euros to be carried out pursuant to this Agreement in respect of any such EURIBOR Loan, means a TARGET Day;

(c) if such day relates to any interest rate settings as to a LIBOR Loan denominated in Sterling, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London interbank market for Sterling;

(d) if such day relates to any fundings, disbursements, settlements and payments in Sterling in respect of any such LIBOR Loan, or any other dealings in Sterling to be carried out pursuant to this Agreement in respect of any such LIBOR Loan (other than interest rate settings), means any such day on which banks are open for foreign exchange business in London;

(e) if such day relates to any Loan to the Canadian Borrower, any interest rate settings as to such Loan, any fundings, disbursements, settlements and payments in respect of such Loan, or any other dealings in Canadian Dollars to be carried out pursuant to this Agreement in respect of any Loan denominated in Canadian Dollars, means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Applicable Laws of, or are in fact closed in, Toronto, Canada; and

(f) if such day relates to any interest rate settings or fundings, disbursements, settlements and payments in any Alternative Currency approved by the Administrative Agent and the Lenders or the applicable L/C Issuer pursuant to Section 1.8, any such day treated as a business day based on the customs and practices of the handling of such Alternative Currency.

" **Canadian Borrower** " shall have the meaning specified in the introductory paragraph to this Agreement.

" **Canadian Borrowing Base** " shall mean, on any date, an amount equal to (a) the sum of (i) 85% *multiplied* by the book value of the Eligible Accounts, *plus* (ii) 90% *multiplied* by the book value of the Eligible Investment Grade Accounts *plus* (iii) 85% *multiplied* by the Net Orderly Liquidation Value of Eligible Inventory, in each case of clauses (i) – (iii), owned by the Canadian Borrower *minus* (b) any Reserves.

" **Canadian Credit Party** " shall mean any of the Canadian Borrower and each Canadian Guarantor.

" **Canadian Dollar** " and " **C$** " shall mean lawful money of Canada.

" **Canadian Guarantor** " shall mean (a) the Canadian Borrower (other than with its respect to its own Obligations) and (b) the direct parent company of the Canadian Borrower to the extent it is a Foreign Subsidiary of the Parent Borrower. On the Closing Date, the Canadian Borrower is the only Canadian Guarantor.

" **Canadian Prime Rate** " shall mean on any date, the higher of (a) a fluctuating rate of interest per annum equal to the rate of interest in effect for such day on Canadian Dollar denominated commercial loans made in Canada, as publicly announced from time to time by Citibank N.A., Canadian branch as its "Base Rate" (or its equivalent or analogous rate) and (b) the sum of 1.00% *plus* the CDOR Rate for a thirty (30) day Interest Period as determined on such day; *provided* that, if at any time any rate described in clause (a) or (b) above is less than 0.00% then such rate in clause (a) or (b) shall be deemed to be 0.00%. The "Base Rate" (or its equivalent or analogous rate) is a rate set by Citibank N.A., Canadian branch based upon various factors including Citibank N.A., Canadian branch's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans made in Canadian Dollars in Canada, which may be priced at, above, or below such announced rate. Any change in such rate shall take effect at the opening of business on the day of such change. In the event Citibank N.A., Canadian branch (including any successor or assignee) does not at any time announce a "Base Rate", clause (a) of Canadian Prime Rate shall mean the "Base Rate" (or its equivalent or analogous rate), being the rate for loans made in Canadian Dollars in Canada publicly announced by a Canadian Schedule 1 Chartered Bank selected by Administrative Agent.

" **Canadian Prime Rate Loan** " shall mean a Loan denominated in Canadian Dollars that bears interest based on the Canadian Prime Rate.

" **Canadian Security Agreement** " shall mean the Canadian ABL Security Agreement, dated as of the Closing Date by and among the Canadian Credit Parties and the Collateral Agent (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time).

" **Canadian Security Documents** " shall mean, collectively, (a) the Canadian Security Agreement, (b) each intellectual property security agreement and each other security agreement or other instrument or document executed and delivered by a Canadian Credit Party pursuant to Section 9.13 or pursuant to any other such Canadian Security Document.

" **Canadian Swing Line Lender** " shall mean Citibank, N.A., Canadian Branch, in its capacity as provider of Canadian Swing Line Loans, or any successor swing line lender to the Canadian Borrower hereunder.

" **Canadian Swing Line Loan** " shall have the meaning specified in Section 3.2(a).

" **Capital Lease** " shall mean, as applied to the Parent Borrower and the Restricted Subsidiaries, any lease obligation of any property (whether real, personal or mixed) by the Parent Borrower or any Restricted Subsidiary as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of the Parent Borrower; *provided* , *however* , that notwithstanding anything to the contrary in this Agreement or in any other Credit Document, any leases that were not capital leases when entered into but are recharacterized as capital leases due to a change in accounting rules that becomes effective after the Closing Date shall for all purposes of this agreement not be treated as Capital Leases.

" **Capitalized Lease Obligations** " shall mean, as applied to the Parent Borrower and the Restricted Subsidiaries at the time any determination is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on the balance sheet (excluding the footnotes thereto) of the Parent Borrower or the Restricted Subsidiary in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such Capital Lease prior to the first date upon which such Capital Lease may be prepaid by the lessee without payment of a penalty; *provided* , *however* , that notwithstanding anything to the contrary in this Agreement or in any other Credit Document, any obligations that were not required to be included on the balance sheet of the Parent Borrower or the Restricted Subsidiary as capital lease obligations when incurred but are recharacterized as capital lease obligations due to a change in accounting rules that becomes effective after the Closing Date shall for all purposes of this Agreement not be treated as Capitalized Lease Obligations.

" **Capitalized Software Expenditures** " shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by the Parent Borrower and the Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Parent Borrower.

" **Captive Insurance Subsidiary** " shall mean a Subsidiary of the Parent Borrower established for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by the Parent Borrower or any of its Subsidiaries or joint ventures or to insure related or unrelated businesses.

" **Carrier Reserve** " shall mean, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, a reserve with respect to amounts unpaid to shippers and other common carriers in respect of Inventory located in Germany.

" **Case** " shall have the meaning provided in the preamble to this Agreement.

" **Cash Collateralize** " shall mean, in respect of an obligation, to provide and pledge cash collateral in Dollars or any Alternative Currency (" **Cash Collateral** "), at a location and pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and (as applicable) the relevant L/C Issuer (and " **Cash Collateralization** " has a corresponding meaning), which documentation is hereby consented to by the Appropriate Lenders.

" **Cash Dominion Period** " shall mean, each period commencing on the delivery of written notice from the Administrative Agent to the Parent Borrower notifying the Parent Borrower that (a) the Specified Aggregate Excess Availability has been less than the greater of (x) $25,000,000 and (y) 10% of the Aggregate Line Cap for five (5) consecutive Business Days and/or (b) a Specified Event of Default has occurred and is continuing (*provided* that solely with respect to clause (iv) of the definition of "Specified Event of Default", after expiration of the cure period unless the Cash Dominion Period otherwise commences or is ongoing) and ending on the first date that (a) the Specified Aggregate Excess Availability has been at least the greater of (x) $25,000,000 and (y) 10% of the Aggregate Line Cap for twenty (20) consecutive calendar days and (b) no Specified Event of Default has occurred and is then continuing.

" **Cash Equivalent** " shall mean:

(a) Dollars and cash in such foreign currencies held by the Parent Borrower or any Restricted Subsidiary from time to time in the ordinary course of business;

(b) securities issued or unconditionally guaranteed by the United States government or any agency or instrumentality thereof, in each case having maturities and/or reset dates of not more than 24 months from the date of acquisition thereof;

(c) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any political subdivision of any such state or any public instrumentality thereof having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, then from another nationally recognized rating service);

(d) commercial paper or variable or fixed rate notes maturing no more than 12 months after the date of creation thereof and, at the time of acquisition, having a rating of at least A-3 or P-3 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(e) time deposits with, or domestic and LIBOR certificates of deposit or bankers' acceptances maturing no more than two years after the date of acquisition thereof issued by, the Administrative Agent (or any Affiliate thereof), any Lender or any other bank having combined capital and surplus of not less than $500,000,000 in the case of domestic banks and $100,000,000 (or the dollar equivalent thereof) in the case of foreign banks;

(f) repurchase agreements with a term of not more than 90 days for underlying securities of the type described in clauses (b), (c) and (e) above entered into with any bank meeting the qualifications specified in clause (e) above or securities dealers of recognized national standing;

(g) marketable short-term money market and similar funds (x) either having assets in excess of $500,000,000 or (y) having a rating of at least A-3 or P-3 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(h) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (g) above; and

(i) in the case of Investments by any Restricted Foreign Subsidiary or Investments made in a country outside the United States of America, other customarily utilized high-quality Investments in the country where such Restricted Foreign Subsidiary is located or in which such Investment is made.

" **Cash Income Taxes** " shall mean, with respect to any period, all taxes based on income paid in cash by the Parent Borrower and its Restricted Subsidiaries during such period.

" **Cash Management Agreement** " shall mean any agreement or arrangement to provide Cash Management Services.

" **Cash Management Bank** " shall mean any Person (other than Holdings, the Parent Borrower or any Subsidiary of the Parent Borrower) that enters into a Cash Management Agreement with the Parent Borrower or any Restricted Subsidiary in its capacity as a provider of Cash Management Services and, in each case, at the time it enters into such Cash Management Agreement or on the Closing Date, is a Joint Lead Arranger, a Lender, an Affiliate of a Lender or a Joint Lead Arranger.

“ **Cash Management Obligations** ” shall mean obligations owed by the Parent Borrower or any Restricted Subsidiary to any Cash Management Bank or any other provider of Cash Management Services in connection with, or in respect of, any Cash Management Services or under any Cash Management Agreement.

“ **Cash Management Services** ” shall mean treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer (including automated clearing house fund transfer services), merchant services (other than those constituting a line of credit) and other cash management services.

“ **Cash Management Systems** ” shall mean the cash management systems described in Section 9.16.

“ **CDOR Loan** ” shall mean any Loan bearing interest at a rate determined by reference to the CDOR Rate.

“ **CDOR Rate** ” shall mean with respect to each Interest Period for a CDOR Loan, the rate of interest per annum equal to the average rate applicable to Canadian Dollar Bankers’ Acceptances having an identical or comparable term as the proposed CDOR Loan displayed and identified as such on the display referred to as the “Reuters Screen CDOR Page” (as defined in the International Swap Dealer Association, Inc.’s definitions, as may be amended, restated or modified) (or any display substituted therefor) of Reuters Monitor Money Rates Service as at approximately 10:00 a.m. Toronto time on the first day of such Interest Period (or, if the first day of such Interest Period is not a Business Day, as of approximately 10:00 a.m. Toronto time on the immediately preceding Business Day), *plus* five (5) basis points; *provided* that if such rate does not appear on the “CDOR Page” at such time on such date, the rate for such date will be the annual interest rate equivalent to the discount rate as of approximately 10:00 a.m. Eastern time on such day at which one of the three largest Canadian chartered banks listed on Schedule I of the *Bank Act* (Canada) as selected by Administrative Agent is then offering to purchase Canadian Dollar denominated bankers’ acceptances accepted by it having such specified term (or a term as closely as possible comparable to such specified term), *plus* five (5) basis points; *provided further* that, in each case, if any such rate is below zero, the CDOR Rate shall be deemed to be zero.

“Certificated Securities” shall have the meaning provided in Section 8.17.

“ **CFC** ” shall mean a Subsidiary of the Parent Borrower that is a “controlled foreign corporation” within the meaning of Section 957 of the Code.

“ **CFC Holding Company** ” shall mean a Subsidiary of the Parent Borrower that has no material assets other than (a) the equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) in (x) one or more Foreign Subsidiaries that are CFCs or (y) one or more other CFC Holding Companies and (b) cash and Cash Equivalents and other assets being held on a temporary basis incidental to the holding of assets described in clause (a) of this definition. It is understood and agreed that Sierra Communication International LLC, a Delaware limited liability company, constitutes a CFC Holding Company on the Closing Date.

" **Change in Law** " shall mean (a) the adoption of any Applicable Law after the Closing Date, (b) any change in any Applicable Law or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any party with any guideline, request, directive or order issued or made after the Closing Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law); *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

" **Change of Control** " shall mean and be deemed to have occurred if (a) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date), but excluding any employee benefit plan of such Person and its subsidiaries and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, shall have, directly or indirectly, acquired beneficial ownership of Voting Stock representing more than 35% of the aggregate voting power represented by the issued and outstanding Voting Stock of Avaya Holdings, (b) Holdings shall at any time cease to be (i) Avaya Holdings or (ii) a Wholly Owned Subsidiary of Avaya Holdings, (c) Holdings shall not own, directly or indirectly, beneficial ownership of 100% of the Stock and Stock Equivalents of any Borrower (with respect to any Foreign Borrower, for so long as such Person remains a Borrower hereunder) or (d) there shall occur any "Change of Control" under the Term Loan Credit Agreement.

" **Claim** " shall have the meaning provided in the definition of "Environmental Claims".

" **Closing Date** " shall mean December 15, 2017, on which the conditions set forth in Section 6 are first satisfied.

" **Closing Date Existing Letters of Credit** " shall mean all letters of credit issued by an L/C Issuer to any Credit Party prior to the Closing Date and listed on Schedule 1.1(b).

" **Closing Refinancing** " shall mean the repayment in full of all outstanding indebtedness of the Avaya Debtors under the Existing DIP Agreement (other than contingent obligations not yet due) and the release of all Liens granted thereunder.

" **Code** " shall mean the Internal Revenue Code of 1986, as amended from time to time. Section references to the Code are to the Code, as in effect on the Closing Date, and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefore.

" **Collateral** " shall mean the U.S. Collateral and the Foreign Collateral.

" **Collateral Access Agreement** " shall mean a landlord waiver, bailee letter, or acknowledgment agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of or having a Lien upon, Inventory or other Collateral (or books and records relating thereto), in each case, in form and substance reasonably satisfactory to Administrative Agent and the Parent Borrower.

" **Collateral Agent** " shall mean Citibank, N.A., in its capacity as collateral agent (or collateral trustee) for the Secured Parties under this Agreement and the Security Documents, or any successor collateral agent appointed pursuant hereto, it being understood that Citibank, N.A. may designate any of its Affiliates as the collateral agent (or collateral trustee) and that such Affiliate shall be considered a Collateral Agent for all purposes hereunder.

" **Commercial Letter of Credit** " shall mean any letter of credit issued for the purpose of providing the primary payment mechanism in connection with the purchase of any materials, goods or services by a Person in the ordinary course of business of such Person.

" **Commitment Letter** " shall mean the amended and restated commitment letter, dated October 31, 2017, among Avaya Holdings, the Parent Borrower and the Joint Lead Arrangers (and their Affiliates), Blackstone Holdings Finance Co. L.L.C. and Benefit Street Partners LLC.

" **Commodity Exchange Act** " shall mean the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

" **Communications** " shall have the meaning provided in Section 13.17(a).

" **Company Material Adverse Change** " shall mean any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Parent Borrower and its Subsidiaries, taken as a whole or (b) the ability of the Parent Borrower to consummate the Transactions; *provided* that, clause (a) shall exclude events, occurrences, facts, conditions or changes arising out of, relating to or resulting from: (i) changes generally affecting the economy, financial, securities, or capital markets in the United States or globally; (ii) the announcement of the Transactions contemplated by the Commitment Letter (including, for the avoidance of doubt, the announcement of the Plan (as contemplated, described and defined in the Plan)) and the Parent Borrower's compliance with the terms and conditions of the Commitment Letter, the Plan and the Transactions contemplated thereby; (iii) the Parent Borrower's taking of any action contemplated by

the Commitment Letter or in connection with confirmation and consummation of the Plan; (iv) any change in GAAP or Applicable Law; (v) national or international political or social conditions, including the engagement by any country, state, republic, union or sovereignty in hostilities, whether or not pursuant to the declaration of a national emergency or war (or any escalation or worsening of such hostilities), or the occurrence of any military or terrorist attack upon any country, state, republic, union or sovereignty, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of any country, state, republic, union or sovereignty; (vi) any conditions resulting from natural disasters; (vii) the failure, in and of itself, to meet internal or published projections, forecasts, budgets, or revenue, sales or earnings predictions for any period (but not the facts or circumstances underlying or contributing to any such failure); (viii) any threatened or pending claim, action, suit, litigation or proceeding relating to the Transactions or the Plan or that is otherwise released and discharged, as of the Closing Date, in connection with the Transactions or the Plan; or (ix) general conditions (or changes therein) in the Parent Borrower's industries; *provided* , *further* , that any event, occurrence, fact, condition or change referred to in clauses (i), (iv), (v), (vi) or (ix) immediately above shall be taken into account in determining whether a Company Material Adverse Change has occurred or would reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a materially disproportionate effect on the Parent Borrower and its Subsidiaries, taken as a whole, compared to other participants in the industries in which the Parent Borrower and its Subsidiaries conduct their businesses.

" **Company Model** " shall mean the model delivered to the Joint Lead Arrangers on July 31, 2017.

" **Concentration Account** " shall have the meaning provided in Section 9.16(c).

" **Confidential Information** " shall have the meaning provided in Section 13.16.

" **Confirmation Order** " shall have the meaning provided in the Recitals hereto.

" **Consolidated Depreciation and Amortization Expense** " shall mean, with respect to the Parent Borrower and the Restricted Subsidiaries for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees and expenses, capitalized expenditures, Capitalized Software Expenditures, amortization of expenditures relating to software, license and intellectual property payments, amortization of any lease related assets recorded in purchase accounting, customer acquisition costs, unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits, amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of the Parent Borrower and the Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

" **Consolidated EBITDA** " shall mean, for any period, Consolidated Net Income for such period, *plus* :

(a) without duplication and (except in the case of the add-backs set forth in clauses (vii) and (xi) below) to the extent deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for the Parent Borrower and the Restricted Subsidiaries for such period:

(i) Fixed Charges (including (x) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (y) costs of surety bonds in connection with financing activities in each case to the extent included in Consolidated Interest Expense, together with items excluded from Consolidated Interest Expense pursuant to clause (1)(o) – (z) of the definition thereof),

(ii) provision for taxes based on income or profits or capital gains, including federal, foreign, state, franchise, excise, value-added and similar taxes and foreign withholding taxes (including penalties and interest related to such taxes or arising from tax examinations) paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examination, to the extent the same were deducted (and not added back) in computing such Consolidated Net Income and the net tax expense associated with any adjustments made pursuant to clauses (a) through (t) of the definition of "Consolidated Net Income",

(iii) Consolidated Depreciation and Amortization Expense for such period,

(iv) the amount of any restructuring cost, charge or reserve (including any costs incurred in connection with acquisitions after the Closing Date and costs related to the closure and/or consolidation of facilities) and any one time expense relating to enhanced accounting function or other transaction costs, public company costs, costs and expenses in connection with the implementation of fresh start accounting, and costs related to the implementation of operational and reporting systems and technology initiatives (*provided* that such costs related to the implementation of operation and reporting systems and technology initiatives shall not exceed $50,000,000 for any such period),

(v) any other non-cash charges, expenses or losses, including any non-cash asset retirement costs, non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments or due to purchase accounting, or any other acquisition,

non-cash compensation charges, non-cash expense relating to the vesting of warrants, write-offs or write-downs for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period),

(vi) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary,

(vii) the amount of net cost savings projected by the Parent Borrower in good faith to be realizable as a result of specified actions, operational changes and operational initiatives (including, to the extent applicable, resulting from the Transactions) taken or to be taken prior to or during such period, including any "run-rate" synergies, operating expense reductions and improvements and cost savings that are reasonably identifiable and determined in good faith by the Parent Borrower in connection with the Transactions, acquisitions, Dispositions, other customary specified transactions or other cost saving initiatives and other initiatives to result from actions which have been taken or with respect to which substantial steps have been taken or are expected to be taken no later than 24 months following the consummation of the Transactions, any such specified actions, operational changes and operational initiatives (which "run-rate" synergies, operating expense reductions and improvements and cost savings shall be added to Consolidated EBITDA until fully realized, shall be subject to certification by management of the Parent Borrower and shall be calculated on a Pro Forma Basis as though such "run-rate" synergies, operating expense reductions and improvements and cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that no "run-rate" synergies, operating expense reductions and improvements and cost savings shall be added pursuant to this clause (vii) to the extent duplicative of any expenses or charges relating to such cost savings that are included in clause (iv) above with respect to such period,

(viii) the amount of losses on Dispositions of receivables and related assets in connection with any Permitted Receivables Financing or Qualified Securitization Financing and any losses, costs, fees and expenses in connection with the early repayment, accelerated amortization, repayment, termination or other payoff (including as a result of the exercise of remedies) of any Permitted Receivables Financing or any Qualified Securitization Financing,

(ix) contract termination costs and any costs, charges or expenses incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement or other equity-based compensation, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Parent Borrower or Net Cash Proceeds of an issuance of Stock or Stock Equivalents (other than Disqualified Stock) of the Parent Borrower (or any direct or indirect parent thereof) solely to the extent that such Net Cash Proceeds are excluded from the calculation of the Available Equity Amount,

(x) [reserved],

(xi) the proceeds of any business interruption insurance,

(xii) extraordinary, unusual or non-recurring charges, expenses or losses (including unusual or non-recurring expenses), transaction fees and expenses and consulting and advisory fees, indemnities and expenses, severance, integration costs, costs of strategic initiatives, relocation costs, consolidation and closing costs, facility opening and pre-opening costs, business optimization expenses or costs, transition costs, restructuring costs, signing, retention, recruiting, relocation, signing, stay or completion bonuses and expenses (including payments made to employees who are subject to non-compete agreements),

(xiii) any impairment charge or asset write-off or write-down including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets and Investments in debt and equity securities, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP,

(xiv) cash receipts (or any netting arrangements resulting in increased cash receipts) not added in arriving at Consolidated EBITDA or Consolidated Net Income in any period to the extent the non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (b) below for any previous period and not added,

(xv) adjustments identified in the Company Model, less

(b) without duplication and to the extent included in arriving at such Consolidated Net Income for the Parent Borrower and the Restricted Subsidiaries, the sum of the following amounts for such period:

(i) non-cash gains increasing Consolidated Net Income for such period (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or Consolidated EBITDA in any prior period),

(ii) extraordinary, unusual or non-recurring gains,

(iii) cash expenditures (or any netting arrangements resulting in increased cash expenditures) not deducted in arriving at Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash losses relating to such expenditures were added in the calculation of Consolidated EBITDA pursuant to paragraph (a) above for any previous period and not deducted, and

(iv) the amount of any minority interest income consisting of Subsidiary losses attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary,

in each case, as determined on a consolidated basis for the Parent Borrower and the Restricted Subsidiaries in accordance with GAAP; *provided* that

(i) there shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person or business, or attributable to any property, assets, division or line of business acquired by the Parent Borrower or any Restricted Subsidiary during such period (or any property, assets, division or line of business subject to a letter of intent or purchase agreement at such time) (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any property, assets, division or line of business, in each case to the extent not so acquired) to the extent not subsequently sold, transferred, abandoned or otherwise disposed by the Parent Borrower or such Restricted Subsidiary (each such Person, property, assets, division or line of business acquired and not subsequently so disposed of, an " **Acquired Entity or Business** ") and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a " **Converted Restricted Subsidiary** "), in each case based on the actual Acquired EBITDA of such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition or conversion) and (B) an adjustment in respect of each Pro Forma Entity equal to the amount of the Pro Forma Adjustment with respect to such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition), and

(ii) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred, abandoned or otherwise disposed of, closed or classified as discontinued operations by the Parent Borrower or any Restricted Subsidiary during such period (each such Person, property, business or asset so sold, transferred, abandoned or otherwise disposed of, or closed or so classified, a " **Sold Entity or Business** "), and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a " **Converted Unrestricted Subsidiary** "), in each case based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer or disposition, closure, classification or conversion).

Notwithstanding anything to the contrary contained herein, for purposes of determining Consolidated EBITDA under this Agreement for any period that includes the four fiscal quarters as set forth below, the Consolidated EBITDA for such fiscal quarters shall be deemed to be $226,000,000 for the fiscal quarter ended December 31, 2016, $187,000,000 for the fiscal quarter ended March 31, 2017, $192,000,000 for the fiscal quarter ended June 30, 2017 and $216,000,000 for the fiscal quarter ended September 30, 2017.

" **Consolidated First Lien Net Leverage Ratio** " shall mean, as of any date of determination, the ratio of (a) the sum, without duplication, of (i) the Consolidated Secured Debt constituting (w) the Obligations, (x) the Term Loan Obligations, (y) any Indebtedness that is secured by a Lien on the Term Priority Collateral that is *pari passu* with the Lien securing the Term Loan Obligations and (z) any Indebtedness that is secured by a Lien on the ABL Priority Collateral that is senior to or *pari passu* with the Lien securing the Term Loan Obligations and (ii) Consolidated Secured Debt of the type described in clause (ii) of the definition thereof, in each case as of the most recent four fiscal quarter period for which financial statements described in Section 9.1(a) or (b) are available to (b) Consolidated EBITDA for such four fiscal quarter period.

" **Consolidated Interest Expense** " shall mean, with respect to any period, without duplication, the sum of:

(1) consolidated interest expense of the Parent Borrower and the Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit, bankers' acceptances or collateral posting facilities, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (o) annual agency fees paid to the administrative agents and collateral agents under this Agreement, the Term Loan Credit Agreement and the other credit facilities, (p) additional interest with respect to failure to comply with any registration rights agreement owing to holders of any securities, (q) costs associated with obtaining Hedging Obligations, (r) accretion of asset retirement obligations and accretion or accrual of discounted liabilities not constituting Indebtedness, (s) any expense resulting from the discounting of any Indebtedness in connection with the application of fresh start accounting or purchase accounting, (t) penalties and interest relating to taxes (u) amortization of reacquired Indebtedness, deferred financing fees, debt issuance costs, commissions, fees and expenses, (v) any expensing of bridge, commitment and other financing fees, (w) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Permitted Receivables Financing, (x) any prepayment premium or penalty, (y) any interest expense attributable to a parent entity resulting from push-down accounting and (z) any lease, rental or other expenses from operating leases); *plus*

(2) consolidated capitalized interest of the Parent Borrower and the Restricted Subsidiaries, in each case for such period, whether paid or accrued; *less*

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

" **Consolidated Net Income** " shall mean, for any period, the net income (loss) of the Parent Borrower and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, the net after-tax effect of,

(a) any extraordinary, unusual or nonrecurring losses, gains, fees, costs, charges or expenses for such period,

(b) Transaction Expenses,

(c) the cumulative effect of a change in accounting principles and changes as a result of adoption or modification of accounting policies during such period,

(d) any income (or loss) from disposed, abandoned or discontinued operations and any gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations,

(e) any gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the Parent Borrower,

(f) any income (or loss) during such period of any Person that is an Unrestricted Subsidiary, and any income (or loss) during such period of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting; *provided* that the Consolidated Net Income of the Parent Borrower and the Restricted Subsidiaries shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) by any Unrestricted Subsidiary or such other Person from its income to the Parent Borrower or any Restricted Subsidiary during such period,

(g) [reserved],

(h) all adjustments (including the effects of such adjustments pushed down to the Parent Borrower and the Restricted Subsidiaries) in the Parent Borrower's consolidated financial statements pursuant to GAAP, resulting from (i) the application of fresh start accounting principles as a result of

the Avaya Debtors' emergence from bankruptcy or (ii) the application of purchase accounting in relation to the Transactions or any consummated acquisition, in each case, including the amortization, write-off or write-down of any assets, any deferred revenue and any other amounts and other similar adjustments and, whether consummated before or after the Closing Date,

(i) any income (or loss) for such period attributable to the early extinguishment of Indebtedness (other than Hedging Obligations, but including, for the avoidance of doubt, debt exchange transactions and the extinguishment of pre-petition indebtedness in connection with the Transactions),

(j) any unrealized income (or loss) for such period attributable to Hedging Obligations or other derivative instruments,

(k) any impairment charge or asset write-off or write-down including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets and investments in debt and equity securities or as a result of a Change in Law or regulation, in each case pursuant to GAAP,

(l) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights, and any cash charges associated with the rollover, acceleration or payout of Stock or Stock Equivalents by management of the Parent Borrower or any of its direct or indirect parent companies in connection with the Transactions,

(m) accruals and reserves established or adjusted within twelve months after the Closing Date that are so required to be established as a result of the Transactions in accordance with GAAP or changes as a result of adoption of or modification of accounting policies during such period,

(n) any accruals, payments, fees, expenses or charges (including rationalization, legal, tax, structuring, and other costs and expenses, but excluding depreciation or amortization expense) related to, or incurred in connection with, the Transactions (including letter of credit fees), the Plan, any offering of Stock or Stock Equivalents (including any equity offering), the listing of Avaya Holdings on the Closing Date, Investment, acquisition, Disposition, Restricted Payment, recapitalization or the issuance or incurrence of Indebtedness permitted to be incurred by the Parent Borrower and the Restricted Subsidiaries pursuant hereto (including any refinancing transaction or amendment, waiver, or other modification of any debt instrument), in each case whether or not consummated, including (A) such fees, expenses or charges related to the negotiation, execution and delivery and other transactions contemplated by this Agreement, the other Credit Documents and any Permitted

Receivables Financing, (B) any amendment or other modification of this Agreement and the other Credit Documents, (C) any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed, (D) any charges or non-recurring merger costs as a result of any such transaction, and (E) earnout obligations paid or accrued during such period with respect to any acquisition or other Investment,

(o) the amount of management, monitoring, consulting and advisory fees and related indemnities and expenses paid in such period to the extent otherwise permitted pursuant to Section 9.9,

(p) restructuring-related or other similar charges, fees, costs, commissions and expenses or other charges incurred during such period in connection with this Agreement, the other Credit Documents, the Credit Facilities, the Case, any reorganization plan in connection with the Case, and any and all transactions contemplated by the foregoing, including the write-off of any receivables, the termination or settlement of executory contracts, professional and accounting costs fees and expenses, management incentive, employee retention or similar plans (in each case to the extent such plan is approved by the Bankruptcy Court to the extent required), litigation costs and settlements, asset write-downs, income and gains recorded in connection with the corporate reorganization of the Avaya Debtors;

(q) any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or any sale, conveyance, transfer or other disposition of assets permitted under this Agreement, to the extent actually reimbursed, or, so long as the Parent Borrower has made a determination that a reasonable basis exists for indemnification or reimbursement and only to the extent that such amount is in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365 days),

(r) to the extent covered by insurance and actually reimbursed, or, so long as the Parent Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption,

(s) any net unrealized gain or loss (after any offset) resulting from currency translation gains or losses relating to currency remeasurements of Indebtedness (including any gain or loss resulting from obligations under any Hedging Obligation for currency exchange risk) and any foreign currency translation gains or losses, and

(t) to the extent non-cash and deducted in calculating net income (or loss), any net pension, post-employment benefit or long-term disability costs, including interest cost, service cost, actuarial expected return on plan assets, amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of unrecognized net obligations (and loss or cost) existing at the date of initial application of FASB Standard 87, 106 and 112 (or their equivalents under the ASC), and any other items of a similar nature and any gain or loss attributable to mark-to-market adjustments in the valuation of pension liabilities, including actuarial gain or loss on pension and post-retirement plans, curtailments and settlements and prior service cost adjustment.

" **Consolidated Secured Debt** " shall mean, as of any date of determination, Consolidated Total Debt at such date which either (i) is secured by a Lien on the U.S. Collateral (and other assets of the Parent Borrower or any Restricted Subsidiary pledged to secure the Obligations pursuant to Section 10.2(i)) or (ii) constitutes Capitalized Lease Obligations or purchase money Indebtedness of the Parent Borrower or any Restricted Subsidiary.

" **Consolidated Secured Net Leverage Ratio** " shall mean, as of any date of determination, the ratio of (a) Consolidated Secured Debt as of the most recent four fiscal quarter period for which financial statements described in Section 9.1(a) or (b) are available to (b) Consolidated EBITDA for such four fiscal quarter period.

" **Consolidated Total Assets** " shall mean, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption), after intercompany eliminations, on a consolidated balance sheet of the Parent Borrower and the Restricted Subsidiaries at such date (or, if such date of determination is a date prior to the first date on which such consolidated balance sheet has been (or is required to have been) delivered pursuant to Section 9.1, on the pro forma financial statements delivered pursuant to Section 6.10 (and, in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including any property or assets being acquired in connection therewith)).

" **Consolidated Total Debt** " shall mean, as of any date of determination, (a) (i) all Indebtedness of the types described in clauses (a) and (b) (solely to the extent such Indebtedness matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the sole option of the Parent Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation), clause (d) (but, in the case of clause (d), only to the extent of any unreimbursed drawings under any letter of credit which are not cash collateralized or backstopped) and clause (f) of the definition thereof, in each case actually owing by the

Parent Borrower and the Restricted Subsidiaries on such date and to the extent appearing on the balance sheet of the Parent Borrower determined on a consolidated basis in accordance with GAAP (*provided* that the amount of any Capitalized Lease Obligations or any such Indebtedness issued at a discount to its face value shall be determined in accordance with GAAP; *provided* , *further* , that the effects of push-down accounting shall be excluded) and (ii) purchase money Indebtedness (and excluding, for the avoidance of doubt, Qualified Securitization Financing, Permitted Receivables Financing, Hedging Obligations and Cash Management Obligations) *minus* (b) the aggregate amount of all Unrestricted Cash.

" **Consolidated Total Net Leverage Ratio** " shall mean, as of any date of determination, the ratio of (a) Consolidated Total Debt as of the most recent four fiscal quarter period for which financial statements described in Section 9.1(a) or (b) are available to (b) Consolidated EBITDA for such four fiscal quarter period.

" **Contingent Obligation** " shall mean indemnification Obligations and other similar contingent Obligations for which no claim has been made in writing (but excluding, for the avoidance of doubt, amounts available to be drawn under Letters of Credit).

" **Contractual Requirement** " shall have the meaning provided in Section 8.3.

" **Converted Restricted Subsidiary** " shall have the meaning provided in the definition of the term "Consolidated EBITDA".

" **Converted Unrestricted Subsidiary** " shall have the meaning provided in the definition of the term "Consolidated EBITDA".

" **Cost** " shall mean the coast of purchases of Inventory determined according to the accounting policies used in the preparation of the Parent Borrower's financial statements.

" **Covenant Trigger Period** " shall mean any period (a) commencing on the date upon which Specified Aggregate Excess Availability is less than the greater of (i) 10% of the Aggregate Line Cap and (ii) $25,000,000 and (b) ending on the date upon which the Specified Aggregate Excess Availability shall have been at least the greater of (i) 10% of the Aggregate Line Cap and (ii) $25,000,000 for a period of at least twenty (20) consecutive calendar days.

" **Credit Documents** " shall mean this Agreement, the Guarantees, the Security Documents, the Fee Letter, the Issuer Documents and any promissory notes issued by any Borrower hereunder, any Incremental Amendment, any Extension Amendment and any other document jointly identified by the Parent Borrower and the Administrative Agent as a "Credit Document", *provided* that, for the avoidance of doubt, Secured Cash Management Agreements and Secured Hedging Agreements shall not constitute Credit Documents.

“ **Credit Extension** ” shall mean each of the following (i) a Borrowing and (ii) an L/C Credit Extension.

“ **Credit Facility** ” shall mean any category of Revolving Credit Commitments and extensions of credit thereunder.

“ **Credit Insurance** ” shall mean credit insurance arrangements and related documentation (including security) in form and substance, and with a creditworthy insurer, satisfactory to the Administrative Agent in its Permitted Discretion.

“ **Credit Party** ” shall mean each of the U.S. Credit Parties and the Foreign Credit Parties.

“ **DDAs** ” shall mean the primary checking or other demand deposit accounts maintained by a Borrower or a U.S. Subsidiary Guarantor, and including any such account into which the proceeds of any sale of Inventory or collection of Accounts are deposited. All funds in such DDAs shall be conclusively presumed to be Collateral and proceeds of Collateral and the Administrative Agent and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in the DDAs, subject to the Security Documents.

“ **Debtor Relief Laws** ” shall mean the Bankruptcy Code, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), the *Insolvency Act 1986* (UK), the German Insolvency Code (*Insolvenzordnung*) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, arrangement, rearrangement, readjustment, composition, liquidation, receivership, administration, insolvency, reorganization, examinership, or similar debtor relief or debt adjustment Laws of the United States, Canada, England and Wales, Ireland, Germany or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally, including (solely with respect to any corporation incorporated under the laws of Canada or any province or territory thereof) any corporate law of any jurisdiction permitting a debtor to compromise the claims of its creditors against it and including any rules and regulations pursuant thereto.

“ **Default** ” shall mean any event, act or condition that with notice or lapse of time hereunder, or both, would constitute an Event of Default.

“ **Default Rate** ” shall have the meaning provided in Section 2.8(b).

“ **Defaulting Lender** ” shall mean any Lender with respect to which a Lender Default is in effect.

“ **Designated Non-Cash Consideration** ” shall mean the fair market value of non-cash consideration received by the Parent Borrower or any Restricted Subsidiary in connection with a Disposition pursuant to Section 10.4(b) that is designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Parent Borrower, setting forth the basis of such valuation (which amount will be

reduced by the fair market value of the portion of the non-cash consideration converted to cash or Cash Equivalent within 180 days following the consummation of the applicable Disposition). A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise Disposed of in compliance with Section 10.4.

" **Dilution Percentage** " shall mean, at any time, with respect to (x) the U.S. Credit Parties, taken as a whole, or (y) the Foreign Credit Parties, taken individually, as applicable, an amount (expressed as a percentage) equal to (a) the sum (without duplication) of all deductions, credit memos, returns, adjustments, allowances, bad-debt write-offs and other non-cash credits which are recorded (or should have been recorded) in accordance with their standard policies, by them to reduce their respective accounts receivable, divided by (b) the sum of aggregate Eligible Accounts generated by the U.S. Credit Parties, taken as a whole, or the Foreign Credit Parties, taken individually, as applicable, in the case of each of clauses (a) and (b) for the 12 fiscal months of the Parent Borrower then most recently ended as shown in the Monthly Borrowing Base Certificate most recently delivered pursuant to Section 9.1(i).

" **Dilution Reserve** " shall mean, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, with respect to (x) the U.S. Credit Parties, taken as a whole, or (y) the Foreign Credit Parties, taken individually, as applicable, an amount equal to the product of (a) the positive result, if any, of the Dilution Percentage for such Persons, taken as a whole, at such time *minus* 5% multiplied by (b) the Eligible Accounts of such Persons, taken as a whole or individually as provided above, at such time; *provided* , that, the Dilution Reserve shall not exceed 1% per each full percentage point by which the result calculated in clause (a) is positive; *provided further* that Dilution Reserve may reflect fractional percentages in dilution.

" **Disposed EBITDA** " shall mean, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Parent Borrower and the Restricted Subsidiaries in the definition of Consolidated EBITDA were references to such Sold Entity or Business or Converted Unrestricted Subsidiary, as applicable, and its respective Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary, as the case may be.

" **Disposition** " or " **Dispose** " shall mean (i) the convey, sale, lease, assignment, transfer or other disposition of any of property, business or assets (including receivables and leasehold interests), whether owned on the Closing Date or hereafter acquired or (ii) the sale to any Person (other than to the Parent Borrower or a U.S. Subsidiary Guarantor) any shares owned by it of any Subsidiary's Stock and Stock Equivalents.

“ **Disqualified Institutions** ” shall mean (a) those banks, financial institutions or other Persons separately identified in writing by the Parent Borrower to the Administrative Agent on or prior to October 23, 2017, or to any Affiliates of such banks, financial institutions or other persons identified by the Parent Borrower in writing or that are readily identifiable as Affiliates on the basis of their name and (b) competitors identified in writing to the Administrative Agent from time to time (or Affiliates thereof identified by the Parent Borrower in writing or that are readily identifiable as Affiliates on the basis of their name) of the Parent Borrower or any of its Subsidiaries (other than such Affiliate that is a bona fide debt fund or a fixed-income only investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of business and whose managers have fiduciary duties to the third-party investors in such fund or investment vehicle independent from their duties owed to such competitor); *provided* that no such identification after the date of a relevant assignment shall apply retroactively to disqualify any person that has previously acquired an assignment or participation of an interest in any of the Credit Facilities with respect to amounts previously acquired. The list of all Disqualified Institutions set forth in clauses (a) and (b) shall be made available to any Lender upon request.

“ **Disqualified Stock** ” shall mean, with respect to any Person, any Stock or Stock Equivalents of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Stock or Stock Equivalents that is not Disqualified Stock), other than as a result of a change of control, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of such change of control, asset sale or similar event shall be subject to the termination of the Aggregate Revolving Credit Commitments and all Letters of Credit (unless such Letters of Credit have been Cash Collateralized, backstopped or otherwise collateralized on terms and conditions reasonably satisfactory to the applicable L/C Issuer) and the repayment in full of the Loans, together with interest, fees and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than as a result of a change of control, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of such change of control, asset sale or similar event shall be subject to the termination of the Aggregate Revolving Credit Commitments and all Letters of Credit (unless such Letters of Credit have been Cash Collateralized, backstopped or otherwise collateralized on terms and conditions reasonably satisfactory to the applicable L/C Issuer) and the repayment in full of the Loans, together with interest, fees and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations), in whole or in part, in each case prior to the date that is ninety-one (91) days after the Maturity Date as determined at the time of the issuance; *provided* that if such Stock or Stock Equivalents are issued to any plan for the benefit of employees of the Parent Borrower or any of its Subsidiaries or by any such plan to such employees, such Stock or Stock Equivalents shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Parent Borrower (or any direct or indirect parent company thereof) or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations;

provided , *further* , that any Stock or Stock Equivalents held by any present or former employee, officer, director, manager or consultant, of the Parent Borrower, any of its Subsidiaries or any of its direct or indirect parent companies or any other entity in which the Parent Borrower or any Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of Directors of the Parent Borrower, in each case pursuant to any stockholders' agreement, management equity plan or stock incentive plan or any other management or employee benefit plan or agreement or otherwise in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such employee, officer, director, manager or consultant shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Parent Borrower or any of its Subsidiaries.

" **Dollar Amount** " shall mean, at any time:

(a) with respect to an amount denominated in Dollars, such amount; and

(b) with respect to an amount denominated in an Alternative Currency, an equivalent amount thereof in Dollars as determined by the Administrative Agent or the relevant L/C Issuer or Swing Line Lender, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

" **Dollars** " and " **$** " shall mean dollars in lawful currency of the United States of America.

" **Domestic Subsidiary** " shall mean each Subsidiary of the Parent Borrower that is organized under the laws of the United States or any state thereof, or the District of Columbia.

" **Dutch Security Documents** " shall mean (a) the Dutch law governed pledge agreement set forth on Schedule 1.1(g) and (b) any other security agreement expressed to be governed by Dutch law among one or more of the Foreign Credit Parties (and such other Persons as may be party thereto) and, as applicable, the Foreign Secured Parties and/or the Collateral Agent for the benefit of the Foreign Secured Parties, including each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Foreign Credit Party or any Person who is the holder of equity interests in any Foreign Credit Party, in each case as the same may be amended, restated or otherwise modified from time to time.

" **EEA Financial Institution** " shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

" **EEA Member Country** " shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

" **EEA Resolution Authority** " shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

" **Eligible Accounts** " shall mean, with respect to any Person, as of any date of determination thereof, the aggregate amount of all Accounts due to any such Person (other than all Accounts constituting Eligible Investment Grade Accounts), except to the extent that (determined without duplication):

(a) except as provided in clause (v) of this definition, such Account does not arise from the sale of goods or the performance of services by such Person in the ordinary course of its business;

(b) (i) such Person's right to receive payment is contingent upon the fulfillment of any condition whatsoever (other than the preparation and delivery of an invoice) or (ii) as to which such Person is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process;

(c) any defense, counterclaim, setoff or dispute exists as to such Account, but only to the extent of such defense, counterclaim, setoff or dispute;

(d) such Account is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for the sale of goods to or services rendered for the applicable Account Debtor;

(e) an invoice, in form and substance consistent with such Person's credit and collection policies, or otherwise reasonably acceptable to the Administrative Agent (it being understood that the forms used by the Borrowers on the Closing Date are satisfactory to the Administrative Agent), has not been sent to the applicable Account Debtor in respect of such Account on or before the date as of which such Account is first included in a Borrowing Base Certificate or otherwise reported to the Administrative Agent (including Accounts identified as inactive, warranty or otherwise not attributable to an Account Debtor);

(f) such Account (i) is not owned by such Person or (ii) is subject to any Lien other than Liens permitted under Section 10.2(a), 10.2(b), 10.2(f), 10.2(g), 10.2(j), 10.2(k) (solely with respect to any lien securing Indebtedness for borrowed money) or 10.2(m);

(g) such Account is the obligation of an Account Debtor that is (i) a director, officer, other employee or Affiliate of a Credit Party (other than Accounts arising from the sale of goods or provision of services delivered to such Account Debtor in the ordinary course of business), (ii) a natural person or (iii) only if such Account obligation has not been incurred in the ordinary course or on arms' length terms, to any entity that has any common officer or director with a Credit Party;

(h) Accounts subject to a partial payment plan;

(i) such Person is liable for goods sold or services rendered by the applicable Account Debtor to such Person but only to the extent of the potential offset;

(j) upon the occurrence of any of the following with respect to such Account:

(i) the Account is not paid within 90 days of the original due date or 120 days following the original invoice date (or 150 days following the original invoice date with respect to customers listed on Schedule 1.1(d)); *provided* that up to $10,000,000 of Accounts not paid within 120 days following the original invoice date (or 150 days following the original invoice date with respect to customers listed on Schedule 1.1(d)) shall not be deemed ineligible pursuant to this clause (j)(i) for such reason, unless any such Account is not paid within 180 days following the original invoice date; *provided further* , that in calculating delinquent portions of Accounts under this clause, unapplied credit balances more than 90 days past their original due date or 120 days following the original invoice date (or 150 days following the original invoice date with respect to customers listed on Schedule 1.1(d)) will be excluded; *provided further* , that upon the written request of the Parent Borrower, the Administrative Agent may from time to time in its Permitted Discretion add additional customers to Schedule 1.1(d);

(ii) the Account Debtor obligated upon such Account suspends its business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due;

(iii) the Account Debtor obligated upon such Account is a debtor or a debtor in possession under any bankruptcy law or any other federal, state or foreign (including any provincial or territorial) receivership, insolvency relief or other law or laws for the relief of debtors or other Debtor Relief Law; or

(iv) with respect to which Account (or any other Account due from the applicable Account Debtor), in whole or in part, a check, promissory note, draft, trade acceptance, or other instrument for the payment of money has been received, presented for payment, and returned uncollected for any reason;

(k) such Account is the obligation of an Account Debtor from whom 50% or more of the Dollar Amount of all Accounts owing by that Account Debtor are ineligible under clause (j)(i) of this definition;

(l) such Account, together with all other Accounts owing by such Account Debtor and its Affiliates as of any date of determination, exceeds 20% (or, solely for Accounts owing by Westcon Group, a division of Datatec Limited, 35%) of all Eligible Accounts, but, in each case, only to the extent of such excess;

(m) such Account is one as to which the Administrative Agent's Lien thereon, on behalf of itself and the applicable Secured Parties, is not a first priority perfected Lien, subject in priority only to Permitted Encumbrances (other than Permitted Encumbrances of the type described in clauses (d), (e), (f), (g), (h), (j), (l), (m), (r), (s), (t), (u), (w), (x), (y), (z), (aa), (bb), (cc), (dd), (ee) or (ff));

(n) any of the representations or warranties in the Credit Documents with respect to such Account are untrue in any material respect with respect to such Account (or, with respect to representations or warranties that are qualified by materiality, any of such representations and warranties are untrue);

(o) such Account is evidenced by a judgment, Instrument or Chattel Paper (each such term as defined in the Uniform Commercial Code) (other than Instruments or Chattel Paper that are held by a Borrower or that have been delivered to the Administrative Agent);

(p) such Account is payable in any currency other than Dollars, *provided* that Eligible Accounts of the Canadian Borrower may also be payable in Canadian Dollars, and Eligible Accounts of a European Borrower may also be payable in Sterling, Euro, Australian Dollars, Thai Baht, Croatian Kuna, United Arab Emirates Dirham, Chinese Yuan, Swedish Krona, and South African Rand (in each case so long as such currency is exchangeable for Dollars within two Business Days);

(q) such Account is an Account with respect to which the Account Debtor is a Person other than a Governmental Authority unless (i) the Account Debtor's billing address is in an Eligible Jurisdiction, (ii) the Account Debtor is organized or incorporated under the Applicable Laws of an Eligible Jurisdiction or any state, province, territory or subdivision of an Eligible Jurisdiction or (iii) such Account is supported by an irrevocable letter of credit satisfactory to the Administrative Agent, in its Permitted Discretion (as to form, substance, and issuer or confirming bank), that has been delivered to the Administrative Agent, or covered by Credit Insurance;

(r) such Account is the obligation of an Account Debtor that is the United States government or a political subdivision thereof, or department, agency or instrumentality thereof if and to the extent that such Account together with all other Accounts owing by such Account Debtors as of any date of determination (collectively with Accounts referred to in the corresponding provision of clause (s) below), exceeds 10% of all Eligible Accounts; *provided* that if all Accounts owing by such Account Debtors as of any date of determination (collectively with Accounts referred to in the corresponding provision of clause (s) below) equals or exceeds in the aggregate 10% of all Eligible Accounts, then the excess of such aggregate Accounts over 10% of all Eligible Accounts shall not be Eligible Accounts unless the Administrative Agent, in its Permitted Discretion, has agreed to the contrary in writing and the Parent Borrower, if necessary or desirable, has complied with respect to such obligation with the Federal Assignment of Claims Act of 1940, or any applicable state, county or municipal law restricting assignment thereof;

(s) such Accounts are Accounts with respect to which the Account Debtor is the government of any country or sovereign state other than the United States, or of any state, province, territory, municipality, or other political subdivision thereof, or of any department, agency, public corporation, or other instrumentality thereof (other than any such Account (i) is supported by an irrevocable letter of credit satisfactory to the Administrative Agent, in its Permitted Discretion (as to form, substance, and issuer or confirming bank), that has been delivered to the Administrative Agent, or (ii) is covered by Credit Insurance), if and to the extent that such Accounts together with all other Accounts owing by such Account Debtors as of any date of determination (collectively with Accounts referred to in the corresponding provision of clause (r) above), exceeds in the aggregate 10% of all Eligible Accounts; *provided* that if all Accounts owing by such Account Debtors as of any date of determination (collectively with Accounts referred to in the corresponding provision of clause (r) above) equals or exceeds in the aggregate 10% of all Eligible Accounts, then the excess of such aggregate Accounts over 10% of all Eligible Accounts shall not be Eligible Accounts;

(t) such Account has been redated, extended, compromised, settled, adjusted or otherwise modified or discounted, except discounts or modifications that are granted by such Person in the ordinary course of business and that are reflected in the calculation of the applicable Borrowing Base;

(u) such Account is of an Account Debtor that is located in a state of the United States of America requiring the filing of a notice of business activities report or similar report in order to permit a Borrower to seek judicial enforcement in such state of payment of such Account, unless such Person has qualified to do business in such state or has filed a notice of business activities report or equivalent report for the then-current year or if such failure to file and inability to seek judicial enforcement is capable of being remedied without any material delay or material cost;

(v) such Accounts were acquired or originated by a Person acquired in a Permitted Acquisition (until such time as the Administrative Agent has completed a customary due diligence investigation as to such Accounts and such Person, which investigation may, at the sole discretion of the Administrative Agent, include a field examination, and the Administrative Agent is reasonably satisfied with the results thereof);

(w) Credit Card Receivables (other than Eligible Credit Card Receivables);

(x) Accounts which are subject to adjustment for (i) coupons, rebates, "buy one, get one free", bundled offers, stock balancing, manufacture discontinued, price protection, dead-on-arrival, special bids, or similar sales incentives and promotional programs or (ii) miscellaneous marketing allowances other than non-cash reductions, in each case to the extent of such adjustment;

(y) Accounts that represent a sale on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or other repurchase or return basis;

(z) Accounts that are the obligation of an Account Debtor that is, to the knowledge of the applicable Borrower or the Administrative Agent, a Sanctioned Person;

(aa) Accounts that are subject to a restriction on assignment that is enforceable against third parties and that impairs the Administrative Agent's Lien on such Account or the Administrative Agent's ability to enforce the Account, after giving effect to any anti-assignment provisions in the Uniform Commercial Code or similar provisions under other Applicable Laws;

(bb) Accounts with respect to which the agreement evidencing such Accounts is not governed by the Applicable Laws of the Netherlands, Ireland, Germany, Canada, England and Wales, the United States, France, Denmark, Switzerland, Sweden, Belgium or Australia, or any state, province, territory or subdivision of any of the foregoing, or the Applicable Laws of such other jurisdictions as are acceptable to the Administrative Agent in its Permitted Discretion; *provided* , *however* , that, unless otherwise consented to by the Administrative Agent in its Permitted Discretion, the aggregate amount of Eligible Accounts with respect to which the agreement evidencing such Accounts is governed by the Laws of France, Denmark, Switzerland, Sweden, Belgium or Australia, or any state, province, territory or subdivision of any of the foregoing, may not exceed $10,000,000; or

(cc) such Account is otherwise unacceptable to the Administrative Agent in its Permitted Discretion.

“ **Eligible Borrowing Base Cash** ” shall mean the amount of cash and Cash Equivalents of a U.S. Credit Party at such time (to the extent held in an identified segregated account of the Administrative Agent that is (x) in the name of the Administrative Agent or (y) subject to a Blocked Account Agreement).

“ **Eligible Credit Card Receivables** ” shall mean, as of any date of determination, Accounts due to any Person from major credit card and debit card processors (including, but not limited to, VISA, Mastercard, American Express, Diners Club, DiscoverCard, Interlink, NYCE, Star/Mac, Tyme, Pulse, Accel, AFF, Shazam, CU244, Alaska Option and Maestro) that arise in the ordinary course of business and that have been earned by performance (“ **Credit Card Receivables** ”) and that are not excluded as ineligible by virtue of one or more of the criteria set forth below, except that none of the following (determined without duplication) shall be deemed to be Eligible Credit Card Receivables:

(a) Accounts that have been outstanding for more than five (5) Business Days from the date of sale, or for such longer period(s) as may be approved by the Administrative Agent in its Permitted Discretion;

(b) Accounts with respect to which a Person does not have good and valid title, free and clear of any Lien (other than Liens permitted hereunder pursuant to Section 10.2(a), 10.2(b), 10.2(f), 10.2(g), 10.2(j), 10.2(k) (solely with respect Lien securing Indebtedness for borrowed money) or 10.2(m));

(c) Accounts as to which the Administrative Agent’s Lien attached thereon on behalf of the applicable Secured Parties, is not a first priority perfected Lien, subject to Liens permitted hereunder pursuant to Section 10.2(m);

(d) Accounts that are disputed, or with respect to which a claim, counterclaim, offset or chargeback (other than chargebacks in the ordinary course by the credit card processors) has been asserted, by the related credit card processor (but only to the extent of such dispute, claim, counterclaim, offset or chargeback);

(e) Except as otherwise approved by the Administrative Agent, Accounts as to which the credit card processor has the right under certain circumstances to require such Person to repurchase the Accounts from such credit card or debit card processor;

(f) Except as otherwise approved by the Administrative Agent, Accounts arising from any private label credit card program of such Person; and

(g) Accounts due from major credit card and debit card processors (other than JCB, Visa, Mastercard, American Express, Diners Club, DiscoverCard, Interlink, NYCE, Star/Mac, Tyme, Pulse, Accel, AFF, Shazam, CU244, Alaska Option and Maestro) that the Administrative Agent in its Permitted Discretion determines to be unlikely to be collected.

" **Eligible In-Transit Inventory** " shall mean, as of any date of determination, without duplication of other Eligible Inventory, Inventory (a) which has been shipped from any location for receipt by a Person within fourteen days of the date of determination but which has not yet been received by such Person, (b) for which the purchase order is in the name of such Person and title has passed to such Person, (c) for which the document of title, to the extent applicable, reflects such Person as consignee (along with delivery to such Person of the documents of title, to the extent applicable, with respect thereto), (d) as to which the Collateral Agent has control over the documents of title, to the extent applicable, which evidence ownership of the subject Inventory, and (e) which otherwise is not excluded from the definition of Eligible Inventory. Eligible In-Transit Inventory shall not include Inventory accounted for as "in transit" by a Person by virtue of such Inventory's being in transit between such Person's locations within the same legal jurisdiction or in storage trailers at such Person's locations; rather such Inventory shall be treated as "Eligible Inventory" if it satisfies the conditions therefor.

" **Eligible Inventory** " shall mean, as of any date of determination thereof, the aggregate amount of all Inventory of a Person, except that none of the following (determined without duplication) shall be deemed to be Eligible Inventory:

(a) Inventory with respect to which such Person does not have good, and valid title, free and clear of any Lien (other than Liens permitted hereunder pursuant to Section 10.2(a), 10.2(b), 10.2(f), 10.2(g), 10.2(j), 10.2(k) (solely with respect to Lien securing Indebtedness for borrowed money) or 10.2(m));

(b) Inventory as to which the Administrative Agent's Lien attached thereon on behalf of the Secured Parties, is not a first priority perfected Lien, subject in priority only to Permitted Encumbrances (other than Permitted Encumbrances of the type described in clauses (d), (e), (f), (g), (h), (j), (l), (m), (r), (s), (t), (u), (w), (x), (y), (z), (aa), (bb), (cc), (dd), (ee) or (ff));

(c) Inventory as to which any of the representations or warranties in the Credit Documents with respect to such Inventory are untrue in any material respect with respect to such Inventory (or, with respect to representations or warranties that are qualified by materiality, any of such representations and warranties are untrue);

(d) Inventory that is either not finished goods or which constitutes work-in-process, raw materials, packaging and shipping material, supplies, samples, prototypes, displays or display items, bill-and-hold goods, goods that are returned or marked for return (but not held for resale or undergoing maintenance) or repossessed, or which constitutes goods held on consignment or goods which are not of a type held for sale in the ordinary course of business;

(e) Inventory that is not located in the U.S., Canada, Germany, the United Kingdom or Ireland;

(f) Inventory that is located at any location leased by such Person, unless (i) (x) the lessor has delivered to the Administrative Agent a Collateral Access Agreement (or with respect to any location outside the U.S., such other documentation as the Administrative Agent may reasonably require as to such location) or (y) a Reserve equal to two months base rent *plus* , without duplication, all other rent, charges and other amounts due with respect to such location has been established by the Administrative Agent in its Permitted Discretion (measured as of the most recent practicable date); provided that, with respect to Inventory at a leased location located in Germany, such Reserve may, in the sole discretion of the Administrative Agent, be up to the lesser of (1) twenty-four (24) months' rent payments and (2) the amount of rent due during the remaining period of the applicable lease; provided further that this clause (f)(i) shall apply only from and after the date that is 60 days after the Closing Date (as such date may be extended by the Administrative Agent in its reasonable discretion) and (ii) the aggregate Cost of the Inventory located at such leased facility is at least $2,000,000;

(g) Inventory that is located in any third party storage facility or is otherwise in the possession of a bailee (including any repairman) and is not evidenced by a Document, unless (i) (x) such warehouseman or other bailee has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may reasonably require or (y) an appropriate Reserve (which shall be an amount equal to the lesser of (1) the aggregate of all amounts owed by the Borrowers to such warehouseman or other bailee (measured as of the last day of the calendar month most recently then ended) and (2) the Cost of the aggregate amount of all Inventory at such location; provided that if the Borrowers cannot calculate the amount in clause (1) with reasonable accuracy, then only clause (2) shall apply) has been established by the Administrative Agent in its Permitted Discretion; *provided further* that this clause (g)(i) shall apply only from and after the date that is 60 days after the Closing Date (as such date may be extended by the Administrative Agent in its reasonable discretion) and (ii) the aggregate Cost of the Inventory located at such third party storage facility or otherwise in possession of such bailee is at least $5,000,000;

(h) Inventory that is being processed offsite at an Avaya contract manufacturer (unless such Avaya contract manufacturer has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may reasonably require), or is in-transit to or from a customer location or Avaya contract manufacturer (other than (x) Eligible In-Transit Inventory and (y) Inventory with respect to which there is an outstanding Eligible Letter of Credit);

(i) Inventory acquired or originated by a Person acquired in a Permitted Acquisition (until such time as the Administrative Agent has completed a customary due diligence investigation as to such Inventory and such Person, which investigation may, at the sole discretion of the Administrative Agent, include an appraisal or field examination, and the Administrative Agent is reasonably satisfied with the results thereof subject to its Permitted Discretion);

(j) Inventory that is not reflected in the details of a current perpetual inventory report;

(k) (i) Inventory of any Borrower located in Germany and (ii) Inventory owned by the German Borrowers, in each case unless and until the Administrative Agent has received one or more security agreements in respect of movable assets and customary legal opinions and other ancillary documents in respect thereof that are in form and substance reasonably satisfactory to the Administrative Agent; or

(l) such Inventory is otherwise unacceptable to the Administrative Agent in its Permitted Discretion.

" **Eligible Investment Grade Accounts** " shall mean, as of any date of determination, the aggregate amount of all Accounts due to any Person that otherwise satisfy the criteria set forth in the definition of "Eligible Accounts" and, in addition, the Account Debtor receives an Investment Grade Rating.

" **Eligible Jurisdiction** " shall mean Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Spain, Sweden, Portugal, United Kingdom, Canada, Puerto Rico, United States, Switzerland, Norway, Australia, and New Zealand.

" **Eligible Letter of Credit** " shall mean, as of any date of determination thereof, with respect to the Inventory of a Person, a Commercial Letter of Credit which supports the purchase of such Inventory, (i) for which no documents of title have then been issued; (ii) which Inventory when completed would otherwise constitute Eligible Inventory, and (iii) which Commercial Letter of Credit provides that it may be drawn only after the Inventory is completed and after documents of title have been issued for such Inventory, if applicable, reflecting such Person or the Collateral Agent as consignee of such Inventory.

" Employee Benefit Plan " shall mean an employee benefit plan (as defined in Section 3(3) of ERISA), other than a Foreign Plan, that is maintained or contributed to by Holdings, the Parent Borrower or any Subsidiary (or, with respect to an employee benefit plan subject to Title IV of ERISA, any ERISA Affiliate).

" **EMU Legislation** " shall mean the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“ **Environmental Claims** ” shall mean any and all actions, suits, proceedings, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than reports prepared by or on behalf of Holdings, the Parent Borrower or any other Subsidiary of Holdings (a) in the ordinary course of such Person’s business or (b) as required in connection with a financing transaction or an acquisition or disposition of Real Estate) or proceedings in each case relating in any way to any applicable Environmental Law or any permit issued, or any approval given, under any applicable Environmental Law (hereinafter, “ **Claims** ”), including (i) any and all Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release into the environment of Hazardous Materials or arising from alleged injury or threat of injury to human health or safety (to the extent relating to human exposure to Hazardous Materials), or to the environment, including ambient air, indoor air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

“ **Environmental Law** ” shall mean any applicable Federal, state, foreign, provincial (statutory and common law), territorial, or local statute, law, rule, regulation, ordinance, code and rule of common law now or, with respect to any post-Closing Date requirements of the Credit Documents, hereafter in effect, and in each case as amended, and any legally binding judicial or administrative interpretation thereof, including any legally binding judicial or administrative order, consent decree or judgment, relating to the protection of the environment, including ambient air, indoor air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or to human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

“ **ERISA** ” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA as in effect on the Closing Date and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

“ **ERISA Affiliate** ” shall mean each person (as defined in Section 3(9) of ERISA) that together with the Parent Borrower or any Subsidiary of the Parent Borrower would be deemed to be a “single employer” within the meaning of Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ **ERISA Event** ” shall mean (i) the failure of any Employee Benefit Plan to comply with any provisions of ERISA and/or the Code or with the terms of such Employee Benefit Plan; (ii) any Reportable Event; (iii) the existence with respect to any Employee Benefit Plan of a non-exempt Prohibited Transaction; (iv) any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (v) 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 Pension Plan; (vi) the occurrence of any event or condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (vii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any written notice to terminate any Pension Plan under Section 4042(a) of ERISA or to appoint a trustee to administer any Pension Plan under Section 4042(b)(1) of ERISA; (viii) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Pension Plan (or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA) or Multiemployer Plan; (ix) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition on it of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA), (x) a determination that any Pension 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); or (xi) any other event or condition with respect to a Pension Plan or Multiemployer Plan that could result in liability to the Parent Borrower or any Subsidiary.

" **EU Bail-In Legislation Schedule** " shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

" **EURIBOR Loan** " shall mean any Loan bearing interest at a rate determined by reference to the EURIBOR Rate.

" **EURIBOR Rate** " shall mean, for any Interest Period with respect to any EURIBOR Loan, (i) the rate per annum equal to the Screen Rate for delivery on the first day of such Interest Period with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, (ii) if the rate referenced in the preceding clause (i) is not available at such time for such Interest Period, the rate per annum equal to the Interpolated Screen Rate for delivery on the first day of such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, or (iii) if the rates referenced in the preceding clauses (i) and (ii) are not available at such time for such Interest Period, the rate per annum equal to (x) the Screen Rate or (y) if the rate referenced in the preceding clause (x) is not available at such time for such Interest Period, the Interpolated Screen Rate, in each case with a term equivalent to such Interest Period quoted for delivery on the most recent Business Day preceding the first day of such Interest Period for which such rate is available (which Business Day shall be no more than seven (7) Business Days prior to the first day of such Interest Period), and in the case of clauses (i) through (iii), if any such rate is below zero, the EURIBOR Rate shall be deemed to be zero.

“ **Euro** ” and “ **€** ” shall mean the lawful single currency of the Participating Member States.

“ **European Borrowers** ” shall mean the U.K. Borrower, the Irish Borrower and the German Borrowers.

“ **European Swing Line Lender** ” shall mean Citibank, N.A., London Branch, in its capacity as provider of European Swing Line Loans, or any successor swing line lender to the European Borrowers hereunder.

“ **European Swing Line Loan** ” shall have the meaning specified in Section 3.2(a).

“Event of Default ” shall have the meaning provided in Section 11.

“ **Excess Contribution** ” shall have the meaning provided in the PBGC Stipulation of Settlement.

“ **Exchange Act** ” shall mean the Securities Exchange Act of 1934, as amended, and rules and regulations promulgated thereunder.

“ **Excluded Accounts** ” shall mean (i) petty cash and minimum daily working capital accounts funded in the ordinary course of business, the deposits in which shall not aggregate more than $15,000,000 (or such greater amounts to which the Administrative Agent may agree), (ii) payroll, trust, employees’ wages and benefits and tax withholding accounts funded in the ordinary course of business, (iii) any account that is otherwise expressly agreed by the Administrative Agent to be excluded from the requirement to be subject to a Blocked Account Agreement under Section 9.16, including, for the avoidance of doubt, those accounts listed on Schedule 9.16(a) as of the Closing Date that are not identified as Blocked Accounts, (iv) zero balance disbursement accounts, (v) disbursement accounts (other than the Borrowers’ primary operating or disbursement account) where solely proceeds of Indebtedness, including proceeds of the Revolving Credit Loans, are deposited, (vi) trust accounts, (vii) escrow accounts and (viii) accounts maintained solely for the benefit of third parties as cash collateral for obligations owing to such third parties.

“ **Excluded Swap Obligation** ” shall mean, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of any Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time any Guarantee of such Guarantor or the grant of such security interest would otherwise have become effective with respect to such Swap Obligation but for such Guarantor’s failure to constitute an “eligible contract participant” at such time.

“ **Excluded Taxes** ” shall mean, any of the following Taxes imposed on or with respect to any Agent or any Lender or required to be deducted or withheld from a payment to any Agent or Lender, (a) net income Taxes and franchise and excise Taxes (imposed in lieu of net income Taxes) and any branch profits Taxes imposed on such Agent or Lender imposed as a result of such Agent or Lender being organized or incorporated under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in the jurisdiction imposing such Tax (or any political subdivision thereof), (b) any Taxes imposed on any Agent or any Lender as a result of any current or former connection between such Agent or Lender and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent or Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced, this Agreement or any other Credit Document), (c) any U.S. federal withholding Tax that is imposed on amounts payable to or for the account of any Agent or Lender under the law in effect at the time such Agent or Lender becomes a party to this Agreement (or designates a new Lending Office other than a new Lending Office designated at the request of the Parent Borrower pursuant to Section 13.7(a)); *provided* that this clause (c) shall not apply to the extent that the indemnity payments or additional amounts any Lender would be entitled to receive (without regard to this clause (c)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or designation of a new Lending Office by such Lender) would have been entitled to receive pursuant to Section 5.4 immediately before such assignment, participation, transfer or change in Lending Office in the absence of such assignment, participation, transfer or change in Lending Office (it being understood and agreed, for the avoidance of doubt, that any withholding Tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new Lending Office) shall not be an Excluded Tax under this clause (c)), (d) any Tax to the extent attributable to such Agent’s or Lender’s failure to comply with Sections 5.4(e), (f) (in the case of any Non-U.S. Lender) or Section 5.4(i) (in the case of a U.S. Lender) or Section 5.4(j) and (e) any Taxes imposed by FATCA.

“ **Existing DIP Agreement** ” shall have the meaning provided in the Recitals to this Agreement.

“ **Existing Revolving Credit Commitment** ” shall have the meaning provided in Section 2.15(a).

“ **Existing Revolving Credit Loans** ” shall have the meaning provided in Section 2.15(a).

“ **Extended Revolving Credit Commitments** ” shall have the meaning provided in Section 2.15(a).

“ **Extended Revolving Credit Loans** ” shall have the meaning provided in Section 2.15(a).

" **Extending Lender** " shall have the meaning provided in Section 2.15(b).

" **Extension Amendment** " shall have the meaning provided in Section 2.15(c).

" **Extension Election** " shall have the meaning provided in Section 2.15(b).

" **FATCA** " shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future Treasury regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, and intergovernmental agreement (together with any Applicable Law implementing such agreement) entered into in connection with any of the foregoing.

" **Federal Funds Effective Rate** " shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York; *provided* that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent, and (c) if at any time any rate described in clause (a) or (b) above is less than 0.00% then such rate in clause (a) or (b) shall be deemed to be 0.00%.

" **Fee Letter** " shall mean the amended and restated fee letter, dated October 31, 2017, among Avaya Holdings, the Parent Borrower, the Joint Lead Arrangers (and their Affiliates), Blackstone Holdings Finance Co. L.L.C. and Benefit Street Partners LLC.

" **FILO Tranche** " shall have the meaning provided in Section 2.14(h).

" **Financial Covenant** " shall mean the financial covenant set forth in Section 10.11.

" **Fiscal Year** " shall have the meaning provided in Section 9.10.

" **Fixed Charge Coverage Ratio** " shall mean, with respect to any Test Period, the ratio of (a) (i) Consolidated EBITDA of the Parent Borrower *minus* (ii) Unfinanced Capital Expenditures *minus* (iii) Cash Income Taxes, in each case for such Test Period, to (b) the sum of, without duplication, (i) consolidated cash interest expense (net of cash interest income to the extent excluded from Consolidated EBITDA), calculated for such period for the Parent Borrower and its Restricted Subsidiaries on a consolidated basis, for such Test Period *plus* (ii) any dividend or distribution (other than return of capital) paid in cash in respect of preferred stock or Disqualified Stock *plus* (iii) scheduled principal amortization paid in cash in respect of Indebtedness for borrowed money (other than any intercompany Indebtedness among the Parent Borrower and its Restricted Subsidiaries), in each case, for such Test Period.

" **Fixed Charges** " shall mean, the sum of, without duplication:

(1) Consolidated Interest Expense; *plus*

(2) all cash dividends or cash distributions (other than return of capital) paid (excluding items eliminated in consolidation) on any series of preferred stock during such period; *plus*

(3) all cash dividends or cash distributions (other than return of capital) paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

" **Foreign Adjusted Borrowing Base** " shall mean at any time of determination the sum of (a) the Canadian Borrowing Base, (b) the U.K. Borrowing Base, (c) the Irish Borrowing Base and (d) the U.S. Borrowing Base Excess Amount.

" **Foreign Adjusted Line Cap** " shall mean, at any time, the lesser of (a) the Foreign Adjusted Borrowing Base at such time and (b) the aggregate Foreign Revolving Credit Commitments at such time.

" **Foreign Adjusted Revolving Credit Exposure** " shall mean, as to each Foreign Revolving Credit Lender at any time, its Foreign Revolving Credit Exposure, *minus* its Avaya Deutschland Revolving Credit Exposure, *minus* its Avaya KG Revolving Credit Exposure.

" **Foreign Borrowers** " shall mean, collectively, the Canadian Borrower and the European Borrowers.

" **Foreign Borrowing Base** " shall mean the sum of (a) the Canadian Borrowing Base, (b) the U.K. Borrowing Base, (c) the Irish Borrowing Base, (d) the Avaya Deutschland Borrowing Base, (e) the Avaya KG Borrowing Base and (f) the U.S. Borrowing Base Excess Amount.

" **Foreign Cash Management Bank** " shall mean a Cash Management Bank party to a Secured Cash Management Agreement with a Foreign Credit Party or a Restricted Subsidiary of a Foreign Credit Party.

" **Foreign Collateral** " shall mean all property pledged, mortgaged, assigned, transferred or otherwise subject to security or purported to be pledged, mortgaged, assigned, transferred or otherwise subject to security pursuant to the Foreign Security Documents (excluding, for the avoidance of doubt, all Foreign Excluded Collateral).

“ **Foreign Credit Parties** ” shall mean the Canadian Credit Parties, the German Credit Parties, the Irish Credit Parties and the U.K. Credit Parties.

“ **Foreign Excluded Collateral** ” shall mean (a) any assets excluded from Foreign Collateral under the applicable Foreign Security Document and (b) all Real Estate, motor vehicles and intellectual property (other than pursuant to any floating charge created under the U.K. Security Documents or the Irish Security Documents.

“ **Foreign Guarantees** ” shall mean each of the guarantee agreements and other agreements listed on Schedule 1.1(f) and any guarantee provisions set forth in the Foreign Security Documents. For the avoidance of doubt, no Foreign Guarantee shall be in respect of Obligations of U.S. Credit Parties.

“ **Foreign Guarantors** ” shall mean the Canadian Guarantors, the German Guarantors, the Irish Guarantors and the U.K. Guarantors.

“ **Foreign Hedge Bank** ” shall mean a Hedge Bank party to a Secured Hedging Agreement with a Foreign Credit Party or a Restricted Subsidiary of a Foreign Credit Party.

“ **Foreign L/C Issuer** ” shall mean an L/C Issuer in its capacity as the issuer of a Foreign Letter of Credit.

“ **Foreign L/C Obligations** ” shall mean, at any time, the aggregate maximum amount then available to be drawn under all outstanding Foreign Letters of Credit (whether or not (i) such maximum amount is then in effect under any such Foreign Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Foreign Letter of Credit or (ii) the conditions to drawing can then be satisfied) *plus* the aggregate of all Unreimbursed Amounts in respect of Foreign Letters of Credit, including all L/C Borrowings in respect of Foreign Letters of Credit. For all purposes of this Agreement, if on any date of determination a Foreign Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be outstanding in the amount so remaining available to be drawn.

“ **Foreign Legal Reservations** ” shall mean, in the case of any Foreign Credit Party or any Foreign Security Document, as applicable, (i) the principle that certain remedies may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganization, court schemes, moratoria, administration and other laws generally affecting the rights of creditors and secured creditors; (ii) the time barring of claims under applicable limitation laws and defenses of acquiescence, set off or counterclaim and the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void; (iii) the principle that in certain circumstances Collateral granted by way of fixed charge may be recharacterized as a floating charge or that Collateral purported to be constituted as an assignment may be recharacterized as a charge; (iv) the principle that additional interest imposed pursuant to any relevant

agreement may be held to be unenforceable on the grounds that it is a penalty and thus void; (v) the principle that a court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; (vi) the principle that the creation or purported creation of Collateral over any contract or agreement which is subject to a prohibition on transfer, assignment or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which Collateral has purportedly been created; (vii) similar principles, rights and defenses under the laws of any relevant jurisdiction; (viii) the making or the procuring of the appropriate registrations, filing, endorsements, notarization, stampings and/or notifications of the Security Documents and/or the Collateral created thereunder and (ix) any other matters which are set out as qualifications or reservations (however described) as to matters of law in any legal opinion delivered to the Administrative Agent pursuant to any Credit Document.

" **Foreign Letter of Credit** " shall have the meaning provided in Section 3.1(a).

" **Foreign Line Cap** " shall mean, at any time, the lesser of (a) the Foreign Borrowing Base at such time and (b) the aggregate Foreign Revolving Credit Commitments at such time.

" **Foreign Obligations** " shall mean all advances to, and debts, liabilities, obligations, covenants and duties of, the Foreign Borrowers and the other Foreign Credit Parties arising under any Credit Document or otherwise with respect to any Loan to any Foreign Borrower, any Foreign L/C Obligations or any Cash Management Obligations of the Foreign Credit Parties and any Restricted Subsidiaries of the Foreign Credit Parties under Secured Cash Management Agreements or Hedging Obligations of the Foreign Credit Parties and any Restricted Subsidiaries of the Foreign Credit Parties under Secured Hedging Agreements (and in each case including in respect of any Guarantee thereof made by a Foreign Credit Party), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Foreign Credit Party of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, in each case, other than Excluded Swap Obligations. Without limiting the generality of the foregoing, the Foreign Obligations of the Foreign Credit Parties under the Credit Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Credit Documents) (i) include the obligation (including Guarantee Obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities and other amounts payable by any Foreign Credit Party under any Credit Document, (ii) exclude, notwithstanding any term or condition in this Agreement or any other Credit Documents, any Excluded Swap Obligations. For the avoidance of doubt, Foreign Obligation shall not include any obligation of Holdings, the Parent Borrower or any other U.S. Credit Party.

" **Foreign Perfection Requirements** " shall mean any registration, filing, endorsement, notarization, stamping, notification or other action or step to be made or procured in any jurisdiction in order to create, perfect or enforce the Lien created by a Foreign Security Document and/or to achieve the relevant priority for the Lien created thereunder.

“ **Foreign Plan** ” shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Parent Borrower or any of its Subsidiaries with respect to employees employed outside the United States.

“ **Foreign Revolving Credit Commitments** ” shall mean as to each Lender, its obligation to (a) make Foreign Revolving Credit Loans to the Foreign Borrower pursuant to Section 2.1(a), (b) purchase participations in Foreign L/C Obligations in respect of Foreign Letters of Credit, (c) purchase participations in Foreign Swing Line Loans and (d) purchase participations in Foreign Protective Advances, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth, and opposite such Lender’s name on Schedule 1.1(a) under the caption “Foreign Revolving Credit Commitment” or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including with respect to Incremental Commitments). The aggregate Foreign Revolving Credit Commitments of all Lenders is $75,000,000 on the Closing Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement, including pursuant to Section 4.2, Section 4.3 or Section 2.14.

“ **Foreign Revolving Credit Exposure** ” shall mean, as to each Foreign Revolving Credit Lender at any time, the sum of the Outstanding Amount of such Lender’s Foreign Revolving Credit Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the Foreign L/C Obligations, the Foreign Swing Line Loans and the Foreign Protective Advances at such time.

“ **Foreign Revolving Credit Lender** ” shall mean, at any time, any Lender that has a Foreign Revolving Credit Commitment at such time, or if the Foreign Revolving Credit Commitments have been terminated, any Foreign Revolving Credit Exposure.

“ **Foreign Secured Parties** ” shall mean the Administrative Agent, the Collateral Agent, each Foreign L/C Issuer, each Foreign Swing Line Lender, each Foreign Revolving Credit Lender, each Foreign Hedge Bank, each Foreign Cash Management Bank, any Receiver or Delegate, and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or appointed by the Collateral Agent with respect to matters relating to any Foreign Security Document, in each case, in its capacity as such, and in the case of the Administrative Agent and the Collateral Agent, only in respect of the Foreign Obligations.

“ **Foreign Security Documents** ” shall mean, collectively, (a) the Canadian Security Documents, (b) the German Security Documents, (c) the Irish Security Documents, (d) the U.K. Security Documents, (e) the Dutch Security Documents and (f) any other security agreement or document entered into by a Foreign Credit Party and the Collateral Agent for the purpose of securing all or part of the Foreign Obligations, including, without limitation, each of the security agreement listed on Schedule 1.1(g).

“ **Foreign Subsidiary** ” shall mean each Subsidiary of the Parent Borrower that is not a Domestic Subsidiary.

“ **Foreign Swing Line Lender** ” shall mean the Canadian Swing Line Lender or the European Swing Line Lender.

“ **Foreign Swing Line Loans** ” shall have the meaning provided in Section 3.2(a).

“ **Foreign Swing Line Sublimit** ” shall mean, with respect to all Foreign Swing Line Loans in the aggregate, a Dollar Amount in principal equal to the lesser of (a) $15,000,000 and (b) the aggregate principal amount of the Foreign Revolving Credit Commitments. The Foreign Swing Line Sublimit is part of, and not in addition to, the Foreign Revolving Credit Commitments.

“ **Foreign Unused Amount** ” shall mean, on any day the aggregate Foreign Revolving Credit Commitments then in effect *minus* the aggregate Foreign Revolving Credit Loans *minus* the aggregate Foreign L/C Obligations; *provided* that the Foreign Unused Amount shall never be less than zero.

“ **Fund** ” shall mean any Person (other than a natural 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.

“ **GAAP** ” shall mean generally accepted accounting principles in the United States of America, as in effect from time to time; *provided* , *however* , that if the Parent Borrower notifies the Administrative Agent that the Parent Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Parent Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted 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.

“ **German Borrowers** ” shall have the meaning specified in the introductory paragraph to this Agreement.

“ **German Credit Parties** ” shall mean the German Borrowers and the German Guarantors.

“ **German Guarantors** ” shall mean (a) each German Borrower (other than with respect to its own Foreign Obligations), (b) each direct parent company of each German Borrower that is a Foreign Subsidiary of the Parent Borrower.

" **German Security Documents** " shall mean (a) each German law governed security agreement set forth on Schedule 1.1(g) and (b) any other security agreement expressed to be governed by German law among one or more of the German Credit Parties (and such other Persons as may be party thereto) and, as applicable, the Foreign Secured Parties and/or the Collateral Agent for the benefit of the Foreign Secured Parties, including each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any German Credit Party or any Person who is the holder of equity interests in any German Credit Party, in each case as the same may be amended, restated or otherwise modified from time to time.

" **Governmental Authority** " shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange and any supra-national bodies such as the European Union or the European Central Bank.

" **Granting Lender** " shall have the meaning provided in Section 13.6(f).

" **Guarantee** " shall mean the U.S. Guarantee and each of the Foreign Guarantees.

" **Guarantee Obligations** " shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness 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 Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness 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 Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; *provided* , *however* , that the term " **Guarantee Obligations** " shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

" **Guarantors** " shall mean the U.S. Guarantors and the Foreign Guarantors.

“ **Hazardous Materials** ” shall mean (a) any petroleum or petroleum products spilled or released into the environment, radioactive materials, friable asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of “hazardous substances”, “hazardous waste”, “hazardous materials”, “extremely hazardous waste”, “restricted hazardous waste”, “toxic substances”, “toxic pollutants”, “contaminants”, or “pollutants”, or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, for which a release into the environment is prohibited, limited or regulated by any Environmental Law.

“ **Hedge Bank** ” shall mean any Person (other than Holdings, the Parent Borrower or any Subsidiary of the Parent Borrower) that is a party to any Hedging Agreement and, in each case, at the time it enters into such Hedging Agreement or on the Closing Date, is a Joint Lead Arranger, a Lender, an Affiliate of a Lender or a Joint Lead Arranger.

“ **Hedging Agreements** ” shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a “ **Master Agreement** ”), including any such obligations or liabilities under any Master Agreement.

“ **Hedging Obligations** ” shall mean, with respect to any Person, the obligations of such Person under Hedging Agreements.

“ **Hedging Reserves** ” shall mean such reserves as the Administrative Agent, from time to time, determines in its Permitted Discretion to reflect the reasonably anticipated liabilities and obligations of the Credit Parties with respect to applicable Hedging Obligations under Secured Hedging Agreements then provided or outstanding, to the extent secured by the applicable Collateral included in the applicable Borrowing Base.

“ **Holdings** ” shall mean, (a) Avaya Holdings or (b) any other partnership, limited partnership, corporation, limited liability company, or business trust or any successor thereto organized under the laws of the United States or any state thereof or the District of Columbia (the “ **New Holdings** ”) that is a direct or indirect Wholly Owned

Subsidiary of Avaya Holdings or that has merged, amalgamated or consolidated with Avaya Holdings (or, in either case, the previous New Holdings, as the case may be) (the " **Previous Holdings** "); *provided* that (i) such New Holdings owns directly or indirectly 100% of the Stock and Stock Equivalents of the Parent Borrower, (ii) the New Holdings shall expressly assume all the obligations of the Previous Holdings under this Agreement and the other Credit Documents to which it is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (iii) such substitution and any supplements to the Credit Documents shall preserve the enforceability of the U.S. Guarantee and the perfection and priority of the Liens under the Security Documents, and New Holdings shall have delivered to the Administrative Agent an officer's certificate to that effect and (iv) all assets of the Previous Holdings are contributed or otherwise transferred to such New Holdings; *provided* , *further* , that if the foregoing are satisfied, the Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to "Holdings" in the Credit Documents shall be meant to refer to the "New Holdings". Notwithstanding anything to the contrary contained in this Agreement, Holdings or any New Holdings may change its jurisdiction of organization or location for purposes of the UCC or its identity or type of organization or corporate structure, subject to compliance with the terms and provisions of the U.S. Security Agreement.

" **Incremental Amendment** " shall have the meaning provided in Section 2.14(d).

" **Incremental Commitments** " shall have the meaning provided in Section 2.14(a).

" **Indebtedness** " of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (c) the deferred purchase price of assets or services that in accordance with GAAP would be included as a liability on the balance sheet of such Person, (d) the face amount of all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder, (e) all Indebtedness of any other Person secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (f) the principal component of all Capitalized Lease Obligations of such Person, (g) the Swap Termination Value of Hedging Obligations of such Person, (h) without duplication, all Guarantee Obligations of such Person, (i) Disqualified Stock of such Person and (j) Receivables Indebtedness of such Person; *provided* that Indebtedness shall not include (i) trade and other ordinary course payables and accrued expenses arising in the ordinary course of business, (ii) deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (iv) any Indebtedness defeased by such Person or by any Subsidiary of such Person, (v) contingent obligations incurred in the ordinary course of business and (vi) earnouts or similar obligation until earned, due and payable and not paid for a period of thirty (30) days.

For all purposes hereof, (a) the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venture, except to the extent such Person's liability for such Indebtedness is otherwise limited and only to the extent such Indebtedness constitutes Indebtedness for borrowed money, obligations in respect of Capitalized Lease Obligations and obligations evidenced by bonds, debentures, notes, loan agreement or other similar instruments, (b) the Indebtedness of the Parent Borrower and the Restricted Subsidiaries shall exclude all intercompany Indebtedness among the Parent Borrower and its Subsidiaries having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business and (c) the amount of Indebtedness of any Person for purposes of clause (e) shall be deemed to be equal to the lesser of (i) the aggregate unpaid principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

" **indemnified liabilities** " shall have the meaning provided in Section 13.5.

" **Indemnified Taxes** " shall mean (a) all Taxes imposed on or with respect to any payment made on account of any obligation of any Credit Party under any Credit Document other than Excluded Taxes and VAT and (b) to the extent not otherwise described in (a), Other Taxes.

" **Independent Financial Advisor** " shall mean an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Parent Borrower, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction.

" **Initial Maturity Date** " shall mean December 15, 2022.

" **Initial Term Loans** " shall mean the "Initial Term Loans" under and as defined in the Term Loan Credit Agreement.

" **Insolvent** " shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

" **Insolvency Regulation** " shall mean The Council of the European Union Regulation No. 2015/848 on Insolvency Proceedings.

" **Intercompany Subordinated Note** " shall mean the Intercompany Note, dated as of the Closing Date, executed by Holdings, the Parent Borrower and each Restricted Subsidiary, as supplemented from time to time.

" **Interest Payment Date** " shall mean, (a) as to any Loan other than an ABR Loan or Canadian Prime Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; *provided* that if any Interest Period for a LIBOR Loan, CDOR Loan or EURIBOR Loan exceeds three months, the respective dates that

fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any ABR Loan or Canadian Prime Rate Loan (including any Swing Line Loan that is an ABR Loan or a Canadian Prime Rate Loan), the last Business Day of each March, June, September and December and the Maturity Date; and (c) as to any Swing Line Loan that is an Overnight LIBOR Loan, the date such Overnight LIBOR Loan shall be paid in full and the Maturity Date.

" **Interest Period** " shall mean, with respect to any Revolving Credit Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

" **Interpolated Screen Rate** " shall mean, for any Interest Period with respect to a LIBOR Loan or a EURIBOR Loan, the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the period next longer than the length of such Interest Period and (b) the applicable Screen Rate for the period next shorter than the length of such Interest Period.

" **Inventory** " shall mean (a) all goods intended for sale or lease by a Person, or for display or demonstration, all work in process, all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacturing, printing, packaging, shipping, advertising, selling, leasing or furnishing such goods or otherwise used or consumed in such Person's business and (b) without duplication, all "Inventory" as defined in the UCC or the PPSA, as applicable.

" **Inventory Reserves** " shall mean such reserves as may be established from time to time by the Administrative Agent, in its Permitted Discretion, (a) with respect to changes in the determination of the saleability of the Eligible Inventory or which reflect such other factors as negatively affect the market value of the Eligible Inventory; (b) to reflect amounts owed to any supplier with retention of title rights and (c) Shrink Reserves.

" **Investment** " shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of Stock, Stock Equivalents, bonds, notes, debentures, partnership, limited liability company membership or other ownership interests or other securities of any other Person (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such other Person) (including any partnership or joint venture); (c) the entering into of any Guarantee Obligation with respect to Indebtedness; or (d) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person; *provided* that, in the event that any Investment is made by the Parent Borrower or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through one or more other Restricted Subsidiaries, then such other substantially concurrent interim transfers

shall be disregarded for purposes of Section 10.5 (excluding, in the case of the Parent Borrower and the Restricted Subsidiaries, intercompany loans, advances and Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business). The amount of any Investment outstanding at any time shall be the original cost of such Investment reduced by any Returns of the Parent Borrower or a Restricted Subsidiary in respect of such Investment (*provided* that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the fair market value of such consideration).

" **Investment Grade Rating** " shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P.

" **Ireland** " shall mean the island of Ireland, exclusive of Northern Ireland.

" **Irish Borrower** " shall have the meaning specified in the introductory paragraph to this Agreement.

" **Irish Borrowing Base** " shall mean, on any date, an amount equal to (a) the sum of (i) 85% *multiplied* by the book value of the Eligible Accounts, *plus* (ii) 90% *multiplied* by the book value of the Eligible Investment Grade Accounts *plus* (iii) 85% *multiplied* by the Net Orderly Liquidation Value of Eligible Inventory, in each case of clauses (i) – (iii), owned by the Irish Borrower *minus* (b) any Reserves.

" **Irish Credit Parties** " shall mean the Irish Borrower and the Irish Guarantors.

" **Irish Guarantor** " shall mean (a) the Irish Borrower (other than with respect to its own Foreign Obligations) and (b) each direct parent company of the Irish Borrower that is a Foreign Subsidiary.

" **Irish Security Documents** " shall mean (a) the Irish Security Agreement (as defined on Schedule 1.1(g)) and (b) any other security agreement expressed to be governed by Irish law among one or more of the Irish Credit Parties (and such other Persons as may be party thereto) and, as applicable, the Foreign Secured Parties and/or the Collateral Agent for the benefit of the Foreign Secured Parties, including each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Irish Credit Party or any Person who is the holder of equity interests in any Irish Credit Party, in each case as the same may be amended, restated or otherwise modified from time to time.

" **ISP** " shall mean, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

" **Issuer Documents** " shall mean with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by an L/C Issuer and Holdings, the Parent Borrower or any of its Subsidiaries or in favor of an L/C Issuer and relating to such Letter of Credit.

“ **Joint Lead Arrangers** ” shall mean each of Goldman Sachs Bank USA, Citigroup Global Markets Inc., Barclays Bank PLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A., as joint lead arrangers and joint bookrunners for the Lenders under this Agreement and the other Credit Documents.

“ **Judgment Currency** ” shall have the meaning provided in Section 13.20.

“ **Junior Indebtedness** ” shall have the meaning provided in Section 10.7(a).

“ **Junior Lien Intercreditor Agreement** ” shall mean, with respect to the incurrence of any Indebtedness that is secured by a Lien on all or part of the Collateral that is junior to the Lien on the Collateral securing the Obligations, a junior lien intercreditor agreement (which intercreditor agreement, with respect to the control of remedies, shall be subject to the ABL Intercreditor Agreement in all respects), with terms that are in substance substantially consistent with the form of Junior Lien Intercreditor Agreement attached to the Term Loan Credit Agreement as Exhibit H as in effect on the Closing Date, or such other form as reasonably agreed between the Parent Borrower and the Administrative Agent.

“ **L/C Advance** ” shall mean, with respect to each Appropriate Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

“ **L/C Borrowing** ” shall mean an extension of credit resulting from a drawing under any Letter of Credit that has not been reimbursed on the applicable Honor Date or refinanced as a Revolving Credit Borrowing.

“ **L/C Credit Extension** ” shall mean, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

“ **L/C Issuer** ” shall mean, individually or collectively, as the context may require, Citibank, N.A., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A. and any other Lender listed on Schedule 1.1(a) or that becomes an L/C Issuer in accordance with Section 3.1(l) or 13.6, in each case, in its capacity as an issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder. Any L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such L/C Issuer, in which case the term “L/C Issuer” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“ **L/C Obligations** ” shall mean, at any time, the sum of the U.S. L/C Obligations and the Foreign L/C Obligations.

“ **L/C Sublimit** ” shall mean (a) with respect to the L/C Issuers, taken as a whole, a Dollar Amount equal to $150,000,000 and (b) with respect each L/C Issuer, the amount set forth opposite such L/C Issuer’s name on Schedule 1.1(a), or such other amounts as may be agreed to in writing between the Parent Borrower and each L/C Issuer from time to time; *provided* , that neither the total L/C Sublimit under clause (a), nor the aggregate amount of the individual L/C Issuer amounts under clause (b), shall be reduced below $150,000,000 without the written consent of the Parent Borrower.

" **LCT Election** " shall have the meaning provided in Section 1.12.

" **LCT Test Date** " shall have the meaning provided in Section 1.12.

" **Lenders** " shall mean the U.S. Revolving Credit Lenders and/or the Foreign Revolving Credit Lenders, as applicable (including, for avoidance of doubt, each Additional Lender, to the extent any such Person has executed and delivered an Incremental Amendment and such Incremental Amendment shall have become effective in accordance with the terms hereof and thereof) and, as the context requires, includes each L/C Issuer and each Swing Line Lender, and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a "Lender." " **Lender** " shall refer to any of the foregoing.

" **Lender Default** " shall mean (a) the refusal or failure (which has not been cured) of a Lender to make available its portion of any Borrowing, to fund its portion of any Unreimbursed Amounts or to purchase any participation that it is required to make or fund hereunder, (b) a Lender having notified the Administrative Agent and/or the Parent Borrower that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement, (c) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent, the Parent Borrower, each L/C Issuer and each Swing Line Lender that it will comply with its funding obligations under this Agreement, (d) a Lender being deemed insolvent or becoming the subject of a bankruptcy or insolvency proceeding or has admitted in writing that it is insolvent, *provided* that a Lender Default shall not be in effect with respect to a Lender solely by virtue of the ownership or acquisition of any Stock or Stock Equivalents in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such governmental authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender or (e) a Lender that has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action.

" **Lending Office** " shall mean, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Parent Borrower and the Administrative Agent.

" **Letter of Credit** " shall mean any (a) Commercial Letter of Credit, (b) standby letter of credit and (c) indemnity, guarantee, exposure transmittal memorandum or similar form of credit support, in each case issued (or deemed issued) or to be issued by an L/C Issuer pursuant to Section 3.1.

" **Letter of Credit Application** " shall mean an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the relevant L/C Issuer.

“ **Letter of Credit Expiration Date** ” shall mean the day that is five (5) Business Days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“ **Letter of Credit Fee** ” shall have the meaning provided in Section 3.1(i).

“ **LIBOR Loan** ” shall mean any Loan bearing interest at a rate determined by reference to the LIBOR Rate.

“ **LIBOR Rate** ” shall mean, with respect to any Loan denominated in Dollars or any Alternative Currency (other than Euros), for any Interest Period, (i) the rate per annum equal to the Screen Rate for delivery on the first day of such Interest Period with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, (ii) if the rate referenced in the preceding clause (i) is not available at such time for such Interest Period, the rate per annum equal to the Interpolated Screen Rate for delivery on the first day of such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, or (iii) if the rates referenced in the preceding clauses (i) and (ii) are not available at such time for such Interest Period, the rate per annum equal to (x) the Screen Rate or (y) if the rate referenced in the preceding clause (x) is not available at such time for such Interest Period, the Interpolated Screen Rate, in each case with a term equivalent to such Interest Period quoted for delivery on the most recent Business Day preceding the first day of such Interest Period for which such rate is available (which Business Day shall be no more than seven (7) Business Days prior to the first day of such Interest Period), and in the case of clauses (i) through (iii), if any such rate is below zero, the LIBOR Rate shall be deemed to be zero. Notwithstanding the foregoing, in the case of any European Swing Line Loan denominated in Dollars, the LIBOR Rate shall be set at the commencement of the Interest Period.

“ **Lien** ” shall mean any mortgage, charge, pledge, security interest, hypothecation, collateral assignment, lien (statutory or other) or similar encumbrance (including any conditional sale or other title retention agreement or any Capital Lease).

“ **Limited Condition Transaction** ” shall mean (i) any Permitted Acquisition or other similar Investment whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

“ **Loan** ” shall mean an extension of credit by a Lender or the Administrative Agent to a Borrower in the form of a Revolving Credit Loan, a Swing Line Loan or a Protective Advance.

“ **Master Agreement** ” shall have the meaning provided in the definition of the term “Hedging Agreement”.

“ **Material Adverse Effect** ” shall mean a material adverse effect on (a) the business, assets, operations, properties or financial condition of the Parent Borrower and its Restricted Subsidiaries, taken as a whole, (b) the ability of the Credit Parties, taken as a whole, to perform their payment obligations under the Credit Facilities, taken as a whole or (c) material rights or remedies (taken as a whole) of the Administrative Agent and the Lenders under the Credit Documents, excluding any matters (i) publicly disclosed prior to October 23, 2017, including in any first day pleadings or declarations, in each case in connection with the Case and the events and conditions related and/or leading up to the Case and the effects thereof and (ii) publicly disclosed prior to October 23, 2017 in the Annual Report on Form 10-K of the Parent Borrower and/or any subsequently filed quarterly or periodic report of the Parent Borrower.

“ **Material Subsidiary** ” shall mean, at any date of determination, each Restricted Subsidiary (a) whose total assets (when combined with the assets of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) at the last day of the most recent Test Period for which Section 9.1 Financials have been delivered were equal to or greater than 5.0% of the Consolidated Total Assets of the Parent Borrower and the Restricted Subsidiaries at such date or (b) whose total revenues (when combined with the revenues of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) during such Test Period were equal to or greater than 5.0% of the consolidated revenues of the Parent Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP; *provided* that at any date of determination, Restricted Subsidiaries that are not Material Subsidiaries shall not, in the aggregate, have (x) total assets (when combined with the assets of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) at the last day of such Test Period equal to or greater than 10.0% of the Consolidated Total Assets of the Parent Borrower and the Restricted Subsidiaries at such date or (y) total revenues (when combined with the revenues of such Restricted Subsidiary’s Subsidiaries, after eliminating intercompany obligations) during the most recent Test Period equal to or greater than 10.0% of the consolidated revenues of the Parent Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with GAAP, then (i) for purposes of Sections 8.1, 9.3, 9.5, 11.5 and 11.7, any Restricted Subsidiaries not satisfying the threshold in clause (a) or (b) above shall constitute Material Subsidiaries so that such condition no longer exists and (ii) for other purposes the Parent Borrower shall, on the date on which the officer’s certificate delivered pursuant to Section 9.1(c) of this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as “Material Subsidiaries” so that such condition no longer exists. It is agreed and understood that neither Receivables Entity nor Securitization Subsidiary shall be a Material Subsidiary and they shall be excluded from the Consolidated Total Assets and total revenue of the Parent Borrower and its Restricted Subsidiaries.

“ **Maturity Date** ” shall mean (a) with respect to any Loans or Revolving Credit Commitments, the Initial Maturity Date, (b) with respect to any Swing Line Loan, the Initial Maturity Date, and (c) with respect to any FILO Tranche, the maturity date applicable to such FILO Tranche in accordance with the terms hereof, *provided* that in each case, if such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.

“ **Minority Investment** ” shall mean any Person (other than a Subsidiary) in which the Parent Borrower or any Restricted Subsidiary owns Stock or Stock Equivalents, including any joint venture (regardless of form of legal entity).

“ **Monthly Borrowing Base Certificate** ” shall have the meaning provided in Section 9.1(i).

“ **Moody’s** ” shall mean Moody’s Investors Service, Inc. or any successor by merger or consolidation to its business.

“ Multiemployer Plan ” shall mean a plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA (i) to which any of the Parent Borrower, any Subsidiary of the Parent Borrower or any ERISA Affiliate is then making or has an obligation to make contributions or (ii) with respect to which the Parent Borrower, any Subsidiary of the Parent Borrower or any ERISA Affiliate could incur liability pursuant to Title IV of ERISA.

“ **Narrative Report** ” shall mean, with respect to the financial statements for which such narrative report is required, a management’s discussion and analysis of the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries for the applicable period to which such financial statements relate.

“ **Net Cash Proceeds** ” shall mean, with respect to the incurrence or issuance of any Indebtedness or the issuance of any Stock or Stock Equivalent or capital contribution, the excess, if any, of (a) the sum of cash and Cash Equivalents received in connection with such incurrence or issuance over (b) reasonable and customary fees, commissions, expenses (including attorney’s fees, investment banking fees, survey costs, title insurance premiums and recording charges, transfer taxes, deed or mortgage recording taxes and other customary expenses and brokerage, consultant and other customary fees), issuance costs, premiums, discounts and other costs paid by the Parent Borrower or any Restricted Subsidiary in connection with such incurrence or issuance.

“ **Net Orderly Liquidation Value** ” shall mean, with respect to Inventory of any Person, the orderly liquidation value thereof, net of all costs of liquidation thereof, as based upon the most recent Inventory appraisal conducted by a qualified third-party appraisal company acceptable to the Administrative Agent in its reasonable discretion in accordance with this Agreement and expressed as a percentage of Cost of such Inventory.

“ **New Holdings** ” shall have the meaning provided in the definition of “Holdings”.

“ **Non-Consenting Lender** ” shall have the meaning provided in Section 13.7(b).

“ **Non-Defaulting Lender** ” shall mean and include each Lender other than a Defaulting Lender.

“ **Non-U.S. Lender** ” shall mean any Agent or Lender that is not, for U.S. federal income tax purposes, (a) an individual who is a citizen or resident of the U.S., (b) a corporation, partnership or entity treated as a corporation or partnership created or organized in or under the laws of the U.S., or any political subdivision thereof, (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) a trust if a court within the U.S. is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust or a trust that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

“ **Notice of Borrowing** ” shall mean a request of a Borrower in accordance with the terms of Section 2.3 and substantially in the form of Exhibit A or such other form as shall be approved by the Administrative Agent (acting reasonably).

“ **Notice of Conversion or Continuation** ” shall mean a request of a Borrower in accordance with the terms of Section 2.3 and substantially in the form of Exhibit A or such other form as shall be approved by the Administrative Agent (acting reasonably).

“ **Obligations** ” shall mean, without duplication, (a) the U.S. Obligations and (b) the Foreign Obligations.

“ **Organizational Documents** ” shall mean, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any limited liability company, the certificate or articles of formation or organization or incorporation and operating agreement (or, in the case of any company incorporated in Ireland or the United Kingdom, its constitutive documents) and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and, if applicable, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization or incorporation with the applicable Governmental Authority in the jurisdiction of its formation or organization or incorporation and, if applicable, any certificate or articles of formation or organization of such entity.

“ **Other Taxes** ” shall mean any and all present or future stamp, registration, documentary or other similar Taxes arising from any payment made or required to be made under this Agreement or any other Credit Document or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document except any such Taxes that are any Taxes imposed on any Agent or any Lender as a result of any current or former connection between such Agent or Lender and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent or Lender having executed, delivered or performed its obligations or received a payment under, or having been a party to or having enforced, this Agreement or any other Credit Document) imposed with respect to an assignment (other than an assignment made pursuant to Section 13.7 or Section 2.12).

“ **Outstanding Amount** ” shall mean (a) with respect to the Revolving Credit Loans and Swing Line Loans on any date, the Dollar Amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans (including any refinancing of outstanding Unreimbursed Amounts under Letters of Credit or L/C Credit Extensions as a Revolving Credit Borrowing) and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the Dollar Amount thereof on such date after giving effect to any related L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding Unreimbursed Amounts under related Letters of Credit (including any refinancing of outstanding Unreimbursed Amounts under related Letters of Credit or related L/C Credit Extensions as a Revolving Credit Borrowing) or any reductions in the maximum amount available for drawing under related Letters of Credit taking effect on such date.

“ **Overnight LIBOR Loan** ” shall mean a Swing Line Loan denominated in an Alternative Currency which bears interest at the Overnight LIBOR Rate.

“ **Overnight LIBOR Rate** ” shall mean (i) with respect to Euros, the rate per annum applicable for deposits for a period equal to such Interest Period equal to the rate per annum at which the European Swing Line Lender is offering overnight deposits in Euro in amounts comparable to the Swing Line Loans denominated in Euro, and (ii) with respect to any Alternative Currency (other than Euros), the rate per annum applicable to an overnight period beginning on one Business Day and ending on the next Business Day equal to the rate per annum at which the European Swing Line Lender is offering overnight deposits in the applicable Alternative Currency (other than Euros) in amounts comparable to the Swing Line Loans denominated in such Alternative Currency (other than Euros); *provided* that if the European Swing Line Lender is unable to quote such a rate, the rate applicable to such Swing Line Lender shall be the rate applicable to a period of one day as displayed on the Reuters LIBOR01 Page or the EURIBOR 01 Page, as applicable, for deposits in the relevant currency with a term of one day. In the case of any European Swing Line Loan denominated in Sterling, the Overnight LIBOR Rate shall be set at the commencement of the Interest Period. In no event shall the Overnight LIBOR Rate at any time be less than 0.00%.

“ **Overnight Rate** ” shall mean, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Effective Rate and (ii) an overnight rate determined by the Administrative Agent, an L/C Issuer or the Swing Line Lender, as applicable, in accordance with banking industry rules on interbank compensation and (b) with respect to any amount denominated in an Alternative Currency, the rate of interest per annum at which overnight deposits in the applicable Alternative Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Administrative Agent in the applicable offshore interbank market for such currency to major banks in such interbank market.

“ **Parent Borrower** ” shall have the meaning provided in the introductory paragraph to this Agreement.

“ **Participant** ” shall have the meaning provided in Section 13.6(c).

“ **Participant Register** ” shall have the meaning provided in Section 13.6(c)(iii).

“ **Participating Member States** ” shall mean each state so described in any EMU Legislation.

“ **Participating Receivables Grantor** ” shall mean the Parent Borrower or any Restricted Subsidiary that is or that becomes a participant or originator in a Permitted Receivables Financing.

“ **Patriot Act** ” shall have the meaning provided in Section 13.18.

" **Payment Conditions** " shall mean, at any time of determination with respect to any transaction, that:

(a) no Specified Event of Default exists or would arise after giving effect to such transaction,

(b) the Fixed Charge Coverage Ratio for the most recently ended Test Period shall not be less than 1.00 to 1.00 on a Pro Forma Basis after giving effect to such transaction; *provided* , that this clause (b) does not apply if the average Specified Aggregate Excess Availability for 20 consecutive calendar days ending on the date of such transaction, and the Specified Aggregate Excess Availability on the date of such transaction, shall be, in each case, (i) in the case of Section 10.6(p) or Section 10.7(a)(iii)(1)(II), in excess of the greater of (x) 20% of the Aggregate Line Cap and (y) $50,000,000 and (ii) in the case of Section 10.1(ff) or 10.5(ii), in excess of the greater of (x) 17.5% of the Aggregate Line Cap and (y) $42,000,000, in each case, calculated on a Pro Forma Basis immediately after giving effect to such transaction, and

(c) the average Specified Aggregate Excess Availability for 20 consecutive calendar days ending on the date of such transaction, and the Specified Aggregate Excess Availability on the date of such transaction, shall be, in each case, (i) in the case of Section 10.6(p) or 10.7(a)(iii)(1)(II), in excess of the greater of (x) 15% of the Aggregate Line Cap and (y) $36,000,000 and (ii) in the case of Section 10.1(ff) or 10.5(ii), in excess of the greater of (x) 12.5% of the Aggregate Line Cap and (y) $30,000,000, in each case, calculated on a Pro Forma Basis immediately after giving effect to such transaction.

" **PBGC** " shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

" **PBGC Stipulation of Settlement** " shall have the meaning assigned to such term in the Plan.

" **Pension Plan** " shall mean any employee pension benefit plan (as defined in Section 3(2) of ERISA, but excluding any Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code or Section 302 of ERISA and is maintained or contributed to by the Parent Borrower, any Subsidiary or ERISA Affiliate or with respect to which the Parent Borrower, any Subsidiary or any ERISA Affiliate could incur liability pursuant to Title IV of ERISA.

" **Perfection Certificate** " shall mean one or more certificates of the Borrowers substantially in the form of Exhibit E or any other form approved by the Administrative Agent (acting reasonably).

" **Permitted Acquisition** " shall mean the acquisition, by merger, consolidation, amalgamation or otherwise, by the Parent Borrower or any Restricted Subsidiary of assets (including assets constituting a business unit, line of business or division) or Stock or Stock Equivalents, so long as (a) if such acquisition involves any Stock or Stock Equivalents, such

acquisition shall result in the issuer of such Stock or Stock Equivalents and its Subsidiaries becoming a Restricted Subsidiary and a U.S. Subsidiary Guarantor, to the extent required by Section 9.11 or designated as an Unrestricted Subsidiary pursuant to the terms hereof, (b) such acquisition shall result in the Collateral Agent, for the benefit of the applicable Secured Parties, being granted a security interest in any Stock, Stock Equivalent or any assets so acquired, to the extent required by Section 9.11, Section 9.12, Section 9.13 and/or the applicable Security Documents, (c) after giving effect to such acquisition, the Parent Borrower and the Restricted Subsidiaries shall be in compliance with Section 9.15 and (d) no Event of Default under Section 11.1 or 11.5 (solely with respect to the Parent Borrower) shall have occurred and be continuing.

" **Permitted Discretion** " shall mean the Administrative Agent's reasonable credit judgment (from the perspective of an asset-based lender) in establishing reserves or additional eligibility criteria, exercised in good faith in accordance with customary business practices for similar asset based lending facilities, based upon its consideration of any factor that it reasonably believes (i) could materially adversely affect the quantity, quality, mix or value of Collateral (including any Applicable Laws that may inhibit collection of a receivable), the enforceability or priority of the Administrative Agent's Liens thereon, or the amount that the Administrative Agent and the other Secured Parties could receive in liquidation of any Collateral; (ii) indicates that any collateral report or financial information delivered by any Borrower or any Guarantor is incomplete, inaccurate or misleading in any material respect; or (iii) creates an Event of Default. In exercising such judgment, the Administrative Agent may consider any factors that could materially increase the credit risk of lending to the Borrowers on the security of the Collateral. Notwithstanding anything to the contrary, the circumstances, conditions, events or contingencies existing or arising prior to the Closing Date and, in each case, disclosed in writing in any field examination or inventory appraisal delivered to the Administrative Agent in connection herewith or otherwise known to the Administrative Agent, in either case, prior to the Closing Date (other than with respect to such circumstances, conditions, events or contingencies disclosed by the Administrative Agent to the Parent Borrower for which no Reserves have been taken on the Closing Date), shall not be the basis for any establishment of any Reserves or additional eligibility criteria after the Closing Date, unless such circumstances, conditions, events or contingencies shall have changed in a material and adverse respect since the Closing Date. Reserves shall not duplicate eligibility criteria contained in the definition of "Eligible Inventory", "Eligible Accounts", "Eligible Borrowing Base Cash" and related definitions and vice versa, or reserves or criteria deducted in computing the Net Orderly Liquidation Value of Eligible Inventory and vice versa. In addition, no Reserve for, or eligibility criteria based on, deferred revenues may be established under this Agreement. To the extent any Foreign Guarantee or Foreign Security Document, or any actions required to be taken thereunder cannot be completed on or prior to the Closing Date, the Administrative Agent may use its Permitted Discretion to make appropriate Reserves in the applicable Borrowing Base.

" **Permitted Encumbrances** " shall mean:

(a) Liens for taxes, assessments or governmental charges or claims (including Liens imposed by the PBGC or similar Liens) not yet delinquent or that are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established to the extent required by and in accordance with GAAP or that are not required to be paid pursuant to Section 9.4;

(b) Liens in respect of property or assets of the Parent Borrower or any Restricted Subsidiary imposed by Applicable Law, such as carriers', landlords', construction contractors', warehousemen's and mechanics' Liens and other similar Liens, arising in the ordinary course of business, in respect of amounts not more than 60 days overdue and not being contested so long as such Liens arise in the ordinary course of business and do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens arising from judgments or decrees in circumstances not constituting an Event of Default under Section 11.9;

(d) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance, old age part-time arrangements, employee benefit and pension liability and other types of social security or similar legislation, or to secure the performance of tenders, statutory obligations, trade contracts (other than for payment of Indebtedness), leases, statutory obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, surety, performance and return-of-money bonds and other similar obligations, in each case incurred in the ordinary course of business or otherwise constituting Investments permitted by Section 10.5;

(e) ground leases or subleases, licenses or sublicenses in respect of Real Estate on which facilities owned or leased by the Parent Borrower or any of the Restricted Subsidiaries are located;

(f) easements, rights-of-way, licenses, reservations, servitudes, permits, conditions, covenants, rights of others, restrictions (including zoning restrictions), royalty interests and leases, minor defects, exceptions or irregularities in title or survey, encroachments, protrusions and other similar charges or encumbrances (including those to secure health, safety and environmental obligations), which do not interfere in any material respect with the business of the Parent Borrower and the Restricted Subsidiaries, taken as a whole;

(g) with respect to any U.S. Mortgaged Property, any exception on the title policy issued and matters shown on the Survey delivered which do not in the aggregate materially adversely affect the value of said property or materially impair its use in the operation of the business of the Parent Borrower or any of the Restricted Subsidiaries;

(h) any interest or title of a lessor, sublessor, licensor, sublicensor or grantor of an easement or secured by a lessor's, sublessor's, licensor's, sublicensor's interest or grantor of an easement under any lease, sublease, license, sublicense or easement to be entered into by the Parent Borrower or any Restricted Subsidiary as lessee, sublessee, licensee, grantee or sublicensee to the extent permitted or not prohibited by this Agreement;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) leases, licenses, subleases or sublicenses granted to others not interfering in any material respect with the business of the Parent Borrower and the Restricted Subsidiaries, taken as a whole or constituting Disposition permitted under Section 10.4;

(k) Liens arising from precautionary Uniform Commercial Code or PPSA financing statement or similar filings made in respect of operating leases entered into by the Parent Borrower or any Restricted Subsidiary;

(l) any zoning, land use, environmental or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any Real Estate that does not materially interfere with the ordinary conduct of the business of the Parent Borrower and the Restricted Subsidiaries, taken as a whole;

(m) any Lien arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by Applicable Law as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Parent Borrower or any Restricted Subsidiary to maintain self-insurance or to participate in any fund for liability on any insurance risks;

(n) rights reserved to or vested in any Governmental Authority by the terms of any right, power, franchise, grant, license or permit, or by any provision of Applicable Law, to terminate or modify such right, power, franchise, grant, license or permit or to purchase or recapture or to designate a purchaser of any of the property of such person;

(o) Liens arising under any obligations or duties affecting any of the property, the Parent Borrower or any Restricted Subsidiary to any Governmental Authority with respect to any franchise, grant, license or permit which do not materially impair the use of such property for the purposes for which it is held;

(p) rights reserved to or vested in any Governmental Authority to use, control or regulate any property of such Person, which do not materially impair the use of such property for the purposes for which it is held;

(q) any obligations or duties, affecting the property of the Parent Borrower or any Restricted Subsidiary, to any Governmental Authority with respect to any franchise, grant, license or permit;

(r) a set-off or netting rights granted by the Parent Borrower or any Restricted Subsidiary pursuant to any Hedging Agreements solely in respect of amounts owing under such agreements;

(s) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(t) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(u) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; *provided* that (i) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (ii) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (iii) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder;

(v) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by Applicable Laws;

(w) Liens on Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(x) Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) or attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract or general standards and conditions of the account banks encumbering deposits, including deposits in "pooled deposit" or "sweep" accounts (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(y) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods entered into by the Parent Borrower or any Restricted Subsidiary in the ordinary course of business permitted or not prohibited by this Agreement;

(z) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5;

(aa) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Parent Borrower or any Restricted Subsidiary;

(bb) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Parent Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Parent Borrower and the Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Parent Borrower or any Restricted Subsidiary in the ordinary course of business;

(cc) Liens (i) on any cash earnest money deposits or cash advances made by the Parent Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement, (ii) on other cash advances in favor of the seller of any property to be acquired in an Investment or other acquisition permitted hereunder to be applied against the purchase price for such Investment or other acquisition, (iii) consisting of an agreement to Dispose of any property pursuant to a Disposition permitted hereunder (or reasonably expected to be so permitted by the Parent Borrower at the time such Lien was granted) and (iv) on cash advances in favor of the purchaser of any property to be Disposed of in a Disposition permitted hereunder to secure indemnity, fees and other seller obligations;

(dd) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(ee) Liens on specific items of inventory or other goods and the proceeds thereof securing such Person's obligations in respect of documentary letters of credit or banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or goods in the ordinary course of business or consistent with past practice;

(ff) any restrictions on any Stock or Stock Equivalents or other joint venture interests of the Parent Borrower or any Restricted Subsidiary providing for a breach, termination or default under any owners, participation, shared facility, joint venture, stockholder, membership, limited liability company or partnership agreement between such Person and one or more other holders of such Stock or Stock Equivalents or interest of such Person, if a security interest or other Lien is created on such Stock or Stock Equivalents or interest as a result thereof and other similar Liens; and

(gg) Liens securing Indebtedness or other obligations (i) of the Parent Borrower or any Restricted Subsidiary in favor of a Credit Party and (ii) of any other Restricted Subsidiary that is not a Credit Party in favor of any other Restricted Subsidiary that is not a Credit Party.

" **Permitted Other Debt** " shall mean, collectively, Permitted Other Loans and Permitted Other Notes.

" **Permitted Other Loans** " shall mean senior secured or unsecured loans (which loans, if secured, may either be secured *pari passu* with the Term Loan Obligations or may be secured by a Lien ranking junior to the Lien securing the Term Loan Obligations but which in all cases shall be secured by Liens on the ABL Priority Collateral and/or the Foreign Collateral on a junior basis relative to the Liens on such Collateral securing the Obligations), "mezzanine" loans or subordinated loans, in either case issued by the Parent Borrower or a U.S. Guarantor (unless permitted to be incurred by a non-U.S. Credit Party under Section 10.1(k)), (a) if such Permitted Other Loans are incurred (and for the avoidance of doubt, not "assumed"), the scheduled final maturity and the Weighted Average Life to Maturity of which are no earlier than the Initial Maturity Date or, in the case of any Permitted Other Loans that are issued or incurred in exchange for, or which modify, replace, refinance, refund, renew, restructure or extend any other Indebtedness permitted by Section 10.1, no earlier than the scheduled final maturity and Weighted Average Life to Maturity of such exchanged, modified, replaced, refinanced, refunded, renewed, restructured or extended Indebtedness; *provided* that the requirements of the foregoing clause (a) shall not apply to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with such requirements, (b) the covenants (excluding, for the avoidance of doubt, any pricing, fee, prepayment premiums, optional prepayment or redemption terms) and events of default of which, taken as a whole, are not materially more restrictive to the Parent Borrower and the Restricted Subsidiaries than the terms hereunder unless (1) Lenders hereunder also receive the benefit of such more restrictive terms, (2) such terms reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Parent Borrower) (it being understood that to the extent that any financial maintenance covenant is included for the benefit of any Permitted Other Loans, such financial maintenance covenant shall be added for the benefit of the Lenders at the time of incurrence of such Permitted Other Loans (except for any financial maintenance covenants applicable only to periods after the Maturity Date, as determined at the time of issuance or incurrence of such Permitted Other Loans)) or (3) any such provisions apply after the Maturity Date as determined at the time of issuance or incurrence of such Permitted Other Loans, (c) unless permitted to be incurred by a non-U.S. Credit Party under Section 10.1(k), of which no Subsidiary of the Parent Borrower (other than a U.S. Guarantor) is an obligor and (d) if secured, unless permitted to be incurred by a non-U.S. Credit Party under Section 10.1(k), are not secured by any assets of the U.S. Credit Parties other than all or any portion of the U.S. Collateral.

" **Permitted Other Notes** " shall mean senior secured or unsecured notes (which notes, if secured, may either be secured *pari passu* with the Term Loan Obligations or may be secured by a Lien ranking junior to the Lien securing the Term Loan Obligations but which in all cases shall be secured by Liens on the ABL Priority Collateral and/or the Foreign Collateral on a junior basis relative to the Liens on such Collateral securing the Obligations), mezzanine notes or subordinated notes, in either case issued by the Parent Borrower or a U.S. Guarantor (unless permitted to be incurred by a non-U.S. Credit Party under Section 10.1(k)), (a) if such Permitted Other Notes are incurred (and for the avoidance of doubt, not "assumed"), the terms of which do not provide for any scheduled repayment, mandatory redemption or sinking fund obligations (other than customary scheduled principal amortization payments, customary offers to repurchase upon a change of control, asset sale or casualty or condemnation event, customary acceleration rights after an event of default, and AHYDO Catch-Up Payments) prior to, at the time of incurrence, the Initial Maturity Date or, in the case of any Permitted Other Notes that are

issued or incurred in exchange for, or which modify, replace, refinance, refund, renew or extend any other Indebtedness permitted by Section 10.1, prior to the scheduled final maturity date of such exchanged, modified, replaced, refinanced, refunded, renewed or extended Indebtedness (other than customary scheduled principal amortization payments, customary offers to repurchase upon a change of control, asset sale or casualty or condemnation event, customary acceleration rights after an event of default, and AHYDO Catch-Up Payments); *provided* that the requirements of the foregoing clause (a) shall not apply to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with such requirements, (b) the covenants (excluding, for the avoidance of doubt, any pricing, fee, prepayment premiums, optional prepayment or redemption terms) and events of default of which, taken as a whole, are not materially more restrictive to the Parent Borrower and the Restricted Subsidiaries than the terms hereunder unless (1) Lenders also receive the benefit of such more restrictive terms, (2) such terms reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Parent Borrower) (it being understood that to the extent that any financial maintenance covenant is included for the benefit of any Permitted Other Notes, such financial maintenance covenant shall be added for the benefit of the Lenders hereunder at the time of incurrence of such Permitted Other Notes (except for any financial maintenance covenants applicable only to periods after the Maturity Date, as determined at the time of issuance or incurrence of such Permitted Other Notes)) or (3) any such provisions apply after the Maturity Date at the time of issuance or incurrence of such Permitted Other Notes, (c) unless permitted to be incurred by a non-U.S. Credit Party under Section 10.1(k), of which no Subsidiary of the Parent Borrower (other than a U.S. Guarantor) is an obligor and (d) if secured, unless permitted to be incurred by a non-U.S. Credit Party under Section 10.1(k), are not secured by any assets of the U.S. Credit Parties other than all or any portion of the U.S. Collateral.

" **Permitted Receivables Financing** " shall mean any of one or more receivables financing programs as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities and other customary forms of support, in each case made in connection with such facilities) to the Parent Borrower and the Restricted Subsidiaries (other than a Receivables Entity) providing for the sale, conveyance, or contribution to capital of Receivables Facility Assets by Participating Receivables Grantors in transactions purporting to be sales of Receivables Facility Assets to either (a) a Person that is not a Restricted Subsidiary or (b) a Receivables Entity that in turn funds such purchase by the direct or indirect sale, transfer, conveyance, pledge, or grant of participation or other interest in such Receivables Facility Assets to a Person that is not a Restricted Subsidiary.

" **Permitted Reorganization** " shall mean re-organizations and other activities related to tax planning and re-organization, excluding transactions described in Section 10.4(g), so long as, after giving effect thereto, the security interest of the Lenders in the Collateral or the value of the Guarantees, taken as a whole, is not materially impaired (as determined by the Parent Borrower in good faith).

" **Person** " shall mean any individual, partnership, joint venture, firm, corporation, company, limited liability company, association, trust or other enterprise or any Governmental Authority.

“ **Plan** ” shall have the meaning provided in the Recitals to this Agreement.

“ **Platform** ” shall have the meaning provided in Section 13.17(c).

“ **Post-Transaction Period** ” shall mean, with respect to any Specified Transaction, the period beginning on the date such Specified Transaction is consummated and ending on the last day of the eighth full consecutive fiscal quarter immediately following the date on which such Specified Transaction is consummated.

“ **PPSA** ” shall mean Personal Property Security Act (Ontario); *provided* , *however* , that, in the event that, by reason of any provisions of law, any of the attachment, validity, effect, perfection or priority of the Administrative Agent’s security interest in any Collateral is governed by the Personal Property Security Act as in effect in a jurisdiction other than the Province of Ontario, such term shall mean the Personal Property Security Act as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

“ **Previous Holdings** ” shall have the definition provided in the definition of “Holdings”.

“ **Priority Payables Reserve** ” means at any time, with respect to any Foreign Borrower, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria:

(a) (i) the amount past due and owing by such Foreign Borrower, or the accrued amount for which such Foreign Borrower has an obligation to remit to a Governmental Authority or other Person pursuant to any Applicable Law in respect of (q) government royalties or pension fund obligations and liabilities; (r) unemployment insurance, unpaid wages, severance pay or termination pay owing to employees; (s) goods and services taxes, sales taxes, employee income taxes and other taxes payable or to be remitted or withheld; (t) workers’ compensation; (u) vacation pay; (v) claims for unremitted and/or accelerated rents; (w) wages, withholding taxes, VAT and other amounts payable to an insolvency administrator, examiner, receiver or other insolvency official, (x) pension liabilities, (y) claims of unsecured creditors, and (z) other like charges and demands or other payments that enjoy priority as a matter of any Applicable Law, (ii) the amount of fees which an insolvency administrator or examiner in an insolvency proceeding is allowed to collect pursuant to German law, including, without limitation, determination fees and collection fees and (iii) with respect to the U.K. Borrower, (a) the amount of preferential debts within the meaning of preferential debt within section 386 of the *Insolvency Act 1986* (UK) and (b) amounts payable to or deductible by a liquidator, administrator, receiver or provisional liquidator prior to payment to the Lenders of the proceeds of the Collateral pursuant to the *Insolvency Act 1986* (UK) (including in respect of the claims of unsecured creditors pursuant to section 176A of the *Insolvency Act 1986* (UK); in each case with respect to the preceding clauses (i), (ii) and (iii), to the extent any Governmental Authority or other Person may claim a security interest, Lien, trust or other claim ranking or capable of ranking in priority to or *pari passu* with one or more of the first priority Liens granted in the Foreign Security Documents; and the aggregate amount of any liabilities of any Foreign Borrower (i) in respect of which a trust has been or may be imposed on any Foreign Collateral to provide for payment or

(ii) which are secured by a security interest, pledge, Lien, charge, right or claim on any Foreign Collateral; in each case, pursuant to any Applicable Law and which trust, security interest, pledge, Lien, charge, right or claim ranks or, in the Permitted Discretion of the Administrative Agent, is capable of ranking in priority to or *pari passu* with one or more of the first priority Liens granted in the Foreign Security Documents (such as Liens, trusts, security interests, pledges, charges, rights or claims in favor of employees, landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens, trusts, security interests, pledges, charges, rights or claims for ad valorem, excise, sales, or other taxes where given priority under Applicable Law); in each case net of the aggregate amount of all restricted cash held or set aside for the payment of such obligations.

" **Process Agent** " shall have the meaning provided in Section 13.13.

" **Pro Forma Adjustment** " shall mean, for any Test Period that includes all or any part of a fiscal quarter included in any Post-Transaction Period, with respect to the Acquired EBITDA of the applicable Pro Forma Entity or the Consolidated EBITDA of the Parent Borrower, the pro forma increase or decrease in such Acquired EBITDA or such Consolidated EBITDA (including as the result of any "run-rate" synergies, operating expense reductions and improvements and cost savings), as the case may be, projected by the Parent Borrower in good faith as a result of (a) actions taken or with respect to which substantial steps have been taken or are expected to be taken, prior to or during such Post-Transaction Period for the purposes of realizing cost savings or (b) any additional costs incurred prior to or during such Post-Transaction Period, in each case in connection with the combination of the operations of such Pro Forma Entity with the operations of the Parent Borrower and the Restricted Subsidiaries; *provided* that (A) at the election of the Parent Borrower, such Pro Forma Adjustment shall not be required to be determined for any Pro Forma Entity to the extent the aggregate consideration paid in connection with such acquisition was less than $50,000,000 or the aggregate Pro Forma Adjustment would be less than $50,000,000 and (B) so long as such actions are taken, or to be taken, prior to or during such Post-Transaction Period or such costs are incurred prior to or during such Post-Transaction Period, as applicable, it may be assumed, for purposes of projecting such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, that the applicable amount of such "run rate" synergies, operating expense reductions and improvements and cost savings and other adjustments will be realizable during the entirety of such Test Period, or the applicable amount of such additional "run rate" synergies, operating expense reductions and improvements and cost savings and other adjustments, as applicable, will be incurred during the entirety of such Test Period; *provided* , *further* , that any such pro forma increase or decrease to such Acquired EBITDA or such Consolidated EBITDA, as the case may be, shall be without duplication for "run rate" synergies, operating expense reductions and improvements and cost savings and other adjustments or additional costs already included in such Acquired EBITDA or such Consolidated EBITDA, as the case may be, for such Test Period.

" **Pro Forma Basis** " and " **Pro Forma Effect** " shall mean, with respect to compliance with any test or covenant hereunder, that (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (a) income statement items (whether

positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a Disposition of all or substantially all Stock in any Subsidiary of the Parent Borrower or any division, product line, or facility used for operations of the Parent Borrower or any Subsidiary of the Parent Borrower, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction", shall be included, (b) any retirement or repayment of Indebtedness, and (c) any incurrence or assumption of Indebtedness by the Parent Borrower or any Restricted Subsidiary in connection therewith (it being agreed that (x) if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination, (y) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Authorized Officer of the Parent Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP and (z) interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate as the Parent Borrower or any applicable Restricted Subsidiary may designate); *provided* that, without limiting the application of the Pro Forma Adjustment pursuant to (A) above (but without duplication thereof), the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of Consolidated EBITDA and give effect to events (including operating expense reductions) that are (i) (x) directly attributable to such transaction and (y) reasonably identifiable and factually supportable in the good faith judgment of the Parent Borrower or (ii) otherwise consistent with the definition of Pro Forma Adjustment.

" **Pro Forma Entity** " shall have the meaning provided in the definition of the term "Acquired EBITDA".

" **Pro Rata Share** " shall mean, with respect to each Lender at any time, (i) with respect to U.S. Revolving Credit Commitments, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the U.S. Revolving Credit Commitments of such Lender at such time and the denominator of which is the amount of the aggregate U.S. Revolving Credit Commitments at such time and (ii) with respect to Foreign Revolving Credit Commitments, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Foreign Revolving Credit Commitments of such Lender at such time and the denominator of which is the amount of the aggregate Foreign Revolving Credit Commitments at such time; *provided* that, if any Revolving Credit Commitments have been terminated, then the Pro Rata Share of each Lender shall be determined based on the Pro Rata Share of such Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

" **Prohibited Transaction** " shall have the meaning assigned to such term in Section 406 of ERISA or Section 4975(c) of the Code.

" **Projections** " shall have the meaning provided in Section 9.1(g).

" **Protective Advance** " shall have the meaning specified in Section 2.1(c).

“ **Public Reporting Entity** ” shall mean an entity that (i) complies with the reporting obligations under U.S. securities laws, (ii) is designated by the Parent Borrower as a “Public Reporting Entity” and (iii) whose consolidated financial results include the financial results of the Parent Borrower and its consolidated subsidiaries and customary reconciliations to eliminate the financial results of entities other than the Parent Borrower and its consolidated subsidiaries.

“ **Qualified Securitization Financing** ” shall mean any Securitization Facility (and any guarantee of such Securitization Facility), that meets the following conditions: (i) the Parent Borrower shall have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Parent Borrower and the Restricted Subsidiaries; (ii) all sales or contribution of Securitization Assets and related assets by the Parent Borrower or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made at fair market value (as determined in good faith by the Parent Borrower); (iii) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Parent Borrower) and may include Standard Securitization Undertakings; and (iv) the obligations under such Securitization Facility are nonrecourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Parent Borrower or any Restricted Subsidiary (other than a Securitization Subsidiary).

“ **Real Estate** ” shall mean any interest in land, buildings and improvements owned, leased or otherwise held by any Credit Party, but excluding all operating fixtures and equipment.

“ **Receivables Entity** ” shall mean any Person formed solely for the purpose of (i) facilitating or entering into one or more Permitted Receivables Financings, and (ii) in each case, engaging in activities reasonably related or incidental thereto.

“ **Receivables Facility Assets** ” shall mean currently existing and hereafter arising or originated Accounts, Payment Intangibles and Chattel Paper (as each such term is defined in the UCC) owed or payable to any Participating Receivables Grantor, and to the extent related to or supporting any Accounts, Chattel Paper or Payment Intangibles, or constituting a receivable, all General Intangibles (as each such term is defined in the UCC) and other forms of obligations and receivables owed or payable to any Participating Receivables Grantor, including the right to payment of any interest, finance charges, late payment fees or other charges with respect thereto (the foregoing, collectively, being “ **receivables** ”), all of such Participating Receivables Grantor’s rights as an unpaid vendor (including rights in any goods the sale of which gave rise to any receivables), all security interests or liens and property subject to such security interests or liens from time to time purporting to secure payment of any receivables or other items described in this definition, all guarantees, letters of credit, security agreements, insurance and other agreements or arrangements from time to time supporting or securing payment of any receivables or other items described in this definition, all customer deposits with respect thereto, all rights under any contracts giving rise to or evidencing any receivables or other items described in this definition, and all documents, books, records and information (including computer programs, tapes, disks, data processing software and related property and rights) relating to any receivables or other items described in this definition or to any obligor with

respect thereto and any other assets customarily transferred together with receivables in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed assigned or otherwise transferred or pledge in connection with a Permitted Receivables Financing, and all proceeds of the foregoing.

" **Receivables Indebtedness** " shall mean, at any time, with respect to any receivables, securitization or similar facility (including any Permitted Receivables Financing or any Qualified Securitization Financing but excluding any account receivable factoring facility entered into incurred in the ordinary course of business), the aggregate principal, or stated amount, of the "indebtedness", fractional undivided interests (which stated amount may be described as a "net investment" or similar term reflecting the amount invested in such undivided interest) or other securities incurred or issued pursuant to such receivables, securitization or similar facility, at such time, in each case outstanding at such time.

" **Receivables Reserves** " shall mean, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, such reserves, subject to Section 2.17 as the Administrative Agent in the Administrative Agent's Permitted Discretion determines as being appropriate with respect to the determination of the collectability in the ordinary course of business of Eligible Accounts, including, without limitation, the Dilution Reserve, reconciliation of variances between the general ledger and the receivables aging, and unapplied cash received.

" **Receiver** " shall mean a receiver, interim receiver, or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Foreign Collateral, and that term will include any appointee under joint and/or several appointments.

" **Redemption Notice** " shall have the meaning provided in Section 10.7(a).

" **Refinancing Increased Amount** " shall have the meaning provided in the definition of Refinancing Indebtedness.

" **Refinancing Indebtedness** " shall mean, with respect to any Person, any modification, refinancing, refunding, renewal, replacement, exchange or extension of any Indebtedness of such Person (including in respect of any previously incurred Refinancing Indebtedness); *provided* that (a) unless incurred by utilizing another basket under Section 10.1, the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed, replaced, exchanged or extended except by an amount (the " **Refinancing Increased Amount** ") equal to unpaid accrued interest and premium thereon (including tender premiums) *plus* other reasonable amounts paid, and fees and expenses (including upfront fees and original issue discount) reasonably incurred, in connection with such modification, refinancing, refunding, renewal, replacement, exchange or extension *plus* an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Refinancing Indebtedness in respect of Indebtedness permitted pursuant to Section 10.1(h) or (i) or with respect to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with the requirements in this clause (b), such modification, refinancing, refunding, renewal, replacement, exchange or extension has a scheduled final

maturity date and, with respect to term loans or notes, a Weighted Average Life to Maturity, as applicable, equal to or later than the scheduled final maturity date and the Weighted Average Life to Maturity, as applicable, of the Indebtedness being modified, refinanced, refunded, renewed, replaced, exchanged or extended (except by virtue of amortization or prepayment of such Indebtedness prior to the time of incurrence of such Refinancing Indebtedness), (c) with respect to a Refinancing Indebtedness in respect of Junior Indebtedness, (i) at the time thereof, no Event of Default shall have occurred and be continuing, (ii) if such Junior Indebtedness is subordinated to the Obligations in right of payment, the Refinancing Indebtedness is subordinated to the Obligations and the applicable Guarantee at least to the same extent as (and on terms that are at least as favorable to the Secured Parties as those contained in) such Junior Indebtedness so refinanced, (iii) if such Junior Indebtedness is unsecured, the Refinancing Indebtedness is unsecured, (iv) if such Indebtedness is subordinated to the Obligations with respect to lien priority with respect to any of the Collateral, the Refinancing Indebtedness is subordinated to the Obligations with respect to lien priority to the same extent (provided that if such Indebtedness is secured by Liens that are senior to the Liens over the Term Priority Collateral securing the Obligations, the Refinancing Indebtedness may be secured by Liens that are senior or junior to the Liens over the Term Priority Collateral securing the Obligations) and (v) unless incurred by utilizing another basket under Section 10.1, such modification, refinancing, refunding, renewal, replacement, exchange or extension is incurred by the Persons who are the obligors of the Indebtedness being modified, refinanced, refunded, renewed, replaced, exchanged or extended, (d) if the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended was subject to any intercreditor agreement (including any Applicable Intercreditor Agreement), to the extent the Refinancing Indebtedness is secured by any U.S. Collateral, the holders thereof (or their representative on their behalf) shall become party to each Applicable Intercreditor Agreement, (e) [reserved] and (f) in the case of a Refinancing Indebtedness of any Indebtedness permitted pursuant to Section 10.1(c), (k), (v) or (w), such Indebtedness meets the requirements of the definition of Permitted Other Loans or Permitted Other Notes, as applicable.

" **Register** " shall have the meaning provided in Section 13.6(b)(iii).

" **Regulation T** " shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Regulation U** " shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Regulation X** " shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

" **Related Parties** " shall mean, with respect to any specified Person, such Person's Affiliates (or, for purposes of clauses (A) and (B) of the last proviso of Section 13.5 and the penultimate paragraph of Section 13.5, such Person's controlled Affiliates) and the directors, officers, employees, agents, trustees and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

“ **Relevant LIBOR Rate** ” shall have the meaning provided in the definition of “ABR”.

“ **Reportable Event** ” shall mean, with respect to a Pension Plan, an event described in Section 4043 of ERISA and the regulations thereunder, other than any event as to which the thirty day notice period has been waived.

“ **Required Lenders** ” shall mean, at any date, Lenders holding more than 50% of the sum of (a) the Aggregate Revolving Credit Exposure (with each Lender’s participations in L/C Obligations, Swing Line Loans and Protective Advances being deemed “held” by such Lender) and (b) the unused Aggregate Revolving Credit Commitments; *provided* that the Aggregate Revolving Credit Exposure and Revolving Credit Commitments of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“ **Reserves** ” shall mean, with respect to the applicable Borrowing Base, without duplication, all, if any, of the Availability Reserves, Inventory Reserves, Receivables Reserves, Unpaid Supplier Reserves, Wage Earner Priority Lien Reserves, Retention of Title Reserves, Bank Product Reserves, Hedging Reserves, Priority Payables Reserves, Carrier Reserve, and any and all other reserves, including warranty reserves, which the Administrative Agent deems necessary in its Permitted Discretion to maintain with respect to Eligible Accounts or Eligible Inventory that have been established in accordance with Section 2.17.

“ **Restricted Foreign Subsidiary** ” shall mean a Foreign Subsidiary that is a Restricted Subsidiary.

“ **Restricted Payment** ” shall mean, with respect to the Parent Borrower or any Restricted Subsidiary, any dividend or return any capital to its stockholders or any other distribution, payment or delivery of property or cash to its stockholders on account of such Stock and Stock Equivalents, or redemption, retirement, purchase or other acquisition, directly or indirectly, for consideration, any shares of any class of its Stock or Stock Equivalents or set aside any funds for any of the foregoing purposes, other than dividends payable solely in its Stock or Stock Equivalents (other than Disqualified Stock). For the avoidance of doubt, any Excess Contribution shall not constitute a Restricted Payment hereunder on account of any equity interests in Avaya Holdings by the PBGC.

“ **Restricted Subsidiary** ” shall mean any Subsidiary of the Parent Borrower other than an Unrestricted Subsidiary.

“ **Retention of Title Reserve** ” shall mean, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, a reserve with respect to Accounts of Foreign Borrowers that are subject to extended retention of title arrangements (for example, *verlängerter Eigentumsvorbehalt* or *erweiterter Eigentumsvorbehalt* , including a processing clause, *Verarbeitungsklausel*) with respect to any part of the inventory or goods giving rise to such Account or similar arrangements under any Applicable Law to the extent of a claim that validly survives by law or contract that can effectively be enforced pursuant to such title retention arrangements.

“ **Returns** ” shall mean, with respect to any Investment, any dividend, distribution, interest, fees, premium, return of capital, repayment of principal, income, profits (from a Disposition or otherwise) and other amounts received or realized in respect of such Investment.

“ **Revaluation Date** ” shall mean (a) with respect to any Loan made in an Alternative Currency, each of the following: (i) each date of a Borrowing of such Loan, (ii) each date of a continuation of a LIBOR Loan, CDOR Loan or EURIBOR Loan pursuant to Section 2.3, and (iii) such additional dates as the Administrative Agent shall reasonably determine or the Required Lenders shall reasonably require; and (b) with respect to any Letter of Credit denominated in an Alternative Currency, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by an L/C Issuer under any Letter of Credit denominated in an Alternative Currency and (iv) such additional dates as the Administrative Agent or the relevant L/C Issuer shall reasonably determine or the Required Lenders shall reasonably require.

“ **Revolving Credit Borrowing** ” shall mean a borrowing consisting of Revolving Credit Loans to the same Borrower in the same currency and of the same Type and, in the case of LIBOR Loans, CDOR Loans and EURIBOR Loans, having the same Interest Period, made by the Appropriate Lenders pursuant to Section 2.1(a).

“ **Revolving Credit Commitments** ” shall mean the U.S. Revolving Credit Commitments and the Foreign Revolving Credit Commitments.

“ **Revolving Credit Extension Request** ” shall have the meaning provided in Section 2.15(a).

“ **Revolving Credit Loan** ” shall have the meaning specified in Section 2.1(a).

“ **S&P** ” shall mean Standard & Poor’s Financial Services LLC or any successor by merger or consolidation to its business.

“ **Same Day Funds** ” shall mean (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the applicable L/C Issuer or Swing Line Lender, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

“ **Sanctioned Person** ” shall mean, at any time, any Person with which dealings are prohibited by Sanctions.

“ **Sanctions** ” shall have the meaning provided in Section 8.19.

“ **Sanctions Laws** ” shall have the meaning provided in Section 8.19.

“ **Screen Rate** ” shall mean the rate appearing on Reuters Page LIBOR01 (or any successor or substitute page of such Reuters service, or if the Reuters service ceases to be available, any successor to or substitute for such service providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time in consultation with the Parent Borrower, for purposes of providing quotations of interest rates applicable to deposits in the relevant currency in the London interbank market).

“ **SEC** ” shall mean the Securities and Exchange Commission or any successor thereto.

“ **Section 2.15 Additional Amendment** ” shall have the meaning provided in Section 2.15(c).

“ **Section 9.1 Financials** ” shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b), together with the accompanying officer’s certificate delivered, or required to be delivered, pursuant to Section 9.1(c).

“ **Secured Cash Management Agreement** ” shall mean any Cash Management Agreement that is entered into by and between the Parent Borrower or any Restricted Subsidiary and any Cash Management Bank, and that is designated by the Parent Borrower in writing to the Administrative Agent as “Secured Cash Management Obligations” which will thereby become Obligations hereunder and under the Security Agreement.

“ **Secured Hedging Agreement** ” shall mean any Hedging Agreement that is entered into by and between the Parent Borrower or any Restricted Subsidiary and any Hedge Bank, and that is designated by the Parent Borrower in writing to the Administrative Agent as “Secured Hedging Obligations” which will thereby become Obligations hereunder and under the Security Agreement.

“ **Secured Parties** ” shall mean, without duplication, the U.S. Secured Parties and/or the Foreign Secured Parties, as applicable.

“ **Securities Act** ” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“ **Securitization Asset** ” shall mean (a) any accounts receivable, royalty or other revenue streams and other rights to payment or related assets and the proceeds thereof, in each case, subject to a Securitization Facility and (b) all collateral securing such receivable or asset, all contracts and contract rights, guaranties or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted), together with accounts or assets in a securitization financing and which in the case of clause (a) and (b) above are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Qualified Securitization Financing.

“ **Securitization Facility** ” shall mean any transaction or series of securitization financings that may be entered into by the Parent Borrower or any Restricted Subsidiary pursuant to which the Parent Borrower or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Parent Borrower or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Parent Borrower or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Parent Borrower or any of its Subsidiaries.

“ **Securitization Repurchase Obligation** ” shall mean any obligation of a seller (or any guaranty of such obligation) of (i) Receivables Facility Assets under a Permitted Receivables Financing to repurchase Receivables Facility Assets or (ii) Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets, in either case, arising as a result of a breach of a representation, warranty or covenant or otherwise, including, without limitation, as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“ **Securitization Subsidiary** ” shall mean any Subsidiary of the Parent Borrower in each case formed for the purpose of, and that solely engages in, one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Parent Borrower or any Restricted Subsidiary makes an Investment and to which the Parent Borrower or such Restricted Subsidiary transfers Securitization Assets and related assets.

“ **Security Documents** ” shall mean, collectively, the U.S. Security Documents and the Foreign Security Documents.

“ **Shrink** ” shall mean Inventory identified by any Borrower as lost, misplaced, or stolen.

“ **Shrink Reserve** ” shall mean an amount reasonably estimated by the Administrative Agent to be equal to that amount which is required in order that the Shrink reflected in current general ledger of the applicable Credit Party would be reasonably equivalent to the Shrink calculated as part of the applicable Credit Party’s most recent physical inventory (it being understood and agreed that no Shrink Reserve established by the Administrative Agent shall be duplicative of any Shrink as so reflected in the current general ledger of the applicable Credit Party or estimated by the applicable Credit Party for purposes of computing the applicable Borrowing Base).

“ **Similar Business** ” shall mean any business conducted or proposed to be conducted by the Parent Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date or any other business activities which are reasonable extensions thereof or otherwise similar, incidental, corollary, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Parent Borrower in good faith.

“ **Sold Entity or Business** ” shall have the meaning provided in the definition of the term “Consolidated EBITDA”.

“ **Solvent** ” shall mean, with respect to any Person (other than a German Credit Party in respect of which the term “Solvent” shall mean that none of the circumstances set out in Section 11.5 exist with respect to it), that as of the Closing Date, (i) the present fair saleable value of the property (on a going concern basis) of such Person is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business, (ii) such Person is not engaged in, and are not about to engage in, business contemplated as of the date hereof for which they have unreasonably small capital and (iii) such Person is able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business, and (iv) the fair value of the assets (on a going concern basis) of such Person exceeds, their debts and liabilities, subordinated, contingent or otherwise. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“ **Specified Aggregate Excess Availability** ” shall mean the sum of (i) Aggregate Excess Availability and (ii) the amount by which the Aggregate Borrowing Base at such time exceeds the Aggregate Revolving Credit Commitments, up to an amount for this clause (ii) not to exceed 2.50% of the Aggregate Revolving Credit Commitments.

“ **Specified Event of Default** ” shall mean (i) any Event of Default under Section 11.1 or 11.5, (ii) any Event of Default under Section 11.2 with respect to the representation and warranty set forth in Section 8.8(c), (iii) any Event of Default under Section 11.3(b)(i), (iv) any Event of Default under Section 11.3(b)(ii) or (v) any Event of Default arising from failure to comply with the Financial Covenant.

“ **Specified Existing Revolving Credit Commitment** ” shall have the meaning provided in Section 2.15(a).

“ **Specified Representations** ” shall mean the representations and warranties made by the Borrowers and, to the extent applicable, the Guarantors, set forth in (i) Section 8.1(a) (solely with respect to valid existence), (ii) Section 8.2, (iii) Section 8.3(c) (solely with respect to the Organizational Documents of any Credit Party), (iv) Section 8.5, (v) Section 8.7, (vi) Section 8.16 (which shall be satisfied by the delivery of a solvency certificate substantially in the form of the solvency certificate attached as Annex III to Exhibit C of the Commitment Letter), (vii) Section 8.17, and (viii) the last sentence of Section 8.19.

“ **Specified Transaction** ” shall mean, with respect to any period, any Investment, any Disposition of assets, incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation, the incurrence of any Incremental Commitments or other event that by the terms of this Agreement requires any test or covenant to be calculated on a “Pro Forma Basis”.

“ **Spot Rate** ” for a currency shall mean the rate determined by the Administrative Agent, an L/C Issuer or a Swing Line Lender, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; *provided* that the Administrative Agent, any L/C Issuer or any Swing Line Lender, as applicable, may obtain such spot rate from another financial institution designated by the Administrative Agent, such L/C Issuer or such Swing Line Lender, as applicable, if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided that the L/C Issuer or Swing Line Lender may use such spot rate quoted on the date as of which the foreign exchange computation is made.

“ **SPV** ” shall have the meaning provided in Section 13.6(f).

“ **Standard Securitization Undertakings** ” shall mean representations, warranties, covenants and indemnities entered into by the Borrowers or any Restricted Subsidiary which the Parent Borrower has determined in good faith to be customary in a Securitization Facility, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“ **Stated Maturity** ” shall mean, with respect to any installment of principal on any series of Indebtedness, the date on which such payment of principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for payment thereof.

“ **Sterling** ” and “£” mean lawful money of the United Kingdom.

“ **Stock** ” shall mean shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting, *provided* that any instrument evidencing Indebtedness convertible or exchangeable for Stock shall not be deemed to be Stock unless and until such instrument is so converted or exchanged; *provided* , *further* that, solely with respect to any CFC or CFC Holding Company, Stock shall also include any instrument or security treated as stock for U.S. federal income tax purposes.

“ **Stock Equivalents** ” shall mean all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable, *provided* that any instrument evidencing Indebtedness convertible or exchangeable for Stock Equivalents shall not be deemed to be Stock Equivalents unless and until such instrument is so converted or exchanged; *provided* , *further* that, solely with respect to any CFC or CFC Holding Company, Stock Equivalent shall also include any instrument or security treated as stock equivalent for U.S. federal income tax purposes.

" **Subsequent Transaction** " shall have the meaning provided in Section 1.11.

" **Subsidiary** " of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any limited liability company, unlimited company, partnership, association, joint venture or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% voting equity interest at the time or is a controlling general partner. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Parent Borrower.

" **Successor Parent Borrower** " shall have the meaning provided in Section 10.3(a).

" **Supermajority Lenders** " shall mean, at any date, Lenders holding more than 66.7% of the sum of (a) the Aggregate Revolving Credit Exposure (with each Lender's participations in L/C Obligations, Swing Line Loans and Protective Advances being deemed "held" by such Lender) and (b) the unused Aggregate Revolving Credit Commitments; *provided* that the Aggregate Revolving Credit Exposure and Revolving Credit Commitments of any Defaulting Lender shall be excluded for purposes of making a determination of Supermajority Lenders.

" **Survey** " shall mean a survey of any U.S. Mortgaged Property (and all improvements thereon), including a survey based on aerial photography that is (a) (i) prepared by a licensed surveyor or engineer, (ii) certified by the surveyor (in a manner reasonable in light of the size, type and location of the Real Estate covered thereby) to the Administrative Agent and the Collateral Agent and (iii) sufficient, either alone or in connection with a survey (or "no change") affidavit in form and substance customary in the applicable jurisdiction, for the applicable title company to remove (to the extent permitted by Applicable Law) or amend all standard survey exceptions from the title insurance policy (or commitment) relating to such U.S. Mortgaged Property and issue such endorsements or other survey coverage, to the extent available in the applicable jurisdiction, as the Collateral Agent may reasonably request or (b) otherwise reasonably acceptable to the Collateral Agent, taking into account the size, type and location of the Real Estate covered thereby.

" **Swap Obligation** " shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

“ **Swap Termination Value** ” shall mean, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements (which may include a Lender or any Affiliate of a Lender).

“ **Swing Line Borrowing** ” shall mean a borrowing of Swing Line Loans to the same Borrower in the same currency pursuant to Section 3.2.

“ **Swing Line Lender** ” shall mean, individually or collectively, as the context may require, each of the U.S. Swing Line Lender, the Canadian Swing Line Lender and the European Swing Line Lender.

“ **Swing Line Loan** ” shall have the meaning specified in Section 3.2(a).

“ **Swing Line Loan Notice** ” shall mean a notice of a Swing Line Borrowing pursuant to Section 3.2(b), which, if in writing, shall be substantially in the form of Exhibit A.

“ **Swing Line Sublimit** ” shall mean the Foreign Swing Line Sublimit or the U.S. Swing Line Sublimit, as the context may require.

“ **TARGET Day** ” shall mean any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“ **Tax Distribution** ” shall have the meaning provided in Section 10.6(d)(i).

“ **Taxes** ” shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings or other similar charges imposed by any Governmental Authority whether computed on a separate, consolidated, unitary, combined or other basis and any interest, fines, penalties or additions to tax with respect to the foregoing.

“ **Term Loan Administrative Agent** ” shall mean Goldman Sachs Bank USA in its capacity as the administrative agent under the Term Loan Credit Agreement and/or any successor agent under the Term Loan Credit Documents.

“ **Term Loan Collateral Agent** ” shall mean Goldman Sachs Bank USA in its capacity as the collateral agent under the Term Loan Credit Agreement and/or any successor agent under the Term Loan Credit Documents.

“ **Term Loan Credit Agreement** ” shall mean the Term Loan Credit Agreement dated as of December 15, 2017 among Holdings, the Parent Borrower, the Term Loan Administrative Agent and the several banks and other financial institutions from time to time parties thereto, as such agreement may be amended, modified, supplemented, substituted, replaced, restated or refinanced, in whole or in part, from time to time, in each case to the extent permitted hereunder and under the Applicable Intercreditor Agreements (unless such agreement, instrument or document expressly provides that it is not intended to be and is not the Term Loan Credit Agreement).

“ **Term Loan Credit Documents** ” shall mean, collectively, (a) the Term Loan Credit Agreement and (b) the security documents, intercreditor agreements, guarantees, joinders and other agreements or instruments executed in connection therewith, in each case, as amended, modified, supplemented, substituted, replaced, restated or refinanced, in whole or in part, from time to time.

“ **Term Loan Obligations** ” shall mean “Obligations” under and as defined in the Term Loan Credit Agreement.

“ **Term Loans** ” shall mean “Term Loans” under and as defined in the Term Loan Credit Agreement.

“ **Term Priority Collateral** ” shall have the meaning under and as defined in the ABL Intercreditor Agreement.

“ **Test Period** ” shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Parent Borrower then last ended and for which Section 9.1 Financials have been or were required to have been delivered (or, for purposes of any calculation of a financial ratio under this Agreement other than the Financial Covenant, for which the financial statements described in Section 9.1(a) or (b) are otherwise available).

“ **Tranche** ” shall mean, within the Revolving Credit Commitments, each of (x) the tranche of the U.S. Revolving Credit Commitments and (y) the tranche of the Foreign Revolving Credit Commitments (as applicable).

“ **Transaction Expenses** ” shall mean any fees, costs, liabilities or expenses incurred or paid by Avaya Holdings, the Parent Borrower or any of their respective Subsidiaries in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby including in respect of the commitments, negotiation, syndication, documentation and closing (and post-closing actions in connection with the Collateral) of the Credit Facilities.

“ **Transactions** ” shall mean, collectively, the (i) consummation of the Closing Refinancing, (ii) the consummation of the Plan, (iii) the execution of and funding under the Credit Documents and the Term Loan Credit Documents, (iv) the other transactions contemplated by the Plan, and (v) the payment of fees, costs, liabilities and expenses in connection with each of the foregoing and the consummation of any other transaction connected with the foregoing.

“ **Transferee** ” shall have the meaning provided in Section 13.6(e).

“ **Type** ” shall mean, as to any Revolving Credit Loan denominated in Dollars or Canadian Dollars, its nature as an ABR Loan, a Canadian Prime Rate Loan, a CDOR Loan, or a LIBOR Loan.

" **UCC** " shall mean the Uniform Commercial Code of the State of New York, or of any other state the laws of which are required to be applied in connection with the perfection of security interests in any Collateral.

" **U.K. Borrower** " shall have the meaning specified in the introductory paragraph to this Agreement.

" **U.K. Borrowing Base** " shall mean, on any date, an amount equal to (a) the sum of (i) 85% *multiplied* by the book value of the Eligible Accounts and *plus* (ii) 90% *multiplied* by the book value of the Eligible Investment Grade Accounts, in each case of clauses (i) – (ii), owned by the U.K. Borrower *minus* (b) any Reserves.

" **U.K. Credit Parties** " shall mean the U.K. Borrower and the U.K. Guarantors.

" **U.K. Guarantors** " shall mean (a) the U.K. Borrower (other than with respect to its own Foreign Obligations) and (b) each direct parent company of the U.K. Borrower that is a Foreign Subsidiary.

" **U.K. Security Documents** " shall mean (a) the U.K. Security Agreement (as defined on Schedule 1.1(g)), (b) the U.K. Share Charge (as defined on Schedule 1.1(g)) and (c) any other security agreement expressed to be governed by English law and entered into among one or more of the applicable Foreign Credit Parties (and such other Persons as may be party thereto) and, as applicable, the Foreign Secured Parties and/or the Collateral Agent for the benefit of the Foreign Secured Parties, including each pledge agreement, mortgage, security agreement, guarantee or other agreement that is entered into by any Foreign Credit Party or any Person who is the holder of equity interests in any Foreign Credit Party, in each case as the same may be amended, restated or otherwise modified from time to time.

" **Unfinanced Capital Expenditures** " shall mean, for any period, the aggregate of all expenditures paid in cash by the Parent Borrower and the Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on a consolidated statement of cash flows of the Parent Borrower or the Restricted Subsidiary and excluding: (i) expenditures to the extent financed with (A) insurance proceeds, (B) awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, (C) proceeds from any Disposition of assets that are permitted to be re-invested or not required to be applied to prepay Term Loan Obligations, (D) any Indebtedness (other than the Loans hereunder) or (E) amounts included in the definition of "Available Equity Amount", (ii) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time, (iii) expenditures that are accounted for as capital expenditures by the Parent Borrower or any Restricted Subsidiary and that actually are paid for, or reimbursed to the Parent Borrower or any Restricted Subsidiary in cash or Cash Equivalents, by a Person other than the Parent Borrower or any Restricted Subsidiary and for which neither the Parent Borrower nor any Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation (other than rent) in respect of such expenditures to such Person or any other Person (whether before, during or after such period), (iv) the book value of any asset

owned by the Parent Borrower or any Restricted Subsidiary prior to or during such period to the extent that such book value is included as a capital expenditure during such period as a result of such Person reusing or beginning to reuse such asset during such period without a corresponding expenditure actually having been made in such period, *provided* that (x) any expenditure necessary in order to permit such asset to be reused shall be included as a capital expenditure during the period in which such expenditure actually is made and (y) such book value shall have been included in capital expenditures when such asset was originally acquired, (v) expenditures that constitute Permitted Acquisitions, (vi) interest capitalized during such period, (vii) the purchase price of equipment purchased during such period to the extent the consideration therefor consists of any combination of (A) used or surplus equipment traded in at the time of such purchase and (B) the proceeds of a concurrent sale of used or surplus equipment, in each case, in the ordinary course of business or (viii) expenditures relating to the construction, acquisition, replacement, reconstruction, development, refurbishment, renovation or improvement of any property which has been transferred to a Person other than the Parent Borrower or a Restricted Subsidiary during the same fiscal year in which such expenditures were made pursuant to a sale-leaseback transaction to the extent of the cash proceeds received by the Parent Borrower or such Restricted Subsidiary pursuant to such sale-leaseback transaction.

" **Unfunded Current Liability** " of any Pension Plan shall mean the amount, if any, by which the Accumulated Benefit Obligation (as defined under Statement of Financial Accounting Standards No. 87 (" **SFAS 87** ")) under the Pension Plan as of the close of its most recent plan year, determined in accordance with SFAS 87 as in effect on the Closing Date, exceeds the fair market value of the assets allocable thereto.

" **Unpaid Supplier Reserve** " shall mean, at any time, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, with respect to the Canadian Borrower, the amount equal to the percentage applicable to Inventory in the calculation of the Canadian Borrowing Base *multiplied* by the aggregate value of the Eligible Inventory which the Administrative Agent, in its Permitted Discretion, considers is or may be subject to a right of a supplier to repossess goods pursuant to Section 81.1 of the Bankruptcy and Insolvency Act (Canada) or any other laws of Canada or any other applicable jurisdiction granting revendication or similar rights to unpaid suppliers, in each case, where such supplier's right ranks or is capable of ranking in priority to or pari passu with one or more of the first priority Liens granted in the Foreign Security Documents.

" **unreallocated portion** " shall have the meaning provided in Section 2.16(a)(ii).

" **Unreimbursed Amount** " shall have the meaning provided in Section 3.1(b)(iii).

" **Unrestricted Cash** " shall mean, without duplication, all cash and Cash Equivalents included in the cash and Cash Equivalents accounts listed on the consolidated balance sheet of the Parent Borrower and the Restricted Subsidiaries as at such date, excluding any cash and Cash Equivalents with respect to which a Lien (other than any Lien permitted under clause (x) or (bb) of the definition of Permitted Encumbrance) senior to the Lien securing the Obligations is granted for the benefit of other Indebtedness or obligations (but may include cash and Cash Equivalents securing the Obligations along with the Term Loan Obligations pursuant to the Applicable Intercreditor Agreements).

" **Unrestricted Escrow Subsidiary** " shall have the meaning provided in Section 1.11.

" **Unrestricted Subsidiary** " shall mean (a) any Subsidiary of the Parent Borrower that is formed or acquired after the Closing Date; *provided* that at such time (or promptly thereafter) the Parent Borrower designates such Subsidiary an Unrestricted Subsidiary in a written notice to the Administrative Agent, (b) any Restricted Subsidiary designated as an Unrestricted Subsidiary by the Parent Borrower after the Closing Date in a written notice to the Administrative Agent; *provided* that in each case of clauses (a) and (b), (x) such designation shall be deemed to be an Investment (or reduction in an outstanding Investment, in the case of a designation of an Unrestricted Subsidiary as a Restricted Subsidiary) on the date of such designation in an amount equal to the net book value of the investment therein and such designation shall be permitted only to the extent permitted under Section 10.5 on the date of such designation, (y) subject to Section 1.12, no Event of Default exists or would result from such designation after giving Pro Forma Effect thereto and (z) such Unrestricted Subsidiary shall also be designated as an "Unrestricted Subsidiary" under any Indebtedness in a principal amount of not less than $100,000,000 (to the extent such concept exists under the definitive documentation in respect thereof) and (c) each Subsidiary of an Unrestricted Subsidiary; *provided* , *further* , that if a Subsidiary being designated as an Unrestricted Subsidiary has assets included in the Aggregate Borrowing Base before the designation of at least 5% of the Aggregate Borrowing Base, then the Parent Borrower shall deliver an updated Borrowing Base Certificate to the Administrative Agent at the time of such designation. No Subsidiary may be designated as an Unrestricted Subsidiary if, after such designation, it would constitute a "Restricted Subsidiary" under the definitive documentation in respect of any Indebtedness in a principal amount of not less than $100,000,000 (to the extent such concept exists under the definitive documentation in respect of such Indebtedness). The Parent Borrower may, by written notice to the Administrative Agent, re-designate any Unrestricted Subsidiary as a Restricted Subsidiary, and thereafter, such Subsidiary shall no longer constitute an Unrestricted Subsidiary, but only if, subject to Section 1.12, no Event of Default exists or would result from such re-designation. Such redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed to constitute the incurrence of Indebtedness and Liens of such Subsidiary (and reduction in an outstanding Investment). No Foreign Credit Party shall be designated as an Unrestricted Subsidiary.

" **U.S. Borrowing Base** " shall mean, on any date, an amount equal to (a) the sum of (i) 85% *multiplied* by the book value of the Eligible Accounts, *plus* (ii) 90% *multiplied* by the book value of the Eligible Investment Grade Accounts, *plus* (iii) 85% *multiplied* by the Net Orderly Liquidation Value of Eligible Inventory *plus* (iv) 100% of Eligible Borrowing Base Cash, in each case of clauses (i) – (iv), owned by the Parent Borrower or any U.S. Subsidiary Guarantor *minus* (b) any Reserves.

" **U.S. Borrowing Base Excess Amount** " shall mean, at any time, the amount of (a) the U.S. Borrowing Base *minus* (b) the aggregate U.S. Revolving Credit Exposure, or if such amount is negative, zero.

" **U.S. Cash Management Bank** " shall mean a Cash Management Bank party to a Secured Cash Management Agreement with a U.S. Credit Party or a Restricted Subsidiary of a U.S. Credit Party.

" **U.S. Collateral** " shall mean all property pledged, mortgaged or purported to be pledged or mortgaged pursuant to the U.S. Security Documents (excluding, for the avoidance of doubt, all U.S. Excluded Collateral).

" **U.S. Credit Parties** " shall mean Holdings, the Parent Borrower and the U.S. Subsidiary Guarantors.

" **U.S. Excluded Collateral** " shall mean (i) [reserved], (ii) any vehicles and other assets subject to certificates of title; (iii) letter-of-credit rights to the extent a security interest therein cannot be perfected by a UCC filing (other than supporting obligations); (iv) any property subject to a Lien permitted under Section 10.2 securing a purchase money agreement, Capital Lease or similar arrangement permitted hereunder in each case after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or other Applicable Law, excluding the proceeds and receivables thereof (to the extent not otherwise constituting U.S. Excluded Collateral), to the extent, and for so long as, the creation of a security interest therein is prohibited thereby (or otherwise requires consent, *provided* that there shall be no obligation to seek such consent) or creates a right of termination or favor of a third party, in each case, excluding the proceeds and receivables thereof to the extent not otherwise constituting U.S. Excluded Collateral; (v) (x) all leasehold interests in Real Estate (and there shall not be any requirement to obtain any landlord or other third party waivers, estoppels, consents or collateral access letters in respect of such leasehold interests) and (y) any parcel of Real Estate located in the United States and the improvements thereto owned in fee by a U.S. Credit Party with a fair market value of $10,000,000 or less (at the time of acquisition) (but not any U.S. Collateral located thereon) or any parcel of Real Estate and the improvements thereto owned in fee by a U.S. Credit Party outside the United States; (vi) any "intent to use" trademark application filed and accepted in the United States Patent and Trademark Office unless and until an amendment to allege use or a statement of use has been filed and accepted by the United States Patent and Trademark Office to the extent, if any, that, and solely during the period, if any, in which the grant of security interest therein could impair the validity or enforceability of such "intent to use" trademark application under federal law; (vii) any charter, permit, franchise, authorization, lease, license or agreement, in each case, only to the extent and for so long as the grant of a security interest therein (or the assets subject thereto) by the applicable U.S. Credit Party (x) would violate invalidate such charter, permit, franchise, authorization, lease, license, or agreement or (y) would give any party (other than a Credit Party) to any such charter, permit, franchise, authorization, lease, license or agreement the right to terminate its obligations thereunder or (z) is permitted under such charter, permit, franchise, lease, license or agreement only with consent of the parties thereto (other than consent of a Credit Party) and such necessary consents to such grant of a security interest have not been obtained (it being understood and agreed that no Credit Party or Restricted Subsidiary has any obligation to obtain such consents) other than, in each case referred to in clauses (x) and (y) and (z), as would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction, in each case excluding the proceeds and receivables thereof which are not otherwise U.S. Excluded Collateral; (viii) any Commercial Tort Claim (as defined in the U.S. Security Agreement) for which no claim has been made or with a value of less than $10,000,000 for which a claim has been made; (ix) any U.S. Excluded Stock and Stock Equivalents; (x) any assets with respect to which, the Parent Borrower and the Collateral Agent reasonably determine, the cost or other consequences of granting a security interest or obtaining

title insurance in favor of the Secured Parties under the U.S. Security Documents shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom; (xi) any assets with respect to which granting a security interest in such assets in favor of the Secured Parties under the U.S. Security Documents could reasonably be expected to result in a material adverse tax consequence as reasonably determined by the Parent Borrower and the Collateral Agent; (xii) any margin stock; (xiii) [reserved]; and (xiv) any assets with respect to which granting a security interest in such assets is prohibited by or would violate law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority or which would require obtaining the consent, approval, license or authorization of any Governmental Authority (unless such consent, approval, license or authorization has been received; *provided* that there shall be no obligation to obtain such consent) or create a right of termination in favor of any governmental or regulatory third party, in each case after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or other Applicable Law, excluding the proceeds and receivables thereof (to the extent not otherwise constituting U.S. Excluded Collateral); *provided* that with respect to clauses (iv), (vii) and (xiv), such property shall be U.S. Excluded Collateral only to the extent and for so long as such prohibition, violation, invalidation or consent right, as applicable, is in effect and in the case of any such agreement or consent, was not created in contemplation thereof or of the creation of a security interest therein. Notwithstanding anything set forth herein, U.S. Excluded Collateral shall not include any assets owned by the U.S. Credit Parties that constitute collateral securing the Term Loans.

" **U.S. Excluded Stock and Stock Equivalents** " shall mean (i) any Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Collateral Agent and the Parent Borrower, the burden or cost of pledging such Stock or Stock Equivalents in favor of the Collateral Agent under the Security Documents shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom, (ii) (A) solely in the case of any pledge of Voting Stock of (x) any Foreign Subsidiary that is a CFC or (y) any CFC Holding Company, in each case, owned directly by a Credit Party, any Voting Stock in excess of 65% of each outstanding class of Voting Stock of such Foreign Subsidiary that is a CFC or such CFC Holding Company and (B) any Stock or Stock Equivalents of (x) any Foreign Subsidiary that is a CFC or (y) any CFC Holding Company in each case not owned directly by a Credit Party, (iii) any Stock or Stock Equivalents to the extent the pledge thereof would violate any Applicable Law or any Contractual Requirement (including any legally effective requirement to obtain the consent or approval of, or a license from, any Governmental Authority or any other regulatory third party unless such consent, approval or license has been obtained (it being understood that the foregoing shall not be deemed to obligate the Parent Borrower or any Subsidiary of the Parent Borrower to obtain any such consent, approval or license)), (iv) any Stock or Stock Equivalents of each Subsidiary to the extent that a pledge thereof to secure the Obligations is prohibited by any applicable Organizational Document of such Subsidiary or requires third party consent (other than the consent of a Credit Party), unless consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Parent Borrower or any Subsidiary to obtain any such consent), in each case after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or other Applicable Law, excluding the proceeds and receivables thereof (to the extent not otherwise constituting U.S. Excluded Collateral), (v) Stock or Stock Equivalents of any non-Wholly Owned Subsidiary, (vi) any Stock or Stock Equivalents of any Subsidiary to the

extent that the pledge of such Stock or Stock Equivalents could reasonably be expected to result in material adverse tax or accounting consequences to Holdings or any Subsidiary thereof as reasonably determined by the Parent Borrower and the Collateral Agent, (vii) any Stock or Stock Equivalents that are margin stock, (viii) any Stock or Stock Equivalents owned by a CFC or a CFC Holding Company, and (ix) any Stock and Stock Equivalents of any Unrestricted Subsidiary or of any Restricted Subsidiary that does not constitute a Material Subsidiary (other than (A) to the extent a perfected security interest therein can be obtained by filing a UCC-1 financing statement or (B) as otherwise agreed to by the Parent Borrower in its sole discretion), any Person not constituting a Subsidiary, any Captive Insurance Subsidiary, any Broker-Dealer Subsidiary, any not-for-profit Subsidiary and any special purpose entity (including any Receivables Entity and any Securitization Subsidiary); *provided* that U.S. Excluded Stock and Stock Equivalents shall not include proceeds of the foregoing property to the extent otherwise constituting Collateral.

" **U.S. Excluded Subsidiary** " shall mean (a) each Domestic Subsidiary of the Parent Borrower designated by the Parent Borrower for the purpose of this clause (a) from time to time, for so long as any such Domestic Subsidiary does not constitute a Material Subsidiary as of the most recently ended Test Period; *provided* that if such Domestic Subsidiary would constitute a Material Subsidiary as of the end of such Test Period, the Parent Borrower shall cause such Domestic Subsidiary to become a Guarantor pursuant to Section 9.11, (b) each Domestic Subsidiary that is not a Wholly Owned Subsidiary or otherwise constitutes a joint venture (for so long as such Subsidiary remains a non-Wholly Owned Restricted Subsidiary or joint venture), (c) any CFC or CFC Holding Company, (d) each Domestic Subsidiary that is (i) prohibited by any applicable (x) Contractual Requirement, (y) Applicable Law (including without limitation as a result of applicable financial assistance, directors' duties or corporate benefit requirements) or (z) Organizational Document (in the case of clauses (x) and (z), in effect on the Closing Date or any date of acquisition of such Subsidiary (to the extent such prohibition was not entered into in contemplation of the Guarantee)) from guaranteeing or granting Liens to secure the Obligations at the time such Subsidiary becomes a Restricted Subsidiary (and for so long as such restriction or any replacement or renewal thereof is in effect), or (ii) required to obtain consent, approval, license or authorization of a Governmental Authority for such guarantee or grant (unless such consent, approval, license or authorization has already been received); *provided* that there shall be no obligation to obtain such consent, (e) each Domestic Subsidiary that is a Subsidiary of a CFC or CFC Holding Company, (f) any other Domestic Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Parent Borrower, the cost or other consequences (including any material adverse tax consequences) of guaranteeing the Obligations shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom, (g) each Unrestricted Subsidiary, (h) any Foreign Subsidiary, (i) any special purpose entity, including any Receivables Entity and any Securitization Subsidiary, (j) any Subsidiary to the extent that the guarantee of the Obligations by such Subsidiary could reasonably be expected to result in material adverse tax consequences (as determined by the Parent Borrower and the Administrative Agent), (k) any Captive Insurance Subsidiary, (l) any non-profit Subsidiary or (m) any Broker-Dealer Subsidiary; *provided* that U.S. Excluded Subsidiary shall not include any Domestic Subsidiary of the Parent Borrower to the extent such Domestic Subsidiary guarantees the Term Loans.

“ **U.S. Guarantee** ” shall mean the U.S. Guarantee made by the U.S. Guarantors in favor of the Administrative Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

“ **U.S. Guarantors** ” shall mean (a) Holdings, (b) each Domestic Subsidiary (other than a U.S. Excluded Subsidiary) that provides the U.S. Guarantee on the Closing Date or becomes a party to the U.S. Guarantee after the Closing Date pursuant to Section 9.11 or otherwise and (c) the Parent Borrower (other than with respect to its own U.S. Obligations).

“ **U.S. Hedge Bank** ” shall mean each Hedge Bank party to a Secured Hedging Agreement with a U.S. Credit Party or a Restricted Subsidiary of a U.S. Credit Party.

“ **U.S. L/C Issuer** ” shall mean an L/C Issuer in its capacity as the issuer of a U.S. Letter of Credit.

“ **U.S. L/C Obligations** ” shall mean, at any time, the aggregate maximum amount then available to the drawn under all outstanding U.S. Letters of Credit (whether or not (i) such maximum amount is then in effect under any such U.S. Letter of Credit if such maximum amount increases periodically pursuant to the terms of such U.S. Letter of Credit or (ii) the conditions to drawing can then be satisfied) *plus* the aggregate of all Unreimbursed Amounts in respect of U.S. Letters of Credit, including all L/C Borrowings in respect of U.S. Letters of Credit. For all purposes of this Agreement, if on any date of determination a U.S. Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be outstanding in the amount so remaining available to be drawn.

“ **U.S. Lender** ” shall have the meaning provided in Section 5.4(h).

“ **U.S. Letter of Credit** ” shall have the meaning provided in Section 3.1(a).

“ **U.S. Line Cap** ” shall mean, at any time, the lesser of (a) the U.S. Borrowing Base at such time and (b) the aggregate U.S. Revolving Credit Commitments at such time.

“ **U.S. Mortgage** ” shall mean a mortgage or a deed of trust, deed to secure debt, trust deed or other security document entered into by the owner of a U.S. Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that U.S. Mortgaged Property, in a form to be mutually agreed with the Administrative Agent.

“ **U.S. Mortgaged Property** ” shall mean all Real Estate (i) set forth on Schedule 1.1(b) and (ii) with respect to which a U.S. Mortgage is required to be granted pursuant to Section 9.12.

“ **U.S. Obligations** ” shall mean all advances to, and debts, liabilities, obligations, covenants and duties of, the Parent Borrower and the other U.S. Credit Parties arising under any Credit Document or otherwise with respect to any Loan to the Parent Borrower, any U.S. L/C Obligations, or any Cash Management Obligations of the Parent Borrower and its Restricted Subsidiaries under Secured Cash Management Agreements or Hedging Obligations of the Parent Borrower and its Restricted Subsidiaries under Secured Hedging Agreements (and in each case

including in respect of any Guarantee thereof made by a U.S. Credit Party), whether direct or indirect (including those acquired by assumption), absolute or Obligations, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any U.S. Credit Party of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, in each case, other than Excluded Swap Obligations. Without limiting the generality of the foregoing but without duplication of the Foreign Obligations of the U.S. Credit Parties, the U.S. Obligations of the U.S. Credit Parties under the Credit Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Credit Documents) (i) include the obligation (including Guarantee Obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities and other amounts payable by any U.S. Credit Party under any Credit Document and (ii) exclude, notwithstanding any term or condition in this Agreement or any other Credit Documents, any Excluded Swap Obligations.

" **U.S. Revolving Credit Commitments** " shall mean, as to each Lender, its obligation to (a) make U.S. Revolving Credit Loans to the Parent Borrower pursuant to Section 2.1(a), (b) purchase participations in U.S. L/C Obligations in respect of U.S. Letters of Credit, (c) purchase participations in U.S. Swing Line Loans and (d) purchase participations in U.S. Protective Advances, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth, and opposite such Lender's name on Schedule 1.1(a) under the caption "U.S. Revolving Credit Commitment" or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including with respect to Incremental Commitments). The aggregate U.S. Revolving Credit Commitments of all Lenders is $225,000,000 on the Closing Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement, including pursuant to Section 4.2, Section 4.3 or Section 2.14.

" **U.S. Revolving Credit Exposure** " shall mean, as to each U.S. Revolving Credit Lender at any time, the sum of the Outstanding Amount of such Lender's U.S. Revolving Credit Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the U.S. L/C Obligations, the U.S. Swing Line Loans and the U.S. Protective Advances at such time.

" **U.S. Revolving Credit Lender** " shall mean, at any time, any Lender that has a U.S. Revolving Credit Commitment at such time, or if the U.S. Revolving Credit Commitments have been terminated, any U.S. Revolving Credit Exposure.

" **U.S. Secured Parties** " shall mean the Administrative Agent, the Collateral Agent, each U.S. L/C Issuer, each U.S. Swing Line Lender, each U.S. Revolving Credit Lender, each U.S. Hedge Bank, each U.S. Cash Management Bank and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or appointed by the Collateral Agent with respect to matters relating to any U.S. Security Document, in each case, in its capacity as such.

" **U.S. Security Agreement** " shall mean the U.S. Security Agreement, dated as of the Closing Date, in substantially the form attached hereto as Exhibit D (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time), entered into by the Parent Borrower, the other grantors party thereto and the Collateral Agent for the benefit of the Secured Parties.

“ **U.S. Security Documents** ” shall mean, collectively, (a) the U.S. Security Agreement, (b) the U.S. Mortgages, (c) all Applicable Intercreditor Agreements and (d) each intellectual property security agreement and each other security agreement or other instrument or document executed and delivered pursuant to Section 9.11, 9.12 or pursuant to any other such U.S. Security Document.

“ **U.S. Subsidiary Guarantors** ” shall mean each Domestic Subsidiary of the Parent Borrower that provides the U.S. Guarantee.

“ **U.S. Swing Line Lender** ” shall mean Citibank, N.A., in its capacity as provider of U.S. Swing Line Loans, or any successor swing line lender to the Parent Borrower hereunder.

“ **U.S. Swing Line Loan** ” shall have the meaning provided in Section 3.2(a).

“ **U.S. Swing Line Sublimit** ” shall mean an amount equal to the lesser of (a) $30,000,000 and (b) the aggregate amount of the U.S. Revolving Credit Commitments. The U.S. Swing Line Sublimit is part of, and not in addition to, the U.S. Revolving Credit Commitments.

“ **U.S. Unused Amount** ” shall mean, on any day the aggregate U.S. Revolving Credit Commitments then in effect *minus* the aggregate U.S. Revolving Credit Loans *minus* the aggregate U.S. L/C Obligations; *provided* that the U.S. Unused Amount shall never be less than zero.

“ **VAT** ” shall mean (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax as amended (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred in (a) above, or imposed elsewhere.

“ **Voting Stock** ” shall mean, with respect to any Person, such Person’s Stock or Stock Equivalents having the right to vote for the election of directors or other governing body of such Person under ordinary circumstances; *provided* that for the purpose of the definition of “U.S. Excluded Stock and Stock Equivalents” and in each reference to the Voting Stock of any CFC or CFC Holding Company, Voting Stock shall also include any instrument treated as voting stock or stock equivalent for U.S. federal income tax purposes.

“ **Wage Earner Priority Lien Reserve** ” on any date of determination, without duplication of any other reserves or items that are otherwise addressed or excluded through eligibility criteria, a reserve established from time to time by the Administrative Agent in its Permitted Discretion with respect to the Canadian Borrowing Base in such amount as the Administrative Agent determines reflects the amounts that may become due under sections 81.3 or 81.4 of the *Bankruptcy and Insolvency Act* (Canada), which would give rise to a Lien with priority under Applicable Law over the Lien of the Administrative Agent.

“ **Weekly Monitoring Period** ” shall mean a period (a) during the occurrence and continuance of any Specified Event of Default or (b) commencing on the date on which the Specified Aggregate Excess Availability shall have been less than the greater of (x) $30,000,000 and (y) 12.5% of the Aggregate Line Cap for five (5) consecutive Business Days and ending on the date on which the Specified Aggregate Excess Availability shall have been at least the greater of (x) $30,000,000 and (y) 12.5% of the Aggregate Line Cap for twenty consecutive calendar days.

“ **Weighted Average Life to Maturity** ” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between each such date and the making of each such payment; by (b) the then-outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness (the “ **Applicable Indebtedness** ”), the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable determination date shall be disregarded.

“ **Wholly Owned** ” shall mean, with respect to the ownership by a Person of a Subsidiary, that all of the Stock of such Subsidiary (other than directors’ qualifying shares or nominee or other similar shares required pursuant to Applicable Law) are owned by such Person or another Wholly Owned Subsidiary of such Person.

“ **Withdrawal Liability** ” 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 Title IV of ERISA.

“ **Write-Down and Conversion Powers** ” shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Other Interpretive Provisions

With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “herein”, “hereto”, “hereof” and “hereunder” and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term “including” is by way of example and not limitation.

(e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) The words “asset” and “property” shall be construed to have the same meaning and effect and refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(g) All references to “knowledge” or “awareness” of any Credit Party or a Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of a Credit Party or such Restricted Subsidiary.

(h) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(i) Any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

(j) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(k) For purposes of determining compliance with any one of Sections 9.9, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7 and 1.1, (i) in the event that any Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness meets the criteria of more than one of the categories of transactions permitted pursuant to any clause of such Section, such transaction (or portion thereof) at any time and from time to time shall be permitted under one or more of such clauses as determined by the Parent Borrower (and the Parent Borrower shall be entitled to redesignate use of any such clauses from time to time) in its sole discretion at such time; *provided* that (x) all Indebtedness outstanding under the Credit Documents will be deemed at all times to have been incurred in reliance only on the exception in clause (a) of Section 10.1 and (y) all Indebtedness outstanding under the Term Loan Credit Documents (and any Refinancing Indebtedness thereof) will be deemed at all times to have been incurred in reliance only on the exception in clause (b) of Section 10.1 and (ii) with respect to any Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness or other applicable transaction in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Lien, Investment, Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness or other applicable transaction is made (so long as such Lien, Investment,

Indebtedness, merger, consolidation, amalgamation or similar fundamental change, Disposition, Restricted Payment, Affiliate transaction, contractual obligation or prepayment of Junior Indebtedness or other applicable transaction at the time incurred or made was permitted hereunder).

(l) All references to "in the ordinary course of business" of the Parent Borrower or any Subsidiary thereof means (i) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of the Parent Borrower or such Subsidiary, as applicable, (ii) customary and usual in the industry or industries of the Parent Borrower and its Subsidiaries in the United States or any other jurisdiction in which the Parent Borrower or any Subsidiary does business, as applicable, or (iii) generally consistent with the past or current practice of the Parent Borrower or such Subsidiary, as applicable, or any similarly situated businesses in the United States or any other jurisdiction in which the Parent Borrower or any Subsidiary does business, as applicable.

1.3 Accounting Terms

(a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

(b) Notwithstanding anything to the contrary herein, (i) other than in connection with the actual testing of the Financial Covenant, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Specified Transaction occurs (or, for purposes of determining compliance with any test or covenant governing the permissibility of any transaction hereunder, during such period and thereafter and on or prior to such date of determination), the Consolidated Total Net Leverage Ratio, the Consolidated First Lien Net Leverage Ratio, and the Consolidated Secured Net Leverage Ratio shall each be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis and (ii) for purposes of determining compliance with any ratio governing the permissibility of any transaction to be consummated on a Pro Forma Basis hereunder, (A) the cash proceeds of any incurrence of debt then being incurred in connection with such transaction shall not be netted from Consolidated Total Debt and (B) Consolidated Total Debt shall be calculated after giving effect to any prepayment of Indebtedness, in each case for purposes of calculating the Consolidated First Lien Net Leverage Ratio, Consolidated Secured Net Leverage Ratio or Consolidated Total Net Leverage Ratio, as applicable. If since the beginning of any applicable Test Period, any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Parent Borrower or any of the Restricted Subsidiaries, in each case, since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then such financial ratio or test (or Consolidated EBITDA or Consolidated Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this definition. Solely for purposes of the calculation of the Fixed Charge Coverage Ratio to determine whether the conditions set forth in Section 10.6(c) are satisfied, the denominator thereof shall also include the actual amount of such Restricted Payment actually being made in cash on a Pro Forma Basis.

1.4 Rounding

Any financial ratios required to be maintained by the Parent Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 References to Agreements, Laws, Etc.

Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents) and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted or not prohibited by any Credit Document and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

1.6 Times of Day

Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

1.7 Timing of Payment or Performance

When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as applicable.

1.8 Additional Alternative Currencies

(a) The Parent Borrower may from time to time request that Revolving Credit Loans be made and/or Letters of Credit be issued in a currency other than Dollars or those specifically listed in the definition of "Alternative Currency"; *provided* that such requested currency is a lawful currency that is freely transferable and readily convertible into Dollars in the applicable interbank market. With respect to Revolving Credit Loans, such request shall be subject to the approval of the Administrative Agent and each Appropriate Lender, and, in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the applicable L/C Issuer and the Administrative Agent.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m. (New York time), ten Business Days prior to the date of the desired Borrowing or issuance of a Letter of Credit (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the applicable L/C

Issuer, in its or their sole discretion). In the case of any such request pertaining to Revolving Credit Loans, the Administrative Agent shall promptly notify each Appropriate Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the applicable L/C Issuer thereof. Each Appropriate Lender and the applicable L/C Issuer (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m. (New York time), five Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Revolving Credit Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or an L/C Issuer, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or L/C Issuer, as the case may be, to permit Revolving Credit Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all Appropriate Lenders consent to making Revolving Credit Loans in such requested currency, the Administrative Agent shall so notify the Parent Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Borrowing of Revolving Credit Loans. If the applicable L/C Issuer consents to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Parent Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.8, the Administrative Agent shall promptly so notify the Parent Borrower.

1.9 Currency Equivalents Generally

(a) The Administrative Agent shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Amounts of Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a LIBOR Loan, a CDOR Loan or a EURIBOR Loan, or the issuance, amendment or extension of a Letter of Credit denominated in an Alternative Currency, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, LIBOR Loan, CDOR Loan, EURIBOR Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant equivalent amount of such Dollar Amount in Alternative Currency (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the applicable Swing Line Lender or L/C Issuer, as the case may be.

(c) In determining whether any Indebtedness, Investment, Lien, Disposition, Restricted Payment or any other amount under a “fixed amount” basket denominated in Dollars may be incurred in a currency other than Dollars, such amount shall be determined based on the currency exchange rate determined at the time of such incurrence (or, in the case of any revolving Indebtedness or any amount committed to be made, at the time it is first committed); provided that no Default or Event of Default shall be deemed to have occurred solely as a result

of changes in rates of exchange occurring after the time such Indebtedness, Investment, Lien, Disposition, Restricted Payment or such other amount is incurred or made; provided, further that for purpose of determining Consolidated Net Income, Consolidated EBITDA, Consolidated Total Debt or any other amount or ratio determined based on Consolidated Net Income, Consolidated EBITDA or Consolidated Total Debt, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered Section 9.1 Financials.

1.10 Classification of Loans and Borrowings

For purposes of this Agreement, Revolving Credit Loans may be classified and referred to by Type (e.g., a "LIBOR Loan"). Borrowings also may be classified and referred to by Type (e.g., a "LIBOR Borrowing").

1.11 Unrestricted Escrow Subsidiary

Any Indebtedness permitted to be incurred hereunder may be incurred, at the option of the Parent Borrower, by a newly created and newly designated Unrestricted Subsidiary (an " **Unrestricted Escrow Subsidiary** ") with no assets other than the cash proceeds of such incurred Indebtedness *plus* , subject to compliance with Section 10.5, any cash and Cash Equivalents contributed to such Unrestricted Escrow Subsidiary as deposit of interest expenses and fees, additional cash collateral or for other purposes, which Unrestricted Escrow Subsidiary will then merge with and into the Parent Borrower or any of the Restricted Subsidiaries with the Parent Borrower or such Restricted Subsidiary surviving the merger and assuming all obligations of the Unrestricted Escrow Subsidiary. So long as such Indebtedness would have been permitted to be incurred directly by the Parent Borrower or any Restricted Subsidiary upon the incurrence of such Indebtedness by the Unrestricted Escrow Subsidiary, or, with respect to any Indebtedness incurred in connection with a Limited Condition Transaction, at the option of the Parent Borrower, at the time the LCT Election is made, the creation, designation and re-designation of the Unrestricted Escrow Subsidiary and the merger of the Unrestricted Escrow Subsidiary into the Parent Borrower or any Restricted Subsidiary shall not be subject to any additional condition, including any condition that no Default or Event of Default shall have occurred and be continuing at such time.

1.12 Limited Condition Transactions

In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of (i) determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test or (ii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets), in each case, at the option of the Parent Borrower (the Parent Borrower's election to exercise such option in connection with any Limited Condition Transaction, an " **LCT Election** "; *provided* that such election may be revoked by the Parent Borrower at any time prior to the consummation or abandonment of the Limited Condition Transaction in question), the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreement for such Limited Condition Transaction is entered into (the " **LCT Test Date** "), and if, after giving Pro Forma Effect to the

Limited Condition Transaction, the Parent Borrower or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Parent Borrower has made an LCT Election and, following the LCT Test Date, any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA, Consolidated Interest Expense or Consolidated Total Assets following the LCT Test Date but at or prior to the consummation of the relevant Limited Condition Transaction, such baskets, tests or ratios will not be deemed to have failed to have been satisfied as a result of such fluctuations. If the Parent Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earliest of the date on which (i) such Limited Condition Transaction is consummated, (ii) the LCT Election is revoked by the Parent Borrower and (iii) the date that the definitive agreement or date for redemption, repurchase, defeasance, satisfaction and discharge or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a " **Subsequent Transaction** ") in connection with which a ratio, test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated.

1.13 CFCs, CFC Holding Companies and Foreign Credit Parties not Liable for U.S. Obligations.

Notwithstanding any provision hereof or of any other Credit Document, (i) none of the Foreign Credit Parties or any CFC or CFC Holding Company shall guarantee or be required to guarantee any U.S. Obligation or be liable to pay or otherwise be liable, in whole or in part, for any U.S. Obligation, and (ii) no Foreign Collateral granted by the Foreign Credit Parties or a CFC or CFC Holding Company as security for all or any part of the Foreign Obligations, or any other credit enhancement provided by a non-U.S. obligor hereunder or under any Credit Document, shall secure any U.S. Obligation. Notwithstanding any provision hereof or any other Credit Document, in the event that the Borrowers are required to pay any amounts under this Agreement or the other Credit Documents that are fees, costs or expenses that are not in the nature of interest or principal, if such amounts cannot be directly charged to either the Parent Borrower or the applicable Foreign Borrower(s) as specifically related to either the U.S. Obligations or the Foreign Obligations, then such amounts shall be paid by each of the Parent Borrower and the Foreign Borrowers pro rata based upon the total amount of the Obligations attributable to such Borrower outstanding at such time. Notwithstanding anything herein or in any other Credit Document to the contrary, any payment made by any Foreign Credit Party with respect to the Obligations shall be made and treated solely as a payment with respect to the Foreign Obligations.

SECTION 2 Amount and Terms of Credit

2.1 Revolving Credit Borrowing

(a) The Revolving Credit Borrowings. Subject to the terms and conditions set forth herein, (i) each U.S. Revolving Credit Lender severally agrees to make revolving credit loans (each such loan, a " **U.S. Revolving Credit Loan** ") to the Parent Borrower from time to time, on any Business Day after the Closing Date until the Maturity Date, in an aggregate principal amount not to exceed at any time outstanding the amount of such Lender's U.S. Revolving Credit Commitment; *provided* that after giving effect to any such Revolving Credit Borrowing, each of the Availability Requirements shall be met and (ii) each Foreign Revolving Credit Lender severally agrees to make revolving credit loans (each such loan, a " **Foreign Revolving Credit Loan** "; U.S. Revolving Credit Loan or Foreign Revolving Credit Loan, each a " **Revolving Credit Loan** ") to any Foreign Borrower, in each case as elected by the Administrative Borrower pursuant to Section 2.3 from time to time, on any Business Day after the Closing Date until the Maturity Date, in an aggregate Dollar Amount in principal amount not to exceed at any time outstanding the amount of such Lender's Foreign Revolving Credit Commitment; *provided* that after giving effect to any such Revolving Credit Borrowing, each of the Availability Requirements shall be met. Revolving Credit Loans may be made (i) to the Parent Borrower in Dollars, Euro or any Alternative Currency provided under Section 1.8, (ii) to the Canadian Borrower in Dollars, Canadian Dollars or any Alternative Currency provided under Section 1.8 or (iii) to any European Borrower in Dollars, Euro, Sterling or any Alternative Currency provided under Section 1.8. Revolving Credit Loans (i) to the Parent Borrower or the Canadian Borrower denominated in Dollars may be ABR Loans or LIBOR Loans, as further provided herein, (ii) to the Canadian Borrower denominated in Canadian Dollars may be Canadian Prime Rate Loans or CDOR Loans, as further provided herein, and (iii) to any European Borrower may be LIBOR Loans denominated in Dollars or Sterling, or EURIBOR Loans denominated in Euros, as further provided herein. Within the limits of each Lender's U.S. Revolving Credit Commitment or Foreign Revolving Credit Commitment, as applicable, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.1(a), prepay under Section 2.5 and reborrow under this Section 2.1(a).

(b) Subject to the limitations set forth below (and notwithstanding anything to the contrary in Section 2.1(a) or in Section 7), (i) the Administrative Agent is authorized by the Parent Borrower and the U.S. Revolving Credit Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation), to make loans denominated in Dollars that are ABR Loans (each such loan, a " **U.S. Protective Advance** ") on behalf of all U.S. Revolving Credit Lenders to the Parent Borrower and (ii) the Administrative Agent is authorized by all Foreign Borrowers and the Foreign Revolving Credit Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation), to make loans denominated in Dollars that are ABR Loans (each such loan, a " **Foreign Protective Advance** "; U.S. Protective Advance or Foreign Protective Advance, each a " **Protective Advance** ") on behalf of all Foreign Revolving Credit Lenders to any Foreign Borrower, in each case of clauses (i) and (ii), at any time that any condition precedent set forth in Section 7 has not been satisfied or waived, which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (x) to preserve or protect the Collateral, or any portion thereof or (y) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations. Any

Protective Advance may be made in a principal amount that would result in the Availability Requirements not being met; *provided* that (i) no U.S. Protective Advance may be made to the extent that, after giving effect to such Protective Advance (together with the Outstanding Amount of any other outstanding U.S. Protective Advances) the aggregate Outstanding Amount of all U.S. Protective Advances outstanding hereunder would exceed 5% of the U.S. Borrowing Base as determined on the date of such proposed Protective Advance and (ii) no Foreign Protective Advance may be made to the extent that, after giving effect to such Protective Advance (together with the Outstanding Amount of any other outstanding Foreign Protective Advances) the aggregate Outstanding Amount of all Foreign Protective Advances outstanding hereunder would exceed 5% of the Foreign Borrowing Base as determined on the date of such proposed Protective Advance; *provided further* that (x) the aggregate U.S. Revolving Credit Exposure at such time shall not exceed the aggregate U.S. Revolving Credit Commitments as then in effect and (y) the aggregate Foreign Revolving Credit Exposure at such time shall not exceed the aggregate Foreign Revolving Credit Commitments as then in effect. Each U.S. Protective Advance shall be secured by the Liens in favor of the Administrative Agent on behalf of the Secured Parties in and to the U.S. Collateral and shall constitute U.S. Obligations hereunder. Each Foreign Protective Advance shall be secured by the Liens in favor of the Administrative Agent on behalf of the Secured Parties in and to the Collateral and shall constitute Foreign Obligations hereunder. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and will become effective prospectively upon the Administrative Agent's receipt thereof. The making of a Protective Advance on any one occasion shall not obligate the Administrative Agent to make any Protective Advance on any other occasion and under no circumstance shall any Borrower have the right to require that a Protective Advance be made. At any time that the conditions precedent set forth in Section 7 have been satisfied or waived, the Administrative Agent may request (i) the U.S. Revolving Credit Lenders to make a U.S. Revolving Credit Loan to repay a U.S. Protective Advance and/or (ii) the Foreign Revolving Credit Lenders to make a Foreign Revolving Credit Loan to repay a Foreign Protective Advance. At any other time, the Administrative Agent may require the Appropriate Lenders to fund their risk participations described in Section 2.1(c) below.

(c) Upon the making of a U.S. Protective Advance or a Foreign Protective Advance, as applicable, by the Administrative Agent (whether before or after the occurrence of a Default or an Event of Default), (i) each U.S. Revolving Credit Lender shall be deemed, without further action by any party hereto, unconditionally and irrevocably to have purchased from the Administrative Agent, without recourse or warranty, an undivided interest and participation in such U.S. Protective Advance in proportion to its Pro Rata Share and (ii) each Foreign Revolving Credit Lender shall be deemed, without further action by any party hereto, unconditionally and irrevocably to have purchased from the Administrative Agent, without recourse or warranty, an undivided interest and participation in such Foreign Protective Advance in proportion to its Pro Rata Share. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Pro Rata Share of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

(d) Notwithstanding anything to the contrary in any Credit Document, but subject to Section 2.12, each Lender may, at its option, make Revolving Credit Loans, Swing Line Loans or Protective Advances, as applicable, available to the Borrowers by causing its applicable Lending Office or any foreign or domestic branch or Affiliate of such Lender to make such Loans; *provided* that (i) any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement and the other Credit Documents and (ii) no Credit Party shall be obliged to make any payment pursuant to Section 2.10, 2.11, 5.4 (or the comparable provisions in Section 14) in excess of any payment that would have been due to Lender pursuant to Section 2.10, 2.11 or 5.4 (or the comparable provisions under Section 14), respectively, if the Lender had made such Loan through its Lending Office (other than (i) Loans made through any foreign or domestic branch or Affiliate of a Lender at the written request of the Parent Borrower or (ii) payments as a result of any change after the exercise of such option in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority).

(e) The obligations of the Lenders hereunder to make Loans and to fund participations in Letters of Credit, Swing Line Loans and Protective Advances are several and not joint. The failure of any Lender to make any Loan or to fund any such participation on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or purchase its participation.

2.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings

(a) Each Borrowing of, conversion to or continuation of LIBOR Loans, CDOR Loans or EURIBOR Loans shall be in a principal Dollar Amount of $1,000,000 or a whole multiple of the Dollar Amount of $500,000 in excess thereof.

(b) Except as provided in Sections 3.1(c) and 3.2(c), and except for Protective Advances which shall be made in the amounts required by Section 2.1(b), each Borrowing of or conversion to ABR Loans or Canadian Prime Rate Loans shall be in a principal Dollar Amount of $500,000 or a whole multiple of the Dollar Amount of $100,000 in excess thereof.

(c) After giving effect to all Revolving Credit Borrowings, all conversions of Revolving Credit Loans from one Type to the other, and all continuations of Revolving Credit Loans as the same Type, there shall not be more than twenty (20) Interest Periods in effect unless otherwise agreed between the Parent Borrower and the Administrative Agent.

2.3 Borrowings, Conversions and Continuations

(a) Each Revolving Credit Borrowing, each conversion of Revolving Credit Loans from one Type to the other, and each continuation of LIBOR Loans, EURIBOR Loans or CDOR Loans shall be made upon the applicable Administrative Borrower's revocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent (i) not later than 12:00 noon (New York, New York time) (A) three (3) Business Days prior to the requested date of any Borrowing or continuation of LIBOR Loans denominated in Dollars or any conversion of ABR Loans to LIBOR Loans, (B) four (4) Business

Days prior to the requested date of any Borrowing or continuation of CDOR Loans or any conversion of Canadian Prime Rate Loans to CDOR Loans, and (C) four (4) Business Days prior to the requested date of any Borrowing or continuation of LIBOR Loans denominated in Sterling or EURIBOR Loans, and (ii) not later than 11:00 a.m. (New York, New York time) on the requested date of any Borrowing of ABR Loans or Canadian Prime Rate Loans. Each telephonic notice by the Parent Borrower pursuant to this Section 2.3(a) must be confirmed promptly by delivery to the Administrative Agent of a written Notice of Borrowing or Notice of Conversion or Continuation, appropriately completed and signed by an Authorized Officer of the applicable Administrative Borrower. Each Notice of Borrowing or Notice of Conversion or Continuation (whether telephonic or written) shall specify (i) whether the requesting Borrower is requesting a Revolving Credit Borrowing, a conversion of Revolving Credit Loans from one Type to the other, or a continuation of LIBOR Loans, EURIBOR Loans or CDOR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the currency in which the Loans to be borrowed are to be denominated, (v) the Type of Loans to be borrowed or to which existing Revolving Credit Loans are to be converted, (vi) the identity of the requesting Borrower and (vii) if applicable, the duration of the Interest Period with respect thereto. If the requesting Borrower fails to specify a Type of Loan in a Notice of Borrowing or Notice of Conversion or Continuation or fails to give a timely notice requesting a conversion or continuation, then the applicable Revolving Credit Loans shall be made as, or converted to, (i) in the case of Loans to the Parent Borrower or the Canadian Borrower denominated in Dollars, ABR Loans, (ii) in the case of Loans to the Canadian Borrower denominated in Canadian Dollars, Canadian Prime Rate Loans, (iii) in the case of Loans to a European Borrower denominated in Dollars or Sterling, LIBOR Loans with an Interest Period of one month and (iv) in the case of Loans denominated in Euros, EURIBOR Loans with an Interest Period of one month. Any such automatic conversion to ABR Loans or Canadian Prime Rate Loans, as applicable, shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Loans or CDOR Loans, as applicable. If the requesting Borrower requests a Borrowing of, conversion to, or continuation of LIBOR Loans, CDOR Loans or EURIBOR Loans in any such Notice of Borrowing or Notice of Conversion or Continuation, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. If no currency is specified, the requested Borrowing shall be in Dollars. Notwithstanding anything to the contrary, no Revolving Credit Loan to a European Borrower may be converted to ABR Loans.

(b) Following receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Appropriate Lender of the amount (and currency) of its Pro Rata Share of the applicable Revolving Credit Loans, and if no timely notice of a conversion or continuation is provided by the requesting Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to ABR Loans or Canadian Prime Rate Loans or continuation of Loans to a European Borrower described in Section 2.2(a). In the case of each Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the respective currency not later than (i) 1:00 p.m. (New York, New York time), in the case of any Loan denominated in Dollars or any Canadian Prime Rate Loan denominated in Canadian Dollars, and (ii) 9:00 a.m. (New York, New York time), in the case of any CDOR Loan denominated in Canadian Dollars and any Loan denominated in Sterling or Euro, in each case on the Business

Day specified in the applicable Notice of Borrowing. Upon satisfaction of the applicable conditions set forth in Section 7, the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of such Borrower on the books of the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the requesting Borrower; *provided* that (x) if, on the date the Notice of Borrowing with respect to a Borrowing is given by the Parent Borrower, there are L/C Borrowings in respect of U.S. Letters of Credit outstanding, then the proceeds of such Borrowing shall be applied, first, to the payment in full of any such L/C Borrowings and second, to the Parent Borrower as provided above and (y) if, on the date the Notice of Borrowing with respect to a Borrowing is given by a Foreign Borrower, there are L/C Borrowings in respect of Foreign Letters of Credit outstanding, then the proceeds of such Borrowing shall be applied, first, to the payment in full of any such L/C Borrowings and second, to the Foreign Borrower as provided above.

(c) The Administrative Agent shall promptly notify the applicable Administrative Borrower and the Lenders of the interest rate applicable to any Interest Period for LIBOR Loans, CDOR Loans or EURIBOR Loans upon determination of such interest rate. The determination of the LIBOR Rate, CDOR Rate or EURIBOR Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that ABR Loans or Canadian Prime Rate Loans are outstanding, the Administrative Agent shall notify the applicable Administrative Borrower and the Appropriate Lenders of any change in the Administrative Agent's prime rate used in determining the ABR or Canadian Prime Rate promptly following the public announcement of such change.

(d) Except as otherwise provided herein, a LIBOR Loan, a CDOR Loan or a EURIBOR Loan may be continued or converted only on the last day of an Interest Period for such LIBOR Loan, CDOR Loan or EURIBOR Loan. During the existence of an Event of Default, the Administrative Agent or the Required Lenders may require that no Loans may be converted or continued as LIBOR Loans, CDOR Loans or EURIBOR Loans, and that (unless repaid) any or all of the then-outstanding Loans in Alternative Currencies be redenominated into Dollars in the amount of the Dollar Amount thereof, on the last day of the then-current Interest Period with respect thereto.

2.4 Disbursement of Funds

(a) Unless the Administrative Agent shall have received notice from an Appropriate Lender prior to the date of any Borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's Pro Rata Share of such Borrowing, the Administrative Agent may assume that such Lender has made such Pro Rata Share available to the Administrative Agent on the date of such Borrowing in accordance with Section 2.3(b) above, and the Administrative Agent may, in reliance upon such assumption, make available to the applicable 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 Pro Rata Share available to the Administrative Agent, each of such Lender and applicable 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 the applicable Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Overnight Rate *plus* any administrative, processing, or similar fees customarily charged by the Administrative Agent in accordance with the foregoing. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 2.4(a) shall be conclusive in the absence of manifest error. If such Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower (to the extent such amount is covered by interest paid by such Lender) the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by any Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(b) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that any Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

2.5 Repayment of Loans; Evidence of Debt

(a) Revolving Credit Loans. Each Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date the aggregate principal amount of all of its Revolving Credit Loans outstanding on such date.

(b) Swing Line Loans. Each Borrower shall repay each of its Swing Line Loans on the Maturity Date.

(c) Protective Advances. Each Borrower shall repay to the Administrative Agent the then unpaid amount of each of its Protective Advances on the Maturity Date.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of any Borrower to the appropriate Lending Office of such Lender resulting from each Loan made by such Lending Office of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lending Office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder and, if applicable, the relevant tranche thereof and the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from each Borrower and each Lender's share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations of each Borrower therein recorded; *provided* , *however* , that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of each Borrower to repay (with applicable interest) the Loans made to such Borrower by such Lender in accordance with the terms of this Agreement.

(g) Each Borrower hereby agrees that, upon request of any Lender at any time and from time to time after such Borrower has made an initial Borrowing hereunder, such Borrower shall provide to such Lender, at such Borrower's expense a promissory note substantially in the form of Exhibit B, evidencing the Loans owing to such Lender. Each Lender may attach schedules to its note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

2.6 Designation of Administrative Borrower

Each Foreign Borrower irrevocably appoints the Irish Borrower and the Parent Borrower as its agent for all purposes relevant to this Agreement, including the giving and receipt of notices and execution and delivery of all documents, instruments, and certificates contemplated herein (including, without limitation, execution and delivery to the Administrative Agent of Notice of Borrowing and Notice of Conversion or Continuation) and all modifications hereto. Any acknowledgment, consent, direction, certification, or other action which might otherwise be valid or effective only if given or taken by all or any of the Foreign Borrowers acting singly, shall be valid and effective if given or taken only by the Irish Borrower or the Parent Borrower with respect to the Foreign Borrowers, whether or not any of the other Foreign Borrowers join therein, and the Agents and the Lenders shall have no duty or obligation to make further inquiry with respect to the authority of the Irish Borrower or the Parent Borrower; provided that nothing herein shall limit the effectiveness of, or the right of the Agents and the Lenders to rely upon, any notice (including, without limitation, a Notice of Borrowing and a Notice of Conversion or Continuation), document, instrument, certificate, acknowledgment, consent, direction, certification or other action delivered by any Borrower pursuant to this Agreement. For the purposes of this Section, each of the other Foreign Borrowers releases the Irish Borrower and the Parent Borrower, as applicable from the restrictions imposed by Section 181 of the German Civil Code (*B ü rgerliches Gesetzbuch*) and any similar restrictions set forth in any other Applicable Law.

2.7 [Reserved]

2.8 Interest

(a) Subject to the provisions of Section 2.8(b), (i) each LIBOR Loan denominated in Dollars shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period *plus* the Applicable Rate; (ii) each LIBOR Loan that is denominated in Sterling shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the

LIBOR Rate for such Interest Period *plus* the Applicable Rate; (iii) each EURIBOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the EURIBOR Rate for such Interest Period *plus* the Applicable Rate; (iv) each CDOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the CDOR Rate for such Interest Period *plus* the Applicable Rate; (v) each ABR Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the ABR *plus* the Applicable Rate; (vi) each Canadian Prime Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Canadian Prime Rate *plus* the Applicable Rate and (vii) each Overnight LIBOR Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Overnight LIBOR Rate *plus* the Applicable Rate. For the avoidance of doubt, each Loan denominated in Sterling (other than a Swing Line Loan) shall be a LIBOR Loan, and each Loan denominated in Euro (other than a Swing Line Loan) shall be a EURIBOR Loan.

(b) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon or any other amount hereunder shall not be paid when due (whether at the Stated Maturity, by acceleration or otherwise), and an Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing, then, upon the giving of written notice by the Administrative Agent to the Parent Borrower (except in the case of an Event of Default under Section 11.5, for which no notice is required), such overdue amount (other than any such amount owed to a Defaulting Lender) shall bear interest at a rate *per annum* (the " **Default Rate** ") that is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2% or (y) in the case of any overdue interest or other amounts due hereunder, to the extent permitted by Applicable Law, the rate described in Section 2.8(a)(v) *plus* 2% from the date of written notice to the date on which such amount is paid in full (after as well as before judgment) (or if an Event of Default under Section 11.5 shall have occurred and be continuing, the date of the occurrence of such Event of Default).

(c) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof; *provided* that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Interest on each Loan shall be payable in the currency in which such Loan was made. Except as provided below, interest shall be payable (i) in respect of each ABR Loan and each Canadian Prime Rate Loan, quarterly in arrears on the last Business Day of each March, June, September and December, (ii) in respect of each LIBOR Loan, CDOR Loan or EURIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, and (iii) in respect of each Loan, (A) on any prepayment; *provided* that interest on ABR Loans or Canadian Prime Rate Loans shall only become due pursuant to this clause (A) if the aggregate principal amount of the ABR Loans or Canadian Prime Rate Loans then-outstanding is repaid in full, (B) at maturity (whether by acceleration or otherwise) and (C) after such maturity, on demand.

(d) All computations of interest hereunder shall be made in accordance with Section 5.5.

2.9 Interest Periods

At the time the applicable Administrative Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans, CDOR Loans or EURIBOR Loans in accordance with Section 2.3(a), the applicable Administrative Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the applicable Administrative Borrower, be a one, two, three or six or (if available to all Appropriate Lenders) a twelve month period or a period of less than one month.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans, CDOR Loans or EURIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loans, CDOR Loans or EURIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided* that if any Interest Period in respect of a LIBOR Loan, CDOR Loan or EURIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; and

(d) the Borrowers shall not be entitled to elect any Interest Period in respect of any LIBOR Loan, CDOR Loan or EURIBOR Loan if such Interest Period would extend beyond the Maturity Date.

2.10 Increased Costs, Illegality, LIBOR/EURIBOR Discontinuation, Etc.

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, the Required Lenders shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the LIBOR Rate, CDOR Rate or EURIBOR Rate for any Interest Period that (x) deposits in the principal amounts and currencies of the Loans comprising such Borrowing are not generally available in the relevant market or (y) by reason of any changes arising on or after the Closing Date affecting the interbank market for such rate, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate, CDOR Rate or EURIBOR Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any LIBOR Loans, CDOR Loans or EURIBOR Loans (other than any increase or reduction attributable to (A) Indemnified Taxes and Taxes indemnifiable under Section 5.4 (or the comparable provisions under Section 14), (B) net income Taxes and franchise and excise Taxes (imposed in lieu of net income Taxes) imposed on any Agent or Lender or (C) Taxes included under clauses (c) through (e) of the definition of "Excluded Taxes") because of (x) any change since the Closing Date in any Applicable Law (or in the interpretation or administration thereof and including the introduction of any new Applicable Law), such as, for example, without limitation, a change in official reserve requirements, and/or (y) other circumstances affecting the interbank market for such rate or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any LIBOR Loan has become unlawful as a result of compliance by such Lender in good faith with any Applicable Law (or would conflict with any such Applicable Law not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Closing Date that materially and adversely affects the interbank LIBOR market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Parent Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Appropriate Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans, CDOR Loans or EURIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Parent Borrower and the Appropriate Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by the applicable Administrative Borrower with respect to LIBOR Loans, CDOR Loans or EURIBOR Loans that have not yet been incurred shall be deemed rescinded by such Administrative Borrower, as applicable, (y) in the case of clause (ii) above, the applicable Borrower shall pay to such Lender, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of or a different method of calculating, interest or otherwise, as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the Parent Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (iii) above, the applicable Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by Applicable Law.

(b) At any time that any LIBOR Loan, CDOR Loan or EURIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the applicable Borrower may (and in the case of a LIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if the affected LIBOR Loan, CDOR Loan or EURIBOR Loan is then being made pursuant to a Borrowing, cancel such Borrowing by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that the Parent Borrower was notified by a Lender pursuant to Section 2.10(a)(ii) or (iii) or (y) if the affected LIBOR Loan, CDOR Loan or EURIBOR Loan is then-outstanding, upon at least three Business Days' notice to the Administrative Agent require the affected Lender to convert each LIBOR Loan into an ABR Loan denominated in Dollars and each CDOR Loan into Canadian Prime Rate Loan; *provided* that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Closing Date, any Change in Law relating to capital adequacy or liquidity of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Closing Date, has or would have the effect of reducing the rate of return on such Lender's or its parent's or its Affiliates' capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or any Affiliate thereof could have achieved but for such Change in Law (taking into consideration such Lender's or parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly after written demand by such Lender (with a copy to the Administrative Agent), the applicable Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any Applicable Law as in effect on the Closing Date. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Parent Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish any Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

(d) Notwithstanding the foregoing, no Lender shall demand compensation pursuant to this Section 2.10 if it shall not at the time be the general policy or practice of such Lender to demand such compensation in substantially the same manner as applied to other similarly situated borrowers under comparable syndicated credit facilities.

(e) Notwithstanding anything contained herein to the contrary, and without limiting the provisions of Section 2.6, in the event that the Administrative Agent or the Required Lenders shall have determined (which determination shall be final and conclusive and binding upon all parties hereto absent manifest error) that any of the LIBOR Rate or the EURIBOR Rate for a particular Interest Period is not available at such time for any reason, then the LIBOR Rate or the EURIBOR Rate (as applicable) for such Interest Period shall be (x) a comparable successor or alternative interbank rate for deposits in Dollars, Sterling or Euros (as applicable) that is, at such time, broadly accepted by the syndicated loan market in lieu of the LIBOR Rate or the EURIBOR Rate (as applicable) and is reasonably acceptable to the Parent Borrower and the Administrative Agent or (y) solely if no such broadly accepted comparable successor interbank rate exists at such time, a successor or alternative index rate as the Administrative Agent and the Parent Borrower may determine with the consent of the Required Lenders.

2.11 Compensation

If (i) any payment of principal of any LIBOR Loan, CDOR Loan or EURIBOR Loan is made by the applicable Borrower to or for the account of a Lender other than on the last day of the Interest Period for such LIBOR Loan, CDOR Loan or EURIBOR Loan as a result of a payment or conversion pursuant to Section 2.5, 2.6, 2.10, 5.1, 5.2 or 13.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (ii) any Borrowing of LIBOR Loans, CDOR Loans or EURIBOR Loans is not made as a result of a withdrawn Notice of Borrowing, (iii) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (iv) any LIBOR Loan, CDOR Loan or EURIBOR Loan is not continued as a LIBOR Loan, CDOR Loan or EURIBOR Loan, as the case may be, as a result of a withdrawn Notice of Conversion or Continuation or (v) any prepayment of principal of any LIBOR Loan, CDOR Loan or EURIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2, the applicable Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan, CDOR Loan or EURIBOR Loan. Notwithstanding the foregoing, no Lender shall demand compensation pursuant to this Section 2.11 if it shall not at the time be the general policy or practice of such Lender to demand such compensation in substantially the same manner as applied to other similarly situated borrowers under comparable syndicated credit facilities.

2.12 Change of Lending Office

Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(c) or 5.4 (or the comparable provisions under Section 14) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another Lending Office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its Lending Office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the applicable Borrower or the right of any Lender provided in Section 2.10 or 5.4 (or the comparable provisions under Section 14). The applicable Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with such designation.

2.13 Notice of Certain Costs

Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11 or 5.4 (or the comparable provisions in Section 14) is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Section 2.10, 2.11 or 5.4 (or the comparable provisions under Section 14), as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Parent Borrower (except that, if the event giving rise to such additional cost, reduction in amounts, loss, tax or other additional amounts is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

2.14 Incremental Credit Extensions

(a) Incremental Revolving Credit Request. The Borrowers may at any time and from time to time, on one or more occasions, after the Closing Date, by notice to the Administrative Agent, request one or more increases to the aggregate principal amount of the Revolving Credit Commitments (the " **Incremental Commitments** "). Such increase may be an increase to the U.S. Revolving Credit Commitments and/or the Foreign Revolving Credit Commitments and shall not be required to be pro rata as between the two Tranches.

(b) Size. The aggregate principal amount of all Incremental Commitments hereunder shall not exceed the sum of (x) $50,000,000, *plus* (y) an amount equal to the excess of the Aggregate Borrowing Base set forth in the Borrowing Base Certificate most recently delivered pursuant to Section 9.1(i) over the principal amount of the Aggregate Revolving Credit Commitments at such time. Each Incremental Commitment will be in an integral multiple of $1,000,000 and in an aggregate principal amount that is not less than $5,000,000 (or such lesser minimum amount approved by the Administrative Agent in its reasonable discretion); *provided* that such amount may be less than such minimum amount or integral multiple amount if such amount represents all the remaining availability under the limit set forth above.

(c) Incremental Lenders. Incremental Commitments may be provided by any existing Lender (it being understood that no existing Lender will have an obligation to make all or any portion of the Incremental Commitments, nor will the Borrowers have any obligation to approach any existing Lender(s) to provide any Incremental Commitments) or by any Additional Lender on terms permitted by this Section 2.14; *provided* that the Administrative Agent, each Swing Line Lender for the applicable Tranche and each L/C Issuer for the applicable Tranche shall have consented (in each case, such consent not to be unreasonably withheld, conditioned or delayed) to any such Person's providing Incremental Commitments if such consent would be required under Section 13.6(b)(ii) for an assignment of Revolving Credit Commitments to such Person. Final allocations of Incremental Commitments will be made by the Parent Borrower together with the arrangers thereof, if any, in their discretion.

(d) Incremental Amendments. Incremental Commitments shall become U.S. Revolving Credit Commitments and/or Foreign Revolving Credit Commitments, as applicable, under this Agreement pursuant to an amendment (each, an " **Incremental Amendment** ") to this Agreement and, as appropriate, the other Credit Documents, executed by the Borrowers, each Person providing such Incremental Commitments and the Administrative Agent. The Administrative Agent will promptly notify each Lender as to the effectiveness of each Incremental Amendment. Incremental Amendments may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.14. Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Amendment, this Agreement and the other Credit Documents, as applicable, will be amended to the extent necessary to reflect the existence and terms of the Incremental Commitments.

(e) Conditions. The availability of the Incremental Commitments under this Agreement will be subject solely to the following conditions:

(i) No Event of Default shall have occurred and be continuing or would exist after giving effect thereto; and

(ii) all representations and warranties set forth in Section 8 and the other Credit Documents shall be true and correct in all material respects on and as of the date of effectiveness of the Incremental Commitments except any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be, *provided* that, any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(f) Terms. Except as set forth in clause (g) below or with respect to any FILO Tranche under Section 2.14(h) below, any Incremental Commitments shall be on the same terms (including as to maturity and guarantee and collateral) and pursuant to the same documentation applicable to the U.S. Revolving Credit Commitments and/or the Foreign Revolving Credit Commitments, as applicable; provided that if a financial covenant is added for the benefit of the Incremental Commitments, no consent from any Lender or the Administrative Agent is required to the extent that such financial covenant is also added for the benefit of the existing Credit Facilities.

(g) Pricing. Other than (x) in the case of a FILO Tranche as described below and (y) upfront fees paid upon the effectiveness of the Incremental Commitments, the pricing in respect of the Incremental Commitments shall be identical to the existing Revolving Credit Commitments.

(h) FILO Tranche. Notwithstanding anything set forth above, the Borrowers may incur Incremental Commitments in the form of a separate "first-in, last-out" or "last-out" tranche (the " **FILO Tranche** ") with interest rate margins, rate floors, upfront fees, funding discounts and original issue discounts, in each case to be agreed upon among the Borrowers and the lenders providing the FILO Tranche (which, for the avoidance of doubt, shall not require any

adjustment to the Applicable Rate for the existing Revolving Credit Loans) so long as (a) the final scheduled maturity of any FILO Tranche shall not occur, and no FILO Tranche shall require mandatory commitment reductions prior to, the latest then-existing Maturity Date; and (b) the other terms of the FILO Tranche shall be reasonably satisfactory to the Administrative Agent.

(i) Reallocation of Revolving Credit Exposure. Upon the effectiveness of the Incremental Commitments (other than pursuant to clause (h) above):

(i) each U.S. Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing an increase to the U.S. Revolving Credit Commitments, and each such Lender will automatically and without further act be deemed to have assumed, a portion of such U.S. Revolving Credit Lender's participations hereunder in outstanding U.S. Letters of Credit and U.S. Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in U.S. Letters of Credit and U.S. Swing Line Loans held by each U.S. Revolving Credit Lender will equal the percentage of the aggregate U.S. Revolving Credit Commitments of all U.S. Revolving Credit Lenders represented by such U.S. Revolving Credit Lender's U.S. Revolving Credit Commitments;

(ii) each Foreign Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing an increase to the Foreign Revolving Credit Commitments, and each such Lender will automatically and without further act be deemed to have assumed, a portion of such Foreign Revolving Credit Lender's participations hereunder in outstanding Foreign Letters of Credit and Foreign Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Foreign Letters of Credit and Foreign Swing Line Loans held by each Foreign Revolving Credit Lender will equal the percentage of the aggregate Foreign Revolving Credit Commitments of all Foreign Revolving Credit Lenders represented by such Foreign Revolving Credit Lender's Foreign Revolving Credit Commitments; and

(iii) if, on the date of any increase to U.S. Revolving Credit Commitments or Foreign Revolving Credit Commitments, as applicable, there are any U.S. Revolving Credit Loans or Foreign Revolving Credit Loans outstanding, such applicable Revolving Credit Loans shall on or prior to the effectiveness of such Incremental Commitments be prepaid from the proceeds of Revolving Credit Loans made hereunder (reflecting such increase in the applicable Tranche of Revolving Credit Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Credit Loans being prepaid and any costs incurred by any Lender in accordance with Section 2.11.

(j) The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this Section 2.14.

2.15 Extension of Revolving Credit Commitments

(a) The Borrowers may at any time and from time to time request that all or a portion of the U.S. Revolving Credit Commitments and/or the Foreign Revolving Credit Commitments, each existing at the time of such request (each, an " **Existing Revolving Credit Commitment** " and any related Revolving Credit Loans thereunder, " **Existing Revolving Credit Loans** ") be converted to extend the Maturity Date thereof (any such Existing Revolving Credit Commitments which have been so extended, " **Extended Revolving Credit Commitments** " and any related Revolving Credit Loans, " **Extended Revolving Credit Loans** ") and to provide for other terms consistent with this Section 2.15. In order to establish any Extended Revolving Credit Commitments, the Parent Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each Appropriate Lender of the Existing Revolving Credit Commitments which such request shall be offered equally to all such Lenders) (a " **Revolving Credit Extension Request** ") setting forth the proposed terms of the Extended Revolving Credit Commitments to be established, which, shall either, at the option of the Parent Borrower, (A) reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined in good faith by the Parent Borrower) or (B) if not consistent with the terms of the applicable Existing Revolving Credit Commitments, shall not be materially more restrictive to the Credit Parties (as determined in good faith by the Parent Borrower), when taken as a whole, than the terms of such Existing Revolving Credit Commitments (the " **Specified Existing Revolving Credit Commitment** ") unless (x) the Lenders providing Existing Revolving Credit Commitments receive the benefit of such more restrictive terms or (y) any such provisions apply after the Maturity Date of any Revolving Credit Commitments then outstanding under this Agreement, in each case, to the extent provided in the applicable Extension Amendment; *provided* , *however* , that (w) all or any of the final maturity dates of such Extended Revolving Credit Commitments may be delayed to later dates than the final maturity dates of the Specified Existing Revolving Credit Commitments, (x) (A) the interest rates, interest margins, rate floors, upfront fees, funding discounts, original issue discount and premiums with respect to the Extended Revolving Credit Commitments may be higher or lower than the interest margins rate floors, upfront fees, funding discounts, original issue discount and premiums for the Specified Existing Revolving Credit Commitments and/or (B) additional fees and premiums may be payable to the Lenders providing such Extended Revolving Credit Commitments in addition to or in lieu of any of the items contemplated by the preceding clause (A), (y) the commitment fee rate with respect to the Extended Revolving Credit Commitments may be higher or lower than the commitment fee rate for the Specified Existing Revolving Credit Commitment and (z) the amount of the Extended Revolving Credit Commitments and the principal amount of the Extended Revolving Credit Loans shall not exceed the amount of the Specified Existing Revolving Credit Commitments being extended and the principal amount of the related Existing Revolving Credit Loans being extended, respectively, and *provided further* that, notwithstanding anything to the contrary in this Section 2.15 or otherwise, (1) the borrowing and repayment (other than in connection with a permanent repayment and termination of commitments) of the Extended Revolving Credit Loans under any Extended Revolving Credit Commitments shall be made on a *pro rata* basis with any borrowings and repayments of the Specified Existing Revolving Credit Commitment and the other Existing Revolving Credit Commitments (the mechanics for which may be implemented through the applicable Extension Amendment and may include technical changes related to the borrowing and repayment procedures of the applicable Credit Facility) and (2) assignments and participations of Extended Revolving Credit

Commitments and Extended Revolving Credit Loans shall be governed by the same assignment and participation provisions applicable to Revolving Credit Commitments and the Revolving Credit Loans related to such Revolving Credit Commitments set forth in Section 13.6. No Lender shall have any obligation to agree to have any of its Revolving Credit Loans or Revolving Credit Commitments converted into Extended Revolving Credit Loans or Extended Revolving Credit Commitments pursuant to any Revolving Credit Extension Request. Any Extended Revolving Credit Commitments shall constitute a separate class of revolving credit commitments from the Specified Existing Revolving Credit Commitments and from any other Existing Revolving Credit Commitments; *provided* that any Extended Revolving Credit Commitments may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding class of Revolving Credit Commitments other than the Existing Revolving Credit Commitments from which such Extended Revolving Credit Commitments were converted.

(b) Any Lender (an " **Extending Lender** ") wishing to have all or a portion of its Revolving Credit Commitments subject to such Revolving Credit Extension Request converted into Extended Revolving Credit Commitments shall notify the Administrative Agent (an " **Extension Election** ") on or prior to the date specified in such Extension Request of the amount of its Revolving Credit Commitments subject to such Extension Request that it has elected to convert into Extended Revolving Credit Commitments. In the event that the aggregate amount of Revolving Credit Commitments subject to Extension Elections exceeds the amount of Extended Revolving Credit Commitments requested pursuant to the Extension Request, Revolving Credit Commitments subject to Extension Elections shall be converted to Extended Revolving Credit Commitments on a *pro rata* basis based on the amount of Revolving Credit Commitments included in each such Extension Election. Notwithstanding the conversion of any Existing Revolving Credit Commitment into an Extended Revolving Credit Commitment, such Extended Revolving Credit Commitment shall be treated identically to all then-outstanding Revolving Credit Commitments for purposes of the obligations of a Revolving Credit Lender in respect of Letters of Credit or Swing Line Loans under Section 3, except that the applicable Extension Amendment may provide that the Letter of Credit Expiration Date may be extended and the related obligations to issue Letters of Credit may be continued so long as the applicable L/C Issuer has consented to such extensions in its sole discretion (it being understood that no consent of any other Lender shall be required in connection with any such extension).

(c) Extended Revolving Credit Commitments shall be established pursuant to an amendment (an " **Extension Amendment** ") to this Agreement (which, except to the extent expressly contemplated by the last sentence of this Section 2.15(c) and notwithstanding anything to the contrary set forth in Section 13.1, shall not require the consent of any Lender other than the Extending Lenders with respect to the Extended Revolving Credit Commitments) executed by the Credit Parties, the Administrative Agent and the Extending Lenders. No Extension Amendment shall provide for Extended Revolving Credit Commitments in an aggregate principal amount that is less than $10,000,000. Notwithstanding anything to the contrary in this Section 2.15, and without limiting the generality or applicability of Section 13.1 to any Section 2.15 Additional Amendments, any Extension Amendment may provide for additional terms and/or additional amendments other than those referred to or contemplated above (any such additional amendment, a " **Section 2.15 Additional Amendment** ") to this Agreement and the other Credit Documents; *provided* that such Section 2.15 Additional Amendments comply with

the requirements of Section 2.15 and do not become effective prior to the time that such Section 2.15 Additional Amendments have been consented to (including, without limitation, consents applicable to holders of any Extended Revolving Credit Commitments provided for in any Extension Amendment) by such of the Lenders, Credit Parties and other parties (if any) as may be required in order for such Section 2.15 Additional Amendments to become effective in accordance with Section 13.1.

(d) Notwithstanding anything to the contrary contained in this Agreement, if on any date on which any Existing Revolving Credit Commitments are converted, any Loans of any Extending Lender are outstanding under the applicable Specified Existing Revolving Credit Commitments, such Loans (and any related participations) shall be deemed to be allocated as Extended Revolving Credit Loans (and related participations) and Existing Revolving Credit Loans (and related participations) in the same proportion as such Extending Lender's Specified Existing Revolving Credit Commitments to Extended Revolving Credit Commitments.

(e) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.15 (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Extended Revolving Credit Commitments on such terms as may be set forth in the relevant Extension Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any pro rata payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.15.

(f) No conversion of Loans or Revolving Credit Commitments pursuant to any Extension Amendment in accordance with this Section 2.15 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

2.16 Defaulting Lender

(a) Reallocation. Notwithstanding anything to the contrary herein, if a Lender becomes, and during the period it remains, a Defaulting Lender, the following provisions shall apply with respect to any outstanding Protective Advance participation pursuant to Section 2.1(c), any outstanding Letter of Credit participation pursuant to Section 3.1 and Swing Line Loan participation pursuant to Section 3.2 of such Defaulting Lender:

(i) (A) the U.S. Protective Advance participation pursuant to Section 2.1(c), the U.S. Letter of Credit participation pursuant to Section 3.1 and the U.S. Swing Line Loan participation pursuant to Section 3.2, in each case, of such Defaulting Lender will, subject to the limitation in the proviso below, automatically be reallocated (effective on the day such Lender becomes a Defaulting Lender) among the Non-Defaulting Lenders who are U.S. Revolving Credit Lenders pro rata in accordance with their respective U.S. Revolving Credit Commitments and (B) the Foreign Protective Advance participation pursuant to Section 2.1(c), the Foreign Letter of Credit participation pursuant to Section 3.1 and the Foreign Swing Line Loan participation pursuant to Section 3.2, in each case, of such Defaulting Lender will, subject to the limitation in the proviso below, automatically be reallocated (effective on the day such Lender becomes a

Defaulting Lender) among the Non-Defaulting Lenders who are Foreign Revolving Credit Lenders pro rata in accordance with their respective Foreign Revolving Credit Commitments; *provided* that, in each cases of clauses (A) and (B) above, (a) (A) the U.S. Revolving Credit Exposure of each Non-Defaulting Lender may not in any event exceed its U.S. Revolving Credit Commitment as in effect at the time of such reallocation and (B) the Foreign Revolving Credit Exposure of each Non-Defaulting Lender may not in any event exceed its Foreign Revolving Credit Commitment as in effect at the time of such reallocation and (b) neither such reallocation nor any payment by a Non-Defaulting Lender pursuant thereto will constitute a waiver or release of any claim the Borrowers, the Administrative Agent, the L/C Issuers, the applicable Swing Line Lender or any other Lender may have against such Defaulting Lender or cause such Defaulting Lender to be a Non-Defaulting Lender; and

(ii) to the extent that any portion (the " **unreallocated portion** ") of any Defaulting Lender's Letter of Credit participation pursuant to Section 3.1 and Swing Line Loan participation pursuant to Section 3.2 cannot be so reallocated, whether by reason of the proviso in clause (i) above or otherwise, the applicable Borrowers will, not later than two Business Days after demand by the Administrative Agent (at the direction of the relevant L/C Issuer and/or the relevant Swing Line Lender, as the case may be), (1) Cash Collateralize the obligations of such Borrower to the relevant L/C Issuer in respect of such Letter of Credit participation pursuant to Section 3.1, in an amount equal to the aggregate amount of the unreallocated portion of such Letter of Credit participation pursuant to Section 3.1, or (2) in the case of such Swing Line Loan participation pursuant to Section 3.2, prepay and/or Cash Collateralize in full the unreallocated portion thereof, or (3) make other arrangements satisfactory to the Administrative Agent, and to the relevant L/C Issuer and the Swing Line Lender, as the case may be, in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(b) Fees. Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, such Defaulting Lender will not be entitled to any fees accruing during such period pursuant to Section 3.1(i) (without prejudice to the rights of the Lenders other than Defaulting Lenders in respect of such fees); *provided* that in the case of any such Defaulting Lender that was or is a Lender (x) to the extent that a portion of the Letter of Credit participation pursuant to Section 3.1 of such Defaulting Lender is reallocated to the applicable Non-Defaulting Lenders pursuant to Section 2.16(a) above, such fees under Section 3.1(i) that would have accrued for the benefit of such Defaulting Lender will instead accrue for the benefit of and be payable to such Non-Defaulting Lenders, pro rata in accordance with their applicable U.S. Revolving Credit Commitments or Foreign Revolving Credit Commitments, as applicable, and (y) to the extent any portion of such Letter of Credit participation pursuant to Section 3.1 cannot be so reallocated, such fees will instead accrue for the benefit of and be payable to the relevant L/C Issuer, as their interests appear.

(c) Cure. If the Parent Borrower, the Administrative Agent, each L/C Issuer and each Swing Line Lender agree in writing in their discretion that a Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon (as of the effective date specified in such notice and subject to any conditions set forth therein), such Lender will, to the extent applicable, purchase such

portion of outstanding Loans of the other Lenders and/or make such other adjustments as the Administrative Agent may determine to be necessary to cause the aggregate Revolving Credit Commitments, Revolving Credit Loans, Letter of Credit participations pursuant to Section 3.1 and Swing Line Loan participations pursuant to Section 3.2 of the Lenders to be on a pro rata basis in accordance with their respective Revolving Credit Commitments, whereupon such Lender will cease to be a Defaulting Lender and will be a Non-Defaulting Lender (and such Revolving Credit Commitments and Loans of each Lender will automatically be adjusted on a prospective basis to reflect the foregoing); *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while such Lender was a Defaulting Lender; and *provided* , *further* , that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

2.17 Reserves

Notwithstanding anything to the contrary, the Administrative Agent may at any time and from time to time in the exercise of its Permitted Discretion establish and increase or decrease Reserves; *provided* that the Administrative Agent shall have provided the Parent Borrower at least five (5) Business Days' prior written notice of any such establishment or change. Upon delivery of such notice, the Administrative Agent shall be available to discuss the proposed Reserve or change, and the Borrowers may take such action as may be required so that the event, condition, circumstance or new fact that is the basis for such Reserve or change no longer exists, in a manner and to the extent reasonably satisfactory to the Administrative Agent in the exercise of its Permitted Discretion. In no event shall such notice and opportunity limit the right of the Administrative Agent to establish or change such Reserve, unless the Administrative Agent shall have determined in its Permitted Discretion that the event, condition, other circumstance or new fact that is the basis for such new Reserve or such change no longer exists or has otherwise been adequately addressed by the Borrowers. Any Reserve established or modified by the Administrative Agent shall have a reasonable relationship to circumstances, conditions, events or contingencies which are the basis for such Reserve, as reasonably determined, without duplication, by the Administrative Agent in its Permitted Discretion.

SECTION 3 Letters of Credit and Swing Line Loans

3.1 Letters of Credit

(a) The Letter of Credit Commitments.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Appropriate Lenders set forth in this Section 3.1, (x) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in an Alternative Currency for the account of any Borrower (*provided* that any Letter of Credit may be for the benefit of any direct or indirect Subsidiary of the Parent Borrower) and to amend or renew Letters of Credit previously issued by it, in accordance with Section 3.1(b), and (y) to honor drawings under the

Letters of Credit and (B) (1) the U.S. Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Parent Borrower or any of its Restricted Subsidiaries (each, a " **U.S. Letter of Credit** ") and (2) the Foreign Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Foreign Borrowers (each, a " **Foreign Letter of Credit** "), in each case, pursuant to this Section 3.1; *provided* that after giving effect to each L/C Credit Extension, (i) the Availability Requirements shall be satisfied and (ii) the Outstanding Amount of the L/C Obligations, and the Outstanding Amount of the L/C Obligations of each L/C Issuer, shall not exceed the applicable L/C Sublimit; *provided further* that (i) Goldman Sachs Bank USA (or any of its branches or Affiliates) shall not be required to issue Commercial Letters of Credit or Letters of Credit denominated in a currency other than Dollars without its prior written consent and (ii) JPMorgan Chase Bank, N.A. may issue any Letter of Credit acting through any of its branches or designated Affiliates that it determines necessary and appropriate. Each request by any Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by such Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Closing Date Existing Letters of Credit shall be deemed to have been issued pursuant to this Section 3.1(a) hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof. Each L/C Issuer party hereto that is an issuer of Closing Date Existing Letters of Credit agrees to the foregoing arrangements with respect to the Closing Date Existing Letters of Credit issued by it, notwithstanding that such provisions may cause the Outstanding Amount of the L/C Obligations of such L/C Issuer to exceed its applicable L/C Sublimit; *provided* that, in such event, such L/C Issuer shall not be obligated to issue or renew any new Letters of Credit until the applicable conditions precedent in Section 3.1(a) have been satisfied.

(ii) An L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 3.1(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last renewal, unless otherwise agreed by the applicable L/C Issuer and the Administrative Agent in their sole discretion;

(B) the expiry date of such requested Letter of Credit would occur after the applicable Letter of Credit Expiration Date, unless (1) each Appropriate Lender shall have approved such expiry date or (2) the Outstanding Amount of the L/C Obligations in respect of such requested Letter of Credit has been Cash Collateralized or otherwise backstopped in a manner that is mutually agreeable between the Parent Borrower and the applicable L/C Issuer; or

(C) the beneficiary of the Letter of Credit is either resident in Ireland or, where such beneficiary is a legal person, its place of establishment to which the Letter of Credit relates is Ireland unless the L/C Issuer is either (x) authorized under the laws of Ireland to issue Letters of Credit to any such beneficiary or (y) exempted from the requirement to have any such authorization under the laws of Ireland.

(iii) An L/C Issuer shall be under no obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing such Letter of Credit, or any Applicable Law or any directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or direct that such L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date (for which such L/C Issuer is not otherwise compensated hereunder);

(B) the issuance of such Letter of Credit would violate one or more policies or procedures of such L/C Issuer applicable to letters of credit generally; or

(C) except as otherwise agreed by the Administrative Agent and such L/C Issuer pursuant to Section 1.8, such Letter of Credit is to be denominated in a currency other than Dollars and any currency listed in clause (a) of the definition of "Alternative Currency".

(iv) An L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such L/C Issuer 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.

(v) Each L/C Issuer shall act on behalf of the Appropriate Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Section 12 with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Section 12 included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Renewal Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the applicable Administrative Borrower delivered to an L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by an Authorized Officer of the applicable Administrative Borrower. Such Letter of Credit Application must be received by the relevant L/C Issuer and the Administrative Agent not later than 12:00 noon (New York, New York time) at least two (2) Business Days prior to the proposed issuance date or date of amendment, as the case may be; or, in each case, such later date and time as the relevant L/C Issuer may agree in a particular instance in its sole discretion. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer: (a) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (b) the amount thereof; (c) the expiry date thereof; (d) the name and address of the beneficiary thereof, and the name of the applicable Borrower for whose account the Letter of Credit is to be issued; (e) the documents to be presented by such beneficiary in case of any drawing thereunder; (f) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (g) the currency in which the requested Letter of Credit will be denominated; (h) the Tranche of Revolving Credit Commitments under which such Letter of Credit is to be issued (provided that any Letter of Credit for the benefit of the Parent Borrower or any of its Domestic Subsidiaries shall not be issued under the Tranche with respect to the Foreign Revolving Credit Commitments) and (i) such other matters as the relevant L/C Issuer may reasonably request. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the relevant L/C Issuer may reasonably request.

(ii) Promptly after receipt of any Letter of Credit Application, the relevant L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the applicable Administrative Borrower and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the relevant L/C Issuer has received written notice from any Lender, the Administrative Agent or any Credit Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be. Immediately upon the issuance of each Letter of Credit, each Appropriate Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, acquire from the relevant L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Letter of Credit.

(iii) If the applicable Administrative Borrower so requests in any applicable Letter of Credit Application, the relevant L/C Issuer shall agree to issue a Letter of Credit that has automatic renewal provisions (the maturity of which shall in no event extend beyond the Letter of Credit Expiration Date, unless such Letter of Credit has been Cash Collateralized or otherwise backstopped in a manner that is mutually agreeable

between the Parent Borrower and the applicable L/C Issuer) (each, an " **Auto-Renewal Letter of Credit** "); *provided* that any such Auto-Renewal Letter of Credit must permit the relevant L/C Issuer 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 (the " **Nonrenewal Notice Date** ") in each such twelve-month period to be agreed upon by the relevant L/C Issuer and the Parent Borrower at the time such Letter of Credit is issued. Unless otherwise directed by the relevant L/C Issuer, the Parent Borrower shall not be required to make a specific request to the relevant L/C Issuer for any such renewal. Once an Auto-Renewal Letter of Credit has been issued, the Appropriate Lenders shall be deemed to have authorized (but may not require) the relevant L/C Issuer to permit the renewal of such Letter of Credit at any time until an expiry date not later than the applicable Letter of Credit Expiration Date unless such Letter of Credit has been Cash Collateralized or otherwise backstopped in a manner that is mutually agreeable between the Parent Borrower and the applicable L/C Issuer); *provided* that the relevant L/C Issuer shall not permit any such renewal if (A) the relevant L/C Issuer has determined that it would not be permitted, or 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 clause (ii) or (iii) of Section 3.1(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five (5) Business Days before the Nonrenewal Notice Date from the Administrative Agent or any Appropriate Lender, or the Parent Borrower that one or more of the applicable conditions specified in Section 7 is not then satisfied.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the relevant L/C Issuer will also deliver to the Parent Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the relevant L/C Issuer shall examine drawing documents within the period stipulated by the terms and conditions of the Letter of Credit. After such examination, such L/C Issuer shall notify promptly the applicable Administrative Borrower and the Administrative Agent thereof. In the case of a Letter of Credit denominated in an Alternative Currency, the applicable Borrower shall reimburse the relevant L/C Issuer in such Alternative Currency, unless (A) the relevant L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the applicable Administrative Borrower shall have notified the relevant L/C Issuer promptly following receipt of the notice of drawing that the applicable Borrower will reimburse such L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the relevant L/C Issuer shall notify the applicable Administrative Borrower of the Dollar Amount of the amount of the drawing promptly following the determination thereof. Not later than 11:00 a.m. on the first Business Day following the date of any payment by any L/C Issuer

under a Letter of Credit to be reimbursed in Dollars (including all Letters of Credit denominated in Dollars), or the Applicable Time on the first Business Day following the date of any payment by any L/C Issuer under an Alternative Currency Letter of Credit to be reimbursed in an Alternative Currency (each such date, an " **Honor Date** "), the applicable Borrower shall reimburse the applicable L/C Issuer in an amount equal to the amount of such drawing and in the applicable currency. If the applicable Borrower fails to so reimburse such L/C Issuer by such time, the Administrative Agent shall promptly notify each Appropriate Lender of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars or in the Dollar Amount thereof in the case of an Alternative Currency) (the " **Unreimbursed Amount** "), and the amount of such Appropriate Lender's Pro Rata Share thereof. In such event, the applicable Administrative Borrower shall be deemed to have requested a Revolving Credit Borrowing of ABR Loans in Dollars to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount (or, in the case of an Unreimbursed Amount denominated in a currency other than Dollars, the Dollar Amount thereof), without regard to the minimum and multiples specified in Section 2.2 for the principal amount of ABR Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments of the Appropriate Lenders, and subject to the conditions set forth in Section 7 (other than the delivery of a Notice of Borrowing). Any notice given by an L/C Issuer or the Administrative Agent pursuant to this Section 3.1(c)(i) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) (A) Each U.S. Revolving Credit Lender (including any such U.S. Revolving Credit Lender acting as an L/C Issuer) shall upon any notice pursuant to Section 3.1(c)(i) make funds available to the Administrative Agent for the account of the relevant L/C Issuer at the Administrative Agent's Office for payments in an amount equal to its Pro Rata Share of any Unreimbursed Amount in respect of a U.S. Letter of Credit and (B) each Foreign Revolving Credit Lender (including any such Foreign Revolving Credit Lender acting as an L/C Issuer) shall upon any notice pursuant to Section 3.1(c)(i) make funds available to the Administrative Agent for the relevant L/C Issuer at the Administrative Agent's Office for payments in an amount equal to its Pro Rata Share of any Unreimbursed Amount in respect of a Foreign Letter of Credit, in each case, not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent (which may be the same Business Day such notice is provided if such notice is provided prior to 12:00 noon), whereupon, subject to the provisions of Section 3.1(c)(iii), each Lender that so makes funds available shall be deemed to have made a Revolving Credit Loan that is an ABR Loan in Dollars to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant L/C Issuer.

(iii) With respect to any Unreimbursed Amount in respect of a Letter of Credit that is not fully refinanced by a Revolving Credit Borrowing because the conditions set forth in Section 7 cannot be satisfied or for any other reason, the applicable Borrower shall be deemed to have incurred from the relevant L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall

bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the relevant L/C Issuer pursuant to Section 3.1(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 3.1.

(iv) Until each Appropriate Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 3.1(c) to reimburse the relevant L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Pro Rata Share of such amount shall be solely for the account of the relevant L/C Issuer.

(v) Each Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse an L/C Issuer for amounts drawn under the applicable Letters of Credit, as contemplated by this Section 3.1(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the relevant L/C Issuer, the Borrowers or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided* that each Lender's obligation to make Revolving Credit Loans pursuant to this Section 3.1(c) is subject to the conditions set forth in Section 7 (other than delivery by the Administrative Borrower of a Notice of Borrowing). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the applicable Borrower to reimburse the relevant L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the relevant L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 3.1(c) by the time specified in Section 3.1(c)(ii), such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect *plus* any administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. A certificate of the relevant L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this Section 3.1(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) If, at any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Appropriate Lender such Lender's L/C Advance in respect of such payment in accordance with this Section 3.1(d), the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from any Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the

Administrative Agent), the Administrative Agent will distribute to such Appropriate Lender its Pro Rata Share thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 3.1(c)(i) is required to be returned under any of the circumstances described in Section 13.19 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Appropriate Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Pro Rata Share thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause (d)(ii) shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the applicable Borrower to reimburse the relevant L/C Issuer for each drawing under each Letter of Credit issued by it and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Credit Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that Holdings or any Credit Party may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the relevant L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the relevant L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the relevant L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(v) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to the Parent Borrower or any Subsidiary or in the relevant currency markets generally;

(vi) any exchange, release or nonperfection of any Collateral, or any release or amendment or waiver of or consent to departure from the Guarantees or any other guarantee, for all or any of the Obligations of any Credit Party in respect of such Letter of Credit; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Credit Party;

provided that the foregoing shall not excuse any L/C Issuer from liability to the Borrowers to the extent of any direct damages (as opposed to punitive or consequential damages or lost profits, claims in respect of which are waived by the Borrowers to the extent permitted by Applicable Law) suffered by any Borrower that are caused by acts or omissions of such L/C Issuer constituting gross negligence or willful misconduct on the part of such L/C Issuer.

(f) Role of L/C Issuers. Each Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, the relevant L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers nor any of the respective correspondents, participants or assignees of any L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) a problem with the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; *provided* that this assumption is not intended to, and shall not, preclude the Borrowers' pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers nor any of the respective correspondents, participants or assignees of any L/C Issuer, shall be liable or responsible for any of the matters described in clauses (i) through (iii) of this Section 3.1(f); *provided* that anything in such clauses to the contrary notwithstanding, the Borrowers may have a claim against an L/C Issuer, and such L/C Issuer may be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to lost profits or punitive or consequential damages suffered by any Borrower that were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, each L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and no L/C Issuer shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Cash Collateral. If (i) any Event of Default occurs and is continuing and the Required Lenders require the Borrowers to Cash Collateralize their respective L/C Obligations pursuant to Section 11 or (ii) an Event of Default set forth under Section 11.5 occurs and is continuing or (iii) for any reason, any Letter of Credit is outstanding at the time of termination of the Revolving Credit Commitments and a backstop letter of credit that is satisfactory to the L/C Issuer in its sole discretion is not in place, then the applicable Borrowers shall Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such Event of Default or such termination date), and shall do so not later than 2:00 p.m. on (x) in the case of the immediately preceding clause (i) or (iii), (1) the Business Day that the Parent Borrower receives notice thereof, if such notice is received on such day prior to 12:00 noon or (2) if clause (1) above does not apply, the Business Day immediately following the day that the Parent Borrower receives such notice and (y) in the case of the immediately preceding clause (ii), the Business Day on which an Event of Default set forth under Section 11.5 occurs or, if such day is not a Business Day, the Business Day immediately succeeding such day. The applicable Borrowers hereby grant to the Administrative Agent, for the benefit of the L/C Issuers and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked accounts at the Administrative Agent and may be invested in Cash Equivalents made available by the Administrative Agent and elected by the applicable Administrative Borrower. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under Applicable Law, to reimburse the relevant L/C Issuer. To the extent the amount of any Cash Collateral exceeds the then Outstanding Amount of such L/C Obligations and so long as no Event of Default has occurred and is continuing, the excess shall be refunded to the Borrowers. In the case of clause (i) or (ii) above, if such Event of Default is cured or waived and no other Event of Default is then occurring and continuing, the amount of any Cash Collateral shall be refunded to the Borrowers.

(h) Applicability of ISP and UCP . Unless otherwise expressly agreed by the relevant L/C Issuer and the Parent Borrower (or other applicable Borrower) when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each Commercial Letter of Credit.

(i) Letter of Credit Fees. Each Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share a letter of credit fee (the " **Letter of Credit Fee** ") for each Letter of Credit issued for the account of such Borrower or its Subsidiaries pursuant to this Agreement equal to the Applicable Rate times the daily maximum Dollar Amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum Dollar Amount increases periodically pursuant to the terms of such Letter of Credit). Such Letter of Credit Fees shall be computed on a quarterly basis in arrears. Such Letter of Credit Fees shall be due and payable in Dollars on the last Business Day of each March, June, September and

December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers. Each Borrower shall pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued by it for the account of such Borrower or its Subsidiaries equal to 0.125% per annum of the daily maximum Dollar Amount then available to be drawn under such Letter of Credit. Such fronting fees shall be computed on a quarterly basis in arrears. Such fronting fees shall be due and payable on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. In addition, each Borrower shall pay directly to each L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable within ten (10) Business Days of demand and are nonrefundable.

(k) Conflict with Letter of Credit Application. Notwithstanding anything else to the contrary in any Letter of Credit Application, in the event of any conflict between the terms hereof and the terms of any Letter of Credit Application, the terms hereof shall control.

(l) Addition of an L/C Issuer.

(i) A Lender may become an additional L/C Issuer hereunder pursuant to a written agreement among the Parent Borrower, the Administrative Agent and such Lender. The Administrative Agent shall notify the Lenders of any such additional L/C Issuer.

(ii) On the last Business Day of each March, June, September and December (and on such other dates as the Administrative Agent may request), each L/C Issuer shall provide the Administrative Agent a list of all Letters of Credit issued by it that are outstanding at such time together with such other information as the Administrative Agent may from time to time reasonably request.

(m) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Restricted Subsidiary, the Parent Borrower shall be obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Parent Borrower hereby acknowledges that the issuance of Letters of Credit for the account of the Restricted Subsidiaries of the Parent Borrower inures to the benefit of the Parent Borrower, and that the Parent Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

3.2 Swing Line Loans

(a) The Swing Line. Subject to the terms and conditions set forth herein, (i) the U.S. Swing Line Lender agrees to make loans in Dollars (each such loan, a " **U.S. Swing Line Loan** ") to the Parent Borrower in an aggregate principal amount not to exceed at any time outstanding the amount of the U.S. Swing Line Sublimit, (ii) the Canadian Swing Line Lender agrees to make loans in Dollars or Canadian Dollars (each such loan, a " **Canadian Swing Line Loan** ") to the Canadian Borrower in an aggregate Dollar Amount in principal not to exceed at any time outstanding, when combined with the aggregate Dollar Amount in principal of the European Swing Line Loans, the amount of the Foreign Swing Line Sublimit, and (iii) the European Swing Line Lender agrees to make loans in Dollars, Euro or Sterling (each such loan, a " **European Swing Line Loan** " and, collectively with the Canadian Swing Line Loans, each a " **Foreign Swing Line Loan** "; Foreign Swing Line Loans, collectively with the U.S. Swing Line Loans, each a " **Swing Line Loan** ") to any European Borrower in an aggregate Dollar Amount in principal not to exceed at any time outstanding, when combined with the aggregate Dollar Amount in principal of the Canadian Swing Line Loans, the amount of the Foreign Swing Line Sublimit, in each case from time to time on any Business Day during the period from the Closing Date until the Maturity Date, notwithstanding the fact that (i) such U.S. Swing Line Loans, when aggregated with the Pro Rata Share of the Outstanding Amount of U.S. Revolving Credit Loans and U.S. L/C Obligations of any Lender acting as a Swing Line Lender, may exceed the amount of such Lender's U.S. Revolving Credit Commitment and/or (ii) such Foreign Swing Line Loans, when aggregated with the Pro Rata Share of the Outstanding Amount of Foreign Revolving Credit Loans and Foreign L/C Obligations of any Lender acting as a Swing Line Lender, may exceed the amount of such Lender's Foreign Revolving Credit Commitment; *provided* that (i) (A) after giving effect to any U.S. Swing Line Loan, each U.S. Revolving Credit Lender's U.S. Revolving Credit Exposure shall not exceed such Lender's U.S. Revolving Credit Commitment then in effect and (B) after giving effect to any Foreign Swing Line Loan, each Foreign Revolving Credit Lender's Foreign Revolving Credit Exposure shall not exceed such Lender's Foreign Revolving Credit Commitment then in effect and (ii) after giving effect to each Swing Line Loan and to the application of the proceeds thereof, the Availability Requirements shall be met. Within the foregoing limits, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 3.2, prepay under Section 2.5, and re-borrow under this Section 3.2. Each Swing Line Loan (i) made to the Parent Borrower shall be an ABR Loan denominated in Dollars, (ii) made to the Canadian Borrower shall be an ABR Loan if denominated in Dollars or a Canadian Prime Rate Loan if denominated in Canadian Dollars and (iii) made to a European Borrower shall be a LIBOR Loan if denominated in Dollars or an Overnight LIBOR Loan if denominated in Euro or Sterling. Immediately upon the making of a U.S. Swing Line Loan, each U.S. Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the U.S. Swing Line Lender a risk participation in such U.S. Swing Line Loan in an amount equal to the product of such U.S. Revolving Credit Lender's Pro Rata Share times the amount of such U.S. Swing Line Loan. Immediately upon the making of a Foreign Swing Line Loan, each Foreign Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Foreign Swing Line Lender a risk participation in such Foreign Swing Line Loan in an amount equal to the product of such Foreign Revolving Credit Lender's Pro Rata Share times the amount of such Foreign Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the applicable Administrative Borrower's irrevocable written notice to the applicable Swing Line Lender and the Administrative Agent. Each such notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than (A) in the case of a U.S. Swing Line Loan, 1:00 p.m. (New York time), on the requested borrowing date, (B) in the case of a Canadian Swing Line Loan denominated in Dollars, 1:00 p.m. (New York time), on the requested borrowing date, (C) in the case of a Canadian Swing Line Loan denominated in Canadian Dollars, 11:00 a.m. (New York time), on the requested borrowing date, and (D) in the case of a European Swing Line Loan, 10:00 a.m. (London time), on the requested borrowing date, and shall specify (i) the amount and currency to be borrowed, which shall be a minimum Dollar Amount of $100,000 (and any Dollar Amount in excess of $100,000 shall be an integral multiple Dollar Amount of $25,000), (ii) the applicable Borrower and (iii) the requested borrowing date, which shall be a Business Day. Each such notice must be made by delivery to the applicable Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by an Authorized Officer of the applicable Administrative Borrower. Promptly after receipt by the applicable Swing Line Lender of any Swing Line Loan Notice, such Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, such Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless a Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. (New York time, in the case of a U.S. Swing Line Loan or Canadian Swing Line Loan, or London time, in the case of a European Swing Line Loan) on the date of the proposed Swing Line Borrowing (A) directing such Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 3.2(a), or (B) that one or more of the applicable conditions specified in Section 7 is not then satisfied, then, subject to the terms and conditions hereof, such Swing Line Lender will, not later than (x) 3:00 p.m. (New York time, in the case of a U.S. Swing Line Loan or a Canadian Swing Line Loan) or (y) 6:00 p.m. (London time, in the case of a European Swing Line Loan), in each case on the borrowing date specified in such Swing Line Loan Notice, make the amount of the Swing Line Loan available to the applicable Borrower.

(c) Refinancing of Swing Line Loans.

(i) Each Swing Line Lender at any time in its sole and absolute discretion may request the applicable Borrower to which the applicable Swing Line Loans has been made (and the applicable Borrower hereby agrees to submit a Notice of Borrowing requesting), that (A) each U.S. Revolving Credit Lender make a U.S. Revolving Credit Loan in an amount equal to such U.S. Revolving Credit Lender's Pro Rata Share of the amount of the U.S. Swing Line Loans then outstanding to such Borrower and/or (B) each Foreign Revolving Credit Lender make a Foreign Revolving Credit Loan in an amount equal to such Foreign Revolving Credit Lender's Pro Rata Share of the amount of the Foreign Swing Line Loans then outstanding to such Borrower, in each case of clauses (A) and (B), which Revolving Credit Loan shall be (A) in the case of a U.S. Swing Line Loan, an ABR Loan, (B) in the case of a Canadian Swing Line Loan denominated in Dollars, an ABR Loan, (C) in the case of a Canadian Swing Line Loan denominated in Canadian Dollars, a Canadian Prime Rate Loan, and (D) in the case

of a European Swing Line Loan denominated in Dollars or Sterling, a LIBOR Loan with an Interest Period of one month, and (E) in the case of a European Swing Line Loan denominated in Euros, a EURIBOR Loan with an Interest Period of one month. Such request shall be made in a Notice of Borrowing and in accordance with the requirements of Section 2.3, without regard to the minimum and multiples specified therein for the principal amount of Revolving Credit Loans, but subject to the unutilized portion of the applicable U.S. Revolving Credit Commitments or Foreign Revolving Credit Commitments, as applicable, and the conditions set forth in Section 7. The applicable Borrower shall furnish the applicable Swing Line Lender with a copy of each applicable Notice of Borrowing promptly after delivering such notice to the Administrative Agent. Each Appropriate Lender shall make an amount equal to its Pro Rata Share of the amount specified in each such Notice of Borrowing available to the Administrative Agent in Same Day Funds for the account of the applicable Swing Line Lender at the applicable Administrative Agent's Office not later than the time specified in Section 2.3(b) on the date specified in such Notice of Borrowing, whereupon, subject to Section 3.2(c)(ii), each Lender that so makes funds available shall be deemed to have made Revolving Credit Loans to the applicable Borrowers in such respective amounts. The Administrative Agent shall remit the funds so received to the applicable Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 3.2(c)(i), the request for Loans submitted by the applicable Borrower as set forth herein shall be deemed to be a request by the applicable Swing Line Lender that each of the Appropriate Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the applicable Swing Line Lender pursuant to Section 3.2(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the applicable Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 3.2(c) by the time specified in Section 3.2(c)(i), such Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Swing Line Lender at a rate per annum equal to the applicable Overnight Rate from time to time in effect, *plus* any administrative, processing or similar fees customarily charged by such Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the applicable Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 3.2(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such

Lender may have against any Swing Line Lender, the Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided* that each Lender's obligation to make Revolving Credit Loans pursuant to this Section 3.2(c) is subject to the conditions set forth in Section 7 (other than delivery by the applicable Administrative Borrower of a Notice of Borrowing). No such funding of risk participations shall relieve or otherwise impair the obligation of any Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the applicable Swing Line Lender receives any payment on account of such Swing Line Loan, such Swing Line Lender will distribute to such Lender its Pro Rata Share of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by such Swing Line Lender.

(ii) If any payment received by a Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by such Swing Line Lender under any of the circumstances described in Section 13.19 (including pursuant to any settlement entered into by such Swing Line Lender in its discretion), each Lender with a participation in such Swing Line Loan shall pay to such Swing Line Lender its Pro Rata Share thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The Administrative Agent will make such demand upon the request of the applicable Swing Line Lender. The obligations of the applicable Lenders under this clause (d)(ii) shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. Each Swing Line Lender shall be responsible for invoicing the applicable Administrative Borrower for interest on the applicable Swing Line Loans. Until each applicable Lender funds its Revolving Credit Loan or risk participation pursuant to this Section 3.2 to refinance such Lender's Pro Rata Share of any Swing Line Loan, interest in respect of such Pro Rata Share shall be solely for the account of the applicable Swing Line Lender.

(f) Payments Directly to Swing Line Lender. Each Borrower shall make all payments of principal and interest in respect of the Swing Line Loans made to it directly to the applicable Swing Line Lender.

SECTION 4 Fees; Commitments; Removal of Foreign Borrowers

4.1 Fees

(a) The Parent Borrower shall pay to the Administrative Agent for the account of each U.S. Revolving Credit Lender in accordance with its Pro Rata Share, a commitment fee equal to 0.375% *times* the actual daily U.S. Unused Amount; *provided* that any commitment fee accrued with respect to any of the U.S. Revolving Credit Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Parent Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Parent Borrower prior to such time; *provided further* that no commitment fee shall accrue on any of the U.S. Revolving Credit Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fees shall accrue at all times from the Closing Date until the Maturity Date, including at any time during which one or more of the conditions in Section 7 is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with December 31, 2017, and on the Maturity Date.

(b) The Foreign Borrowers shall pay to the Administrative Agent for the account of each Foreign Revolving Credit Lender in accordance with its Pro Rata Share, a commitment fee equal to 0.375% times the actual daily Foreign Unused Amount; *provided* that any commitment fee accrued with respect to any of the Foreign Revolving Credit Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Foreign Borrowers so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Foreign Borrowers prior to such time; provided further that no commitment fee shall accrue on any of the Foreign Revolving Credit Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fees shall accrue at all times from the Closing Date until the Maturity Date, including at any time during which one or more of the conditions in Section 7 is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with December 31, 2017, and on the Maturity Date.

(c) The Parent Borrower agrees to pay directly to the Administrative Agent for its own account the administrative agent fees as set forth in the Fee Letter.

4.2 Termination or Reduction of Revolving Credit Commitments, L/C Sublimit or Swing Line Sublimit

(a) Optional. Upon at least one Business Day's prior revocable written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent at the Administrative Agent's Office (which notice the Administrative Agent shall promptly transmit to each of the Appropriate Lenders), the Parent Borrower shall have the right, without premium or penalty, on any day, permanently to terminate or reduce the U.S. Revolving Credit Commitments, the Foreign Revolving Credit Commitments, any L/C Sublimit or any Swing Line Sublimit, in each case, in whole or in part (and such termination or reduction shall not be required to be pro rata as between the two Tranches of Revolving Credit Commitments); *provided* that (i) any such termination or reduction of Revolving Credit Commitments of any Tranche shall apply proportionately and permanently to reduce the Revolving Credit Commitments of each of the Lenders of such Tranche, (ii) any partial reduction pursuant to this Section 4.2(a) shall be in an aggregate Dollar Amount in principal of $500,000 or any whole multiple of the Dollar Amount in principal of $100,000 in excess thereof and (iii) after giving

effect to such termination or reduction and to any prepayments of the Revolving Credit Loans, the Swing Line Loans or cancellation or Cash Collateralization of Letters of Credit made on the date thereof in accordance with this Agreement (including pursuant to Section 5.2), (A) each Lender's U.S. Revolving Credit Exposure shall not exceed its U.S. Revolving Credit Commitment, (B) each Lender's Foreign Revolving Credit Exposure shall not exceed its Foreign Revolving Credit Commitment, (C) the L/C Sublimit with respect to the L/C Issuers, taken as a whole, shall not be greater than the Aggregate Revolving Credit Commitments, (D) the L/C Sublimit of each L/C Issuer shall not be less than the Outstanding Amount of the Letters of Credit issued by such L/C Issuer, (E) the U.S. Swing Line Sublimit shall not be greater than the aggregate U.S. Revolving Credit Commitments, (F) the aggregate Foreign Swing Line Sublimit shall not be greater than the aggregate Foreign Revolving Credit Commitments, (G) the Outstanding Amount of U.S. Swing Line Loans shall not exceed the U.S. Swing Line Sublimit and (H) the Outstanding Amount of Foreign Swing Line Loans shall not exceed the Foreign Swing Line Sublimit.

(b) Mandatory. The Revolving Credit Commitments shall terminate on the Maturity Date.

(c) Notice of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of Revolving Credit Commitments, L/C Sublimit or Swing Line Sublimit pursuant to this Section 4.2. All commitment fees accrued until the effective date of any termination of the Revolving Credit Commitments shall be paid on the effective date of such termination.

4.3 Re-Allocation of Revolving Credit Commitments

Up to one time in any fiscal quarter of the Parent Borrower, so long as after giving effect thereto the Availability Requirements would be satisfied, the Borrowers may convert all or a portion of any Lender's U.S. Revolving Credit Commitments to Foreign Revolving Credit Commitments or all or a portion of any Lender's Foreign Revolving Credit Commitments to U.S. Revolving Credit Commitments, by written notice to the Administrative Agent and with the written consent of each Lender whose Revolving Credit Commitments are converted. Upon the effectiveness of such conversion, (a) the applicable Borrowers shall have repaid any outstanding Revolving Credit Loans in full (which may be with any Borrowing of Revolving Credit Loans under the applicable Tranche after giving effect to the conversion) and (b) the participations in Swing Line Loans and L/C Obligations under each Tranche of Revolving Credit Commitments shall be re-allocated among the Lenders of the applicable Tranche so they will each hold their Pro Rata Share of the applicable participations based on the new Revolving Credit Commitments under the applicable Tranche.

4.4 Removal of Foreign Borrower

The Parent Borrower may, upon written notice to the Administrative Agent, remove any Foreign Borrower as a Borrower under this Agreement without reducing any Revolving Credit Commitments and thereafter such Foreign Borrower and any Foreign Guarantor that is a direct parent of such Foreign Borrower shall be released as a party under all Credit Documents and the security interest over all assets of such Foreign Borrower and Foreign Guarantor shall also be released, so long as, upon the removal and release of such Foreign Borrower and the relevant Foreign Guarantors:

(a) no Event of Default shall have occurred and be continuing or result therefrom, other than any Event of Default that will be cured after the removal and release of such Foreign Borrower;

(b) all Loans and other Obligations owed by such Foreign Borrower shall be paid in full (other than Cash Management Obligations under Secured Cash Management Agreements, Hedging Obligations under Secured Hedging Agreements or Contingent Obligations) and all Letters of Credit issued for the account of such Foreign Borrower shall be terminated (unless such Letters of Credit have been Cash Collateralized, backstopped or otherwise collateralized on terms and conditions reasonably satisfactory to the applicable L/C Issuer); and

(c) the Availability Requirements shall have been satisfied after giving effect thereto.

After the removal of any Person as a Foreign Borrower or Foreign Guarantor pursuant to this Section 4.4, any reference to a Foreign Borrower, Borrower, Foreign Guarantor, Foreign Credit Party or any similar term shall be deemed to exclude such Person and any provision applicable to such Person in its capacity as a Foreign Borrower or Foreign Guarantor shall cease to apply to such Person, whether or not it remains a Subsidiary of the Parent Borrower. Upon the request of the Parent Borrower, the Administrative Agent agrees, and the Lenders and the L/C Issuers hereby authorize the Administrative Agent, to enter into amendments to this Agreement and the other Credit Documents in form and substance reasonably acceptable to the Parent Borrower and the Administrative Agent in furtherance of the preceding sentence without consent of any other Person.

SECTION 5 Payments

5.1 Voluntary Prepayments

(a) Each Borrower shall have the right to prepay Loans, without premium or penalty (other than amounts, if any, required to be paid pursuant to Section 2.11 with respect to prepayments of LIBOR Loans, CDOR Loans or EURIBOR Loans made on any date other than the last day of the applicable Interest Period), in whole or in part, from time to time on the following terms and conditions: (a) the Administrative Borrower shall give the Administrative Agent at the Administrative Agent's Office revocable written notice (or telephonic notice promptly confirmed in writing) of its intent to make such prepayment, the amount of such prepayment and Type(s) of Revolving Credit Loans to be prepaid, which notice shall be given by the applicable Administrative Borrower no later than 1:00 p.m. (New York, New York time in the case of Revolving Credit Loans denominated in Dollars or Canadian Dollars, or London, England time in the case of Revolving Credit Loans denominated in Sterling or Euro) (A) three Business Days prior to any date of prepayment of LIBOR Loans denominated in Dollars, (B) three (3) Business Days prior to any date of prepayment of CDOR Loans, (C) four (4) Business Days prior to any date of prepayment of LIBOR Loans denominated in Sterling or EURIBOR

Loans and (D) on the date of prepayment of ABR Loans or Canadian Prime Rate Loans and shall be promptly transmitted by the Administrative Agent to each Appropriate Lender together with each such Lender's Pro Rata Share of such prepayment, (b)(A) each partial prepayment of LIBOR Loans, CDOR Loans or EURIBOR Loans shall be in a principal Dollar Amount of $1,000,000 or a whole multiple of the Dollar Amount of $500,000 in excess thereof; and (B) each partial prepayment of ABR Loans (other than Swing Line Loans and Protective Advances) or Canadian Prime Rate Loans (other than Swing Line Loans) shall be in a principal Dollar Amount of $500,000 or a whole multiple of the Dollar Amount of $100,000 in excess thereof or, in each case of clauses (A) and (B), if less, the entire principal amount thereof then outstanding (it being understood that ABR Loans shall be denominated in Dollars only) and (c) any prepayment of LIBOR Loans, CDOR Loans or EURIBOR Loans pursuant to this Section 5.1 on any day prior to the last day of an Interest Period applicable thereto shall be subject to compliance by the applicable Borrower with the applicable provisions of Section 2.11. Each prepayment of principal of, and interest on, any Loan shall be made in the currency in which borrowed (even if the applicable Borrower is required to convert currency to do so). Each prepayment of the Loans pursuant to this Section 5.1(a) shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Shares.

(b) The Parent Borrower, the Canadian Borrower and the European Borrowers may, upon notice by the applicable Administrative Borrower to the applicable Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; *provided* that (1) such notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than 1:00 p.m. (New York time, in the case of a U.S. Swing Line Loan or a Canadian Swing Line Loan, or London time, in the case of a European Swing Line Loan) on the date of the prepayment and (2) any such prepayment shall be in a minimum principal Dollar Amount of $100,000 or a whole multiple of the Dollar Amount of $25,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) The Borrowers may, upon notice to the Administrative Agent, at any time or from time to time, voluntarily prepay Protective Advances in whole or in part without premium or penalty; *provided* that (1) such notice must be received by the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (2) any such prepayment shall be in a minimum principal Dollar Amount of $100,000 or a whole multiple of the Dollar Amount of $25,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

5.2 Mandatory Prepayments

(a) If at any time any of the Availability Requirements fail to be satisfied (except as the result of the making of a Protective Advance, unless requested by the Administrative Agent), then, the applicable Borrowers shall promptly prepay Loans and Cash Collateralize L/C Obligations (it being understood that any such L/C Obligations so Cash Collateralized will not be deemed to be outstanding for purposes of this Section 5.2(a)) so that the Availability Requirements will be satisfied.

(b) At all times following the establishment of the Cash Management Systems for the relevant jurisdiction pursuant to Section 9.16 and during the Cash Dominion Period (subject to the provisions of the Security Documents), on each Business Day, at or before 1:00 p.m. (local time), the Administrative Agent shall apply all immediately available funds credited to any Concentration Account, (i) with respect to any Concentration Account of any U.S. Credit Party, *first* to pay any fees or expense reimbursements then due to the Administrative Agent, the Collateral Agent, each U.S. L/C Issuer, and the U.S. Revolving Credit Lenders hereunder, in each case in their capacity as such, pro rata, *second* to pay interest due and payable in respect of any Loans (including U.S. Swing Line Loans and U.S. Protective Advances) of the Parent Borrower that may be outstanding, pro rata, *third* to prepay the principal of any U.S. Protective Advances to the Parent Borrower that may be outstanding, pro rata and *fourth* to prepay the principal of the U.S. Revolving Credit Loans and U.S. Swing Line Loans to the Parent Borrower and to Cash Collateralize U.S. L/C Obligations of the Parent Borrower, pro rata and (ii) with respect to any Concentration Account of any Foreign Borrower, *first* to pay any fees or expense reimbursements then due to the Administrative Agent, the Collateral Agent, each Foreign L/C Issuer, and the Foreign Revolving Credit Lenders hereunder, in each case in their capacity as such, pro rata, *second* to pay interest due and payable in respect of any Loans (including Foreign Swing Line Loans and Foreign Protective Advances) of such Borrower that may be outstanding, pro rata, *third* to prepay the principal of any Foreign Protective Advances to such Borrower that may be outstanding, pro rata and *fourth* to prepay the principal of the Foreign Revolving Credit Loans and Foreign Swing Line Loans to such Borrower and to Cash Collateralize Foreign L/C Obligations of such Borrower, pro rata, *fifth* to pay interest due and payable in respect of any remaining Loans (including Swing Line Loans and Protective Advances) of the Foreign Borrowers that may be outstanding, pro rata, *sixth* to prepay the principal of any remaining Foreign Protective Advances that may be outstanding, pro rata and *seventh* to prepay the principal of any remaining Foreign Revolving Credit Loans and Foreign Swing Line Loans and to Cash Collateralize any remaining Foreign L/C Obligations, pro rata; *provided* that, at any time that a certificate is delivered or comes into effect pursuant to Section 14.2(c) with respect to a German Borrower (and for so long as any such certificate is in effect with respect to such German Borrower, unless and until otherwise ordered by a court of competent jurisdiction), funds credited to any Concentration Account of such German Borrower shall only be applied pursuant to the *first* through the *fourth* sub-clauses above of this clause (ii).

5.3 Method and Place of Payment

(a) All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office for payment and in Same Day Funds not later than 2:00 p.m. on the date specified herein. If, for any reason, any Borrower is prohibited by any Applicable Law from making any required payment hereunder in any Alternative Currency, the Borrowers shall make such payment in Dollars in the Dollar Amount of the applicable foreign currency payment amount. The Administrative Agent will promptly distribute to each Lender its

Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m. (New York, New York time), in the case of payments in Dollars, or (ii) after the Applicable Time in the case of payments in any Alternative Currency, shall in each case be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) Unless the Parent Borrower has notified the Administrative Agent, prior to the date any payment is required to be made by it to the Administrative Agent hereunder for the account of any Lender or an L/C Issuer hereunder, that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to such Lender or L/C Issuer. If and to the extent that such payment was not in fact made to the Administrative Agent in Same Day Funds, then such Lender or L/C Issuer shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender or L/C Issuer in Same Day Funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lender or L/C Issuer to the date such amount is repaid to the Administrative Agent in Same Day Funds at the applicable Overnight Rate from time to time in effect.

(c) A notice of the Administrative Agent to any Lender or the Borrowers with respect to any amount owing under this Section 5.3 shall be conclusive, absent manifest error.

5.4 Net Payments

The provisions below shall not apply with respect to any payments in connection with any Loan or other Credit Extension to the Foreign Borrowers.

(a) Any and all payments made by or on behalf of the Parent Borrower or any U.S. Guarantor under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes; *provided* that if the Parent Borrower or any U.S. Guarantor or the Administrative Agent shall be required by Applicable Law (as determined in the good faith discretion of an applicable withholding agent) to deduct or withhold any Taxes from such payments, then (i) the Parent Borrower or such U.S. Guarantor or the Administrative Agent shall make such deductions or withholdings and (ii) the Parent Borrower or such U.S. Guarantor or the Administrative Agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority within the time allowed and in accordance with Applicable Law. If such a Tax is an Indemnified Tax, the sum payable by the Parent Borrower or any U.S. Guarantor shall be increased as necessary so that after making all such required deductions and withholdings (including such deductions or withholdings applicable to additional sums payable under this Section 5.4), the Administrative Agent, the Collateral Agent or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made. Whenever any Indemnified Taxes are payable by the Parent Borrower or such U.S. Guarantor, as promptly as practicable thereafter, the Parent Borrower or the U.S. Guarantor shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt (or other evidence acceptable to such Lender, acting reasonably) received by the Parent Borrower or such U.S. Guarantor showing payment thereof.

(b) The Parent Borrower shall timely pay to the relevant Governmental Authority Other Taxes in accordance with Applicable Law, or at the option of the Administrative Agent, timely reimburse it for the payment of any Other Taxes that are paid by the Administrative Agent to the relevant Governmental Authority in accordance with Applicable Law.

(c) The Parent Borrower shall indemnify and hold harmless the Administrative Agent, the Collateral Agent and each Lender within fifteen Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on the Administrative Agent, the Collateral Agent or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of the Parent Borrower or any U.S. Guarantor hereunder or under any other Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) payable or paid by such Agent or Lender or required to be withheld or deducted from a payment to such Agent or Lender and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth reasonable detail as to the amount of such payment or liability delivered to the Parent Borrower by a Lender (with a copy to the Administrative Agent), the Administrative Agent or the Collateral Agent (as applicable) on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Parent Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Parent Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.6 relating to the maintenance of a Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement or any Credit Document, and any reasonable expenses arising therefrom or with respect thereof, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Any Non-U.S. Lender claiming a basis for an exemption from or reduction of withholding Tax under the law of the jurisdiction in which the Parent Borrower is resident for tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, to the extent it is legally able to do so, deliver to the Parent Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Parent Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by

Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding or as will permit the Parent Borrower or the Administrative Agent to determine the withholding or deduction required to be made. In addition, any Lender, if requested by the Parent Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Parent Borrower or the Administrative Agent as will enable the Parent 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 this Section 5.4(d), the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.4(f), 5.4(i) and 5.4(j) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(f) Without limiting the generality of Section 5.4(e), each Non-U.S. Lender with respect to any amounts payable hereunder or under any other Credit Document shall, to the extent it is legally entitled to do so *:*

(i) deliver to the Parent Borrower and the Administrative Agent, on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Administrative Agent), two executed copies of (x) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding Tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", United States Internal Revenue Service Form W-8BEN or W-8BEN-E (together with a certificate substantially in the form of Exhibit J-1 representing that such Non-U.S. Lender is not a bank within the meaning of Section 881(c)(3)(A) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Parent Borrower, any interest payment received by such Non-U.S. Lender under this Agreement or any other Credit Document is not effectively connected with the conduct of a trade or business in the United States and is not a controlled foreign corporation related to the Parent Borrower (within the meaning of Section 864(d)(4) of the Code)), (y) Internal Revenue Service Form W-8BEN, Form W-8-BEN-E or Form W-8ECI, in each case properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding Tax on payments under any Credit Document or (z) to the extent a Non-U.S. Lender is not the beneficial owner with respect to any portion of any sums paid or payable to such Lender under any of the Credit Documents (for example, in the case of a typical participation or where Non-U.S. Lender is a pass through entity) Internal Revenue Service Form W-8IMY and all necessary attachments (including the forms described in clauses (x) and (y) above and in Section 5.4(i), Exhibit J-2, Exhibit J-3 and or other certification documents from each beneficial owner, as applicable); *provided* that if the Non-U.S. Lender is a partnership it may provide Exhibit J-4 on behalf of one or more of its direct or indirect partners that are claiming the portfolio interest exemption; and

(ii) deliver to the Parent Borrower and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete or inaccurate in any respect and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Parent Borrower or the Administrative Agent.

If in any such case any Change in Law has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Non-U.S. Lender from duly completing and delivering any such form with respect to it, such Non-U.S. Lender shall promptly so advise the Parent Borrower and the Administrative Agent.

(g) If any Lender, the Administrative Agent or the Collateral Agent, as applicable, determines, in its sole discretion exercised in good faith, that it had received and retained a refund of an Indemnified Tax or additional sums payable under this Section 5.4 (including an Other Tax) for which a payment has been made by the Parent Borrower pursuant to this Agreement, which refund in the good faith judgment of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, is attributable to such payment made by the Parent Borrower, then the Lender, the Administrative Agent or the Collateral Agent, as the case may be, shall reimburse the Parent Borrower for such amount (net of all out-of-pocket expenses of such Lender, the Administrative Agent or the Collateral Agent, as the case may be, and without interest other than any interest received thereon from the relevant Governmental Authority with respect to such refund) as the Lender, the Administrative Agent or the Collateral Agent, as the case may be, determines in its sole discretion exercised in good faith to be the proportion of the refund as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any Taxes imposed on the refund) than it would have been in if the payment had not been required; *provided* that the Parent Borrower, upon the request of the Lender, the Administrative Agent or the Collateral Agent, agrees to repay the amount paid over to the Parent Borrower (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender, the Administrative Agent or the Collateral Agent in the event the Lender, the Administrative Agent or the Collateral Agent is required to repay such refund to such Governmental Authority. A Lender, the Administrative Agent or the Collateral Agent shall claim any refund that it determines is available to it, unless it concludes in its sole discretion that it would be adversely affected by making such a claim. None of any Lender, the Administrative Agent or the Collateral Agent shall be obliged to disclose any information regarding its tax affairs that it deems confidential to any Credit Party in connection with this clause (g).

(h) If the Parent Borrower determines that a reasonable basis exists for contesting a Tax, each Lender or Agent, as the case may be, shall use reasonable efforts to cooperate with the Parent Borrower as the Parent Borrower may reasonably request in challenging such Tax. Subject to the provisions of Section 2.12, each Lender and Agent agrees to use reasonable efforts to cooperate with the Parent Borrower as the Parent Borrower may reasonably request to minimize any amount payable by the Parent Borrower or any U.S. Guarantor pursuant to this Section 5.4. The Parent Borrower shall indemnify and hold each Lender and Agent harmless against any out-of-pocket expenses incurred by such Person in connection with any request made by the Parent Borrower pursuant to this Section 5.4(h). Nothing in this Section 5.4(h) shall obligate any Lender or Agent to take any action that such Person, in its sole judgment, determines may result in a material detriment to such Person.

(i) Without limiting the generality of Section 5.4(d), with respect to any amounts payable hereunder or under any other Credit Document, each Lender or Agent that is a United States person under Section 7701(a)(30) of the Code (each, a " **U.S. Lender** ") shall deliver to the Parent Borrower and the Administrative Agent two United States Internal Revenue Service Forms W-9 (or substitute or successor form), properly completed and duly executed, certifying that such Lender or Agent is exempt from United States backup withholding (i) on or prior to the Closing Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before the date that such form expires or becomes obsolete or inaccurate in any respect, (iii) after the occurrence of a change in such Agent's or Lender's circumstances requiring a change in the most recent form previously delivered by it to the Parent Borrower and the Administrative Agent and (iv) from time to time thereafter if reasonably requested by the Parent Borrower or the Administrative Agent.

(j) If a payment made to any Agent or Lender would be subject to U.S. federal withholding Tax imposed under FATCA if such Agent or 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 Agent or Lender shall deliver to the Parent Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Parent Borrower or such Agent, such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such other documentation reasonably requested by the Administrative Agent and the Parent Borrower as may be necessary for the Administrative Agent and the Parent Borrower to comply with their obligations under FATCA, to determine whether such Agent or Lender has or has not complied with such Agent's or Lender's FATCA obligations and to determine the amount, if any, to deduct and withhold from such payment and deliver to the Parent Borrower and the Administrative Agent two further copies of any such documentation on or before the date that any such documentation expires or becomes obsolete or inaccurate in any respect and after the occurrence of any event requiring a change in the documentation previously delivered by it to the Parent Borrower or the Administrative Agent. Solely for purposes of this subsection (j), "FATCA" shall include any amendments made to FATCA after the date of this Agreement and any current or future intergovernmental agreements and any Applicable Law implementing such agreement entered into in connection therewith.

(k) The agreements in this Section 5.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder and under any other Credit Document.

5.5 Computations of Interest and Fees

All computations of interest (i) for ABR Loans when the ABR is determined on the basis of the rate of interest in effect for such date as publicly announced from time to time by the Administrative Agent as its "prime rate", (ii) for Loans denominated in Canadian Dollars or (iii) for Loans denominated in Sterling, shall be made on the basis of a year of 365 days or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360 day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year) or, in the

case of interest in respect of Loans denominated in Euro as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; *provided* that any Loan that is repaid on the same day on which it is made shall, subject to Section 5.3(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

5.6 Limit on Rate of Interest

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, no Borrower shall be obligated to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any Applicable Law.

(b) Payment at Highest Lawful Rate. If any Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), such Borrower shall make such payment to the maximum extent permitted by or consistent with Applicable Laws.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate any Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any Applicable Law, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by such Borrower to the affected Lender under Section 2.8.

(d) Spreading. In determining whether the interest hereunder is in excess of the amount or rate permitted under or consistent with any Applicable Law, the total amount of interest shall be spread throughout the entire term of this Agreement until its payment in full.

(e) Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from any Borrower an amount in excess of the maximum permitted by any Applicable Law, then such Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to such Borrower.

5.7 Limitation on Tax Gross-Up

Notwithstanding anything set forth herein or in any other Credit Document, any amounts payable pursuant to the gross-up or indemnification obligations under Section 5.4 or the comparable provisions under Section 14 shall be made without duplication.

SECTION 6 Conditions Precedent to the Closing Date

The obligation of each Lender and each L/C Issuer to make a Credit Extension hereunder on the Closing Date is subject to the satisfaction in all material respects of the conditions set forth below, except as otherwise agreed between the Parent Borrower and the Commitment Parties (as defined in the Commitment Letter).

6.1 Credit Documents

The Administrative Agent shall have received (a) this Agreement, executed and delivered by an Authorized Officer of the Parent Borrower and each other Credit Party party hereto as of the Closing Date, (b) the U.S. Guarantee, executed and delivered by an Authorized Officer of each U.S. Guarantor as of the Closing Date, (c) the U.S. Security Agreement, executed and delivered by an Authorized Officer of each grantor party thereto as of the Closing Date and (d) each Foreign Security Document executed and delivered by an Authorized Officer of each grantor party thereto as of the Closing Date.

6.2 Collateral

(a) All outstanding Stock of the Parent Borrower and all Stock of each Subsidiary of the Parent Borrower directly owned by the Parent Borrower or any U.S. Subsidiary Guarantor, in each case, as of the Closing Date, shall have been pledged pursuant to the U.S. Security Agreement (except that such Credit Parties shall not be required to pledge any U.S. Excluded Stock and Stock Equivalents) and the Collateral Agent (or the Term Loan Administrative Agent in accordance with the ABL Intercreditor Agreement) shall have received all certificates, if any, representing such securities pledged under the U.S. Security Agreement, accompanied by instruments of transfer and undated stock powers endorsed in blank.

(b) All certificates, if any, representing the shares charged under the Foreign Security Documents executed and delivered as of the Closing Date, accompanied by executed stock transfers forms in blank.

(c) All Indebtedness of the Parent Borrower and each Subsidiary of the Parent Borrower that is owing to the Parent Borrower or a U.S. Subsidiary Guarantor shall, to the extent exceeding $10,000,000 in aggregate principal amount, be evidenced by one or more global promissory notes and shall have been pledged pursuant to the U.S. Security Agreement, and the Collateral Agent (or the Term Loan Administrative Agent in accordance with the ABL Intercreditor Agreement) shall have received all such promissory notes, together with instruments of transfer with respect thereto endorsed in blank.

(d) All documents and instruments, including Uniform Commercial Code or other applicable personal property financing statements, reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by any U.S. Security Document to be executed on the Closing Date and to perfect such Liens to the extent required by, and with the priority required by, such U.S. Security Document shall have been delivered to the Collateral Agent in proper form for filing, registration or recording and none of the U.S. Collateral shall be subject to any other pledges, security interests or mortgages, except for Liens permitted hereunder.

(e) The Parent Borrower shall deliver to the Collateral Agent the completed Perfection Certificates with respect to the applicable Borrowers party hereto on the Closing Date, executed and delivered by an Authorized Officer of the applicable Borrower, together with all attachments contemplated thereby.

Notwithstanding anything set forth above, to the extent any security interest (other than to the extent that a lien on the U.S. Collateral may be perfected by the filing of a financing statement under the Uniform Commercial Code or by the delivery of stock or other equity certificates of the Parent Borrower or a Material Subsidiary of the Parent Borrower constituting a Wholly Owned Domestic Subsidiary that is part of the U.S. Collateral and such stock or other equity certificates have been received from the Parent Borrower) is not or cannot be provided or perfected on the Closing Date after the Parent Borrower's use of commercially reasonable efforts to do so, or without undue burden or expense, the creation or perfection of such security interest shall not constitute a condition precedent to the availability of the initial Credit Extension on the Closing Date but shall instead be required to be delivered or provided within 90 days after the Closing Date (or such later date as may be reasonably agreed by the Parent Borrower and the Term Loan Administrative Agent (with respect to Term Priority Collateral) or the Administrative Agent (with respect to ABL Priority Collateral)) pursuant to arrangements to be mutually agreed by the Parent Borrower and the Term Loan Administrative Agent or the Administrative Agent.

6.3 Legal Opinions

The Administrative Agent shall have received the executed customary legal opinions of Kirkland & Ellis LLP, special New York counsel to the Credit Parties together with customary legal opinions of local counsel for each relevant jurisdiction in respect of matters relating to the applicable Credit Documents and the related transactions as the Administrative Agent may reasonably request. Holdings, the Borrowers, the other Credit Parties and the Administrative Agent hereby instruct such counsel to deliver such legal opinions.

6.4 Closing Certificates

The Administrative Agent shall have received a certificate of the Parent Borrower, dated the Closing Date, in respect of the conditions set forth in Sections 6.7, 6.8, 6.11, 6.12 and 6.13.

6.5 Authorization of Proceedings of Each Credit Party

The Administrative Agent shall have received (a) a copy of the resolutions of the board of directors and/or shareholders, or other managers, general partner or other applicable body of each Credit Party (or a duly authorized committee thereof) authorizing (i) the execution, delivery and performance of the Credit Documents referred to in Section 6.1 (and any agreements relating thereto) to which it is a party and (ii) in the case of each Borrower, the extensions of credit contemplated hereunder, (b) true and complete copies of the Organizational Documents of each Credit Party as of the Closing Date, and (c) good standing certificates (to the extent such concept exists in the relevant jurisdiction of organization or incorporation) of the Borrowers and the Guarantors and, in the case of each U.K. Credit Party, a certificate from an Authorized Officer dated the Closing Date, certifying that the Organizational Documents of that U.K. Credit Party and the resolutions of the board of directors and the shareholders of that U.K. Credit Party are correct and complete and have not been amended or superseded prior to the Closing Date.

6.6 Fees

All fees required to be paid on the Closing Date pursuant to the Fee Letter and reasonable and documented out-of-pocket expenses required to be paid on the Closing Date pursuant to the Commitment Letter, in the case of expenses, to the extent invoiced at least three (3) Business Days prior to the Closing Date, shall have been paid, or shall be paid substantially concurrently with, the initial Borrowings hereunder.

6.7 Representations and Warranties

All Specified Representations shall be true and correct in all material respects on the Closing Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, it shall be true and correct in all material respects as of such earlier date).

6.8 Company Material Adverse Change

No Company Material Adverse Change shall have occurred since October 23, 2017.

6.9 Solvency Certificate

On the Closing Date, the Administrative Agent shall have received a certificate from the chief financial officer of Holdings substantially in the form of Annex I to Exhibit D of the Commitment Letter.

6.10 Financial Statements

(a) The Joint Lead Arrangers shall have received copies of (i) the audited consolidated balance sheet and the related audited consolidated statements of income, cash flows and shareholders' equity of the Parent Borrower and its Subsidiaries as of and for the fiscal years ended September 30, 2015 and September 30, 2016 and (ii) the unaudited consolidated balance sheet and the related consolidated statements of income and cash flows of the Parent Borrower and its Subsidiaries as of and for each subsequent fiscal quarter (other than the fourth fiscal quarter of the Parent Borrower's Fiscal Year) ended at least 45 days before the Closing Date.

(b) The Joint Lead Arrangers shall have received an unaudited pro forma consolidated balance sheet and related unaudited pro forma consolidated statement of income of the Parent Borrower and its Subsidiaries as of and for the twelve-month period ending on June 30, 2017, prepared after giving effect to the Transactions as if the Transactions had occurred on such date (in the case of such pro forma balance sheet) or on the first day of such period (in the case of such pro forma statement of income), as applicable which need not be prepared in compliance with Regulations S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting (including adjustments of the type contemplated by Financial Accounting Standards Board Accounting Standards Codification 805, Business Combinations (formerly SFAS 141R)).

6.11 Plan Consummation

The Plan shall not have been amended, modified or supplemented after October 23, 2017 in any manner or any condition to the effectiveness thereof shall not have been waived that, individually or in the aggregate, would reasonably be expected to adversely affect the interests of the Joint Lead Arrangers and the Lenders (taken as a whole and in their capacities as such) in any material respect. The Confirmation Order shall be in form and substance materially consistent with the Plan and the Commitment Letter and otherwise reasonably satisfactory to the Joint Lead Arrangers and shall have been entered confirming the Plan. Each of the Approval Order and the Confirmation Order shall be in full force and effect and not have been stayed, reversed, or vacated, amended, supplemented, or modified except that such applicable order may be further amended, supplemented or otherwise modified in any manner that would not reasonably be expected to adversely affect the interests of the Joint Lead Arrangers and the Lenders (taken as a whole and in their capacities as such) in any material respect and shall not be subject to any pending appeals, except for any of the following, which shall be permissible appeals the pendency of which shall not prevent the occurrence of the Closing Date: (i) any appeal brought (A) by or on behalf of any member of the Ad Hoc Crossover Group (as defined in the Disclosure Statement (as defined the Plan)), whether individually or as a group, asserting objections described in [Docket No. 955] in the Case, (B) by or on behalf of the Second Lien Notes Trustee (as defined in the Plan) asserting objections described in [Docket No. 957] or [Docket No. 954] in the Case, (C) by or on behalf of Ms. Marlene Clark asserting objections with respect to the subject matter addressed by the Bankruptcy Court's opinion at [Docket No. 1182] in the Case, (D) by or on behalf of SAE Power Inc. and/or SAE Power Co. asserting the claims described in [Docket No. 925] in the Case, or (E) asserting objections of the type described in [Docket No. 1195] and similar objections, (ii) any appeal with respect to or relating to the distributions (or the allocation of such distributions) between and among creditors under the Plan, or (iii) any other appeal, the result of which would not have a materially adverse effect on the rights and interests of the Joint Lead Arrangers and the Lenders (taken as a whole and in their capacities as such). The Confirmation Order shall authorize the Avaya Debtors and the Credit Parties to execute, deliver and perform all of their obligations under all Credit Documents and shall contain no term or provision that contradicts such authorization. The Avaya Debtors shall be and shall have been in compliance with the Confirmation Order in all material respects. The Plan shall have become effective in accordance with its terms and all conditions to the effectiveness of the Plan shall have been satisfied or waived without giving effect to any waiver that would reasonably be expected to adversely affect the interests of the Joint Lead Arrangers and the Lenders in any material respect unless consented to by the Joint Lead Arrangers (such consent not to be unreasonably withheld, conditioned or delayed), and all transactions contemplated therein or in the Confirmation Order to occur on the effective date of the Plan shall have been (or concurrently with the Closing Date, shall be) substantially consummated in accordance with the terms thereof and in compliance with Applicable Laws.

6.12 Refinancing

The Closing Refinancing shall have been made or consummated prior to, or shall be made or consummated substantially concurrently with, the initial borrowing of the Initial Term Loans. The principal amount of all third party indebtedness for borrowed money (which, for the avoidance of doubt, does not include intercompany loans or comfort letters reinstated pursuant through the Plan) of the Avaya Debtors on the Closing Date that is incurred, issued, or reinstated or otherwise not discharged in connection with consummation of the Plan (giving effect to any amendments thereto), excluding all such amounts that are (i) not impaired under the Plan (without giving effect to any amendments thereto) and (ii) not required to be paid in full upon the consummation of the Plan (without giving effect to any amendments thereto) (such exclusion to include, without limitation, all Capital Leases in existence on the Closing Date), shall not exceed in the aggregate (x) $2,925 million *plus* all additional amounts incurred to fund OID and/or upfront fees as contemplated hereunder and (y) the Credit Facilities hereunder.

6.13 PBGC Settlement

The PBGC Settlement Order (as defined in the Plan) shall have been entered and be in effect and the PBGC Settlement (as defined in the Plan) shall have been entered into and consummated, in each case, without giving effect to any amendment, modification or supplement that would, individually or in the aggregate, reasonably be expected to adversely affect the interests of the Joint Lead Arrangers or the Lenders in any material respect.

6.14 Patriot Act

The Administrative Agent shall have received (at least 3 Business Days prior to the Closing Date) all documentation and other information about each Borrower and each Guarantor as has been reasonably requested in writing at least 10 Business Days prior to the Closing Date by the Administrative Agent or the Lenders that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act.

6.15 Borrowing Base Certificate

The Administrative Agent shall have received a Borrowing Base Certificate setting forth each Borrowing Base as of October 31, 2017.

6.16 Availability

After giving effect to the initial Credit Extension, the Availability Requirements shall be satisfied.

For purposes of determining compliance with the conditions specified in Section 6 on the Closing Date, each Lender that has signed or authorized the signing of this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required under this Section 6 to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

SECTION 7 Conditions Precedent to All Credit Extensions After the Closing Date

The obligation of each Lender and each L/C Issuer to make a Credit Extension hereunder (other than with respect to borrowings made pursuant to Section 2.14 in connection with a Limited Condition Transaction to be funded with the proceeds of a FILO Tranche and excluding any conversion or continuation of any LIBOR Loan, CDOR Loan or EURIBOR Loan) after the Closing Date is subject to the satisfaction in all material respects of the conditions set forth below.

7.1 Accuracy of Representations and Warranties

(i) with respect to each Credit Extension to the Parent Borrower, the representations and warranties of the Parent Borrower and any other U.S. Credit Party contained in Section 8 or any other Credit Document shall be true and correct in all material respects on and as of the date of such Credit Extension and (ii) with respect to any Credit Extension to a Foreign Borrower, the representations and warranties of the U.S. Credit Parties and the Foreign Credit Parties contained in Section 8, the applicable provisions in Section 14 or any other Credit Document shall be true and correct in all material respects on and as of the date of such Credit Extension; *provided* that, in each case of clauses (i) and (ii), to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided* , *further* that, any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

7.2 No Default

No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

7.3 Availability

After giving effect to such Credit Extension, the Availability Requirements shall be satisfied.

7.4 Notice of Borrowing

The Administrative Agent and, if applicable, the relevant L/C Issuer or the Swing Line Lender shall have received a Notice of Borrowing or a Letter of Credit Application in accordance with the requirements hereof.

Each Notice of Borrowing submitted by a Borrower shall be deemed to be a representation and warranty that the conditions specified in Section 7 have been satisfied on and as of the date of the applicable Credit Extension.

SECTION 8 Representations and Warranties

In order to induce the Lenders and the L/C Issuers to enter into this Agreement and to make the Revolving Credit Loans and issue or participate in Letters of Credit as provided for herein, each of Holdings and the Borrowers make the following representations and warranties to the Lenders and the L/C Issuers, all of which shall survive the execution and delivery of this Agreement and the making of the Revolving Credit Loans and the issuance of the Letters of Credit:

8.1 Corporate Status; Compliance with Laws

Each of Holdings, the Parent Borrower and each Material Subsidiary of the Parent Borrower that is a Restricted Subsidiary (a) is a duly organized or incorporated and validly existing corporation or other entity in good standing (as applicable) under the laws of the jurisdiction of its organization or incorporation and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, except as would not reasonably be expected to result in a Material Adverse Effect, (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect and (c) is in compliance with all Applicable Laws, except to the extent that the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

8.2 Corporate Power and Authority

Each U.S. Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each U.S. Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such U.S. Credit Party enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law) (*provided* that, with respect to the creation and perfection of security interests with respect to Indebtedness, Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent the creation and perfection of such obligation is governed by the UCC).

8.3 No Violation

Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor the compliance with the terms and provisions thereof nor the consummation of the financing transactions contemplated hereby and thereby will (a) contravene any applicable provision of any material Applicable Law (including material Environmental Laws) other than any contravention which would not reasonably be expected to result in a Material Adverse Effect, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of

any Lien upon any of the property or assets of Holdings, the Parent Borrower or any Restricted Subsidiary (other than Liens permitted hereunder) pursuant to the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust or other material debt agreement or instrument to which Holdings, the Parent Borrower or any Restricted Subsidiary is a party or by which it or any of its property or assets is bound (any such term, covenant, condition or provision, a " **Contractual Requirement** ") other than any such breach, default or Lien that would not reasonably be expected to result in a Material Adverse Effect, or (c) violate any provision of the Organizational Documents of any U.S. Credit Party.

8.4 Litigation

Except as set forth on Schedule 8.4, there are no actions, suits or proceedings pending or, to the knowledge of the Parent Borrower, threatened in writing with respect to Holdings, the Parent Borrower or any of the Restricted Subsidiaries that have a reasonable likelihood of adverse determination and such determination would reasonably be expected to result in a Material Adverse Effect.

8.5 Margin Regulations

Neither the making of Credit Extensions hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

8.6 Governmental Approvals

The execution, delivery and performance of the Credit Documents does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such licenses, authorizations, consents, approvals, registrations, filings or other actions the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

8.7 Investment Company Act

None of the Credit Parties is an "investment company" within the meaning of, and subject to registration under, the Investment Company Act of 1940, as amended.

8.8 True and Complete Disclosure

(a) None of the written factual information and written data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of Holdings, the Parent Borrower, any of the Subsidiaries of the Parent Borrower or any of their respective authorized representatives to the Administrative Agent, any Joint Lead Arranger and/or any Lender on or before the Closing Date (including all such information and data contained in the Credit Documents) regarding Holdings, the Parent Borrower and its Restricted Subsidiaries in connection with the Transactions for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not

materially misleading at such time in light of the circumstances under which such information or data was furnished, it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include projections or estimates (including financial estimates, forecasts and other forward-looking information) and information of a general economic or general industry nature.

(b) The projections posted to the Lenders on November 2, 2017 are based upon good faith estimates and assumptions believed by the Parent Borrower to be reasonable at the time made, it being recognized by the Agents, Joint Lead Arrangers and the Lenders that such projections, forward-looking statements, estimates and pro forma financial information are not to be viewed as facts or a guarantee of performance, and are subject to material contingencies and assumptions, many of which are beyond the control of the Credit Parties, and that actual results during the period or periods covered by any such projections, forward-looking statements, estimates and pro forma financial information may differ materially from the projected results.

(c) The information set forth in each Borrowing Base Certificate is true and correct in all material respects and has been prepared in all material respects in accordance with this Agreement. The Accounts that are identified by the Parent Borrower as Eligible Accounts and the Inventory that is identified by the Parent Borrower as Eligible Inventory, in each Borrowing Base Certificate submitted to the Administrative Agent, at the time of submission, comply in all material respects with the criteria set forth in the definitions of Eligible Accounts and Eligible Inventory, respectively.

8.9 Financial Condition; Financial Statements

The financial statements described in Section 6.10 present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries, in each case, as of the dates thereof and for such period covered thereby in accordance with GAAP, consistently applied throughout the periods covered thereby, except as otherwise noted therein, and subject, in the case of any unaudited financial statements, to changes resulting from normal year-end adjustments and the absence of footnotes. There has been no Material Adverse Effect since the Closing Date.

8.10 Tax Matters

Except where the failure of which would not be reasonably expected to have a Material Adverse Effect, (a) each of Holdings, the Parent Borrower and each of the Restricted Subsidiaries has filed all federal income Tax returns and all other Tax returns, domestic and foreign, required to be filed by it (after giving effect to all applicable extensions) and has paid all material Taxes payable by it that have become due (whether or not shown on such Tax return), other than those (i) not yet delinquent or (ii) contested in good faith as to which adequate reserves have been provided to the extent required by law and in accordance with GAAP, (b) each of Holdings, the Parent Borrower and each of the Restricted Subsidiaries has provided adequate reserves in accordance with GAAP for the payment of, all federal, state, provincial and foreign Taxes not yet due and payable, and (c) each of Holdings, the Parent Borrower and each of the Restricted Subsidiaries has satisfied all of its Tax withholding obligations.

8.11 Compliance with ERISA

(a) No ERISA Event has occurred or is reasonably expected to occur; and no Lien imposed under the Code or ERISA on the assets of the Parent Borrower or any ERISA Affiliate exists (or is reasonably likely to exist) nor has the Parent Borrower or any ERISA Affiliate been notified in writing that such a Lien will be imposed on the assets of Holdings, the Parent Borrower or any ERISA Affiliate on account of any Pension Plan, except to the extent that a breach of any of the representations, warranties or agreements in this Section 8.11(a) would not result, individually or in the aggregate, in an amount of liability that would be reasonably likely to have a Material Adverse Effect. No Pension Plan has an Unfunded Current Liability that would, individually or when taken together with any other liabilities referenced in this Section 8.11(a), be reasonably likely to have a Material Adverse Effect.

(b) All Foreign Plans are in compliance with, and have been established, administered and operated in accordance with, the terms of such Foreign Plans and Applicable Law, except for any failure to so comply, establish, administer or operate the Foreign Plans as would not reasonably be expected to have a Material Adverse Effect. All contributions or other payments which are due with respect to each Foreign Plan have been made in full and there are no funding deficiencies thereunder, except to the extent any such events would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.12 Subsidiaries

Schedule 8.12 lists each Subsidiary of Holdings (and the direct and indirect ownership interest of Holdings therein), in each case existing on the Closing Date (after giving effect to the Transactions).

8.13 Intellectual Property

Each of Holdings, the Parent Borrower and the Restricted Subsidiaries has good and marketable title to, or a valid license or right to use, all patents, trademarks, servicemarks, trade names, copyrights and all applications therefor and licenses thereof, and all other intellectual property rights, free and clear of all Liens (other than Liens permitted hereunder), that are necessary for the operation of their respective businesses as currently conducted, except where the failure to have any such title, license or rights would not reasonably be expected to have a Material Adverse Effect.

8.14 Environmental Laws

Except as would not reasonably be expected to have a Material Adverse Effect: (a) Holdings, the Parent Borrower and the Restricted Subsidiaries and all Real Estate are in compliance with all Environmental Laws; (b) Holdings, the Parent Borrower and the Restricted Subsidiaries have, and have timely applied for renewal of, all permits under Environmental Law to construct and operate their facilities as currently constructed; (c) except as set forth on Schedule 8.14, neither Holdings, the Parent Borrower nor any Restricted Subsidiary is subject to any pending or, to the knowledge of the Parent Borrower, threatened Environmental Claim or any other liability under any Environmental Law, including any such Environmental Claim, or, to the knowledge of the Parent Borrower, any other liability under Environmental Law related to,

or resulting from the business or operations of any predecessor in interest of any of them; (d) none of Holdings, the Parent Borrower or any Restricted Subsidiary is conducting or financing or, to the knowledge of the Parent Borrower, is required to conduct or finance, any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; (e) to the knowledge of the Parent Borrower, no Hazardous Materials have been released into the environment at, on or under any Real Estate currently owned or leased by Holdings, the Parent Borrower or any Restricted Subsidiary and (f) neither Holdings, the Parent Borrower nor any Restricted Subsidiary has treated, stored, transported, released, disposed or arranged for disposal or transport for disposal of Hazardous Materials at, on, under or from any currently or, to the knowledge of the Parent Borrower, formerly owned or leased Real Estate or facility. Except as provided in this Section 8.14, Holdings, the Parent Borrower and the Restricted Subsidiaries make no other representations or warranties regarding Environmental Laws.

8.15 Properties

Except as set forth on Schedule 8.15, Holdings, the Parent Borrower and the Restricted Subsidiaries have good title to or valid leasehold or easement interests or other license or use rights in all properties that are necessary for the operation of their respective businesses as currently conducted, free and clear of all Liens (other than any Liens permitted under this Agreement) and except where the failure to have such good title, leasehold or easement interests or other license or use rights would not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, the Parent Borrower and the Restricted Subsidiaries do not own in fee any Real Estate with a fair market value of $10,000,000 or more.

8.16 Solvency

On the Closing Date, after giving effect to the Transactions, immediately following the borrowing of the Initial Term Loans on such date, and after giving effect to the application of the proceeds of the Initial Term Loans, Holdings on a consolidated basis with its Subsidiaries will be Solvent.

8.17 U.S. Security Interests

Subject to the qualifications set forth in Section 6.2 and the terms and conditions of any Applicable Intercreditor Agreement then in effect, with respect to each U.S. Credit Party, the U.S. Security Documents, taken as a whole, are effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority security interest (subject to Liens permitted hereunder) in the U.S. Collateral described therein, in each case, to the extent required under the U.S. Security Documents, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. In the case of (i) the Stock described in the U.S. Security Agreement that is in the form of securities represented by stock certificates or otherwise constituting certificated securities within the meaning of Section 8-102(a)(15) of the New York UCC (" **Certificated Securities** "), when certificates representing such Stock are delivered to the Collateral Agent along with instruments of transfer in blank or endorsed to the Collateral Agent, and (ii) all other U.S. Collateral constituting personal property described in the U.S. Security

Agreement, when financing statements, intellectual property security agreements and other required filings, recordings, agreements and actions in appropriate form are executed and delivered, performed, recorded or filed in the appropriate offices, as the case may be, the Collateral Agent, for the benefit of the applicable Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the U.S. Credit Parties in all U.S. Collateral that may be perfected by filing, recording or registering a financing statement, an intellectual property security agreement or analogous document (to the extent such Liens may be perfected by possession of the Certificated Securities by the Collateral Agent or such filings, agreements or other actions or perfection is otherwise required by the terms of any Credit Document), in each case, to the extent required under the U.S. Security Documents, as security for the Obligations, in each case prior and superior in right to any other Lien (except, in the case of Liens permitted hereunder).

8.18 Labor Matters

Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against Holdings, the Parent Borrower or any Restricted Subsidiary pending or, to the knowledge of the Parent Borrower, threatened in writing; and (b) hours worked by and payment made for such work to employees of Holdings, the Parent Borrower and each Restricted Subsidiary have not been in violation of the Fair Labor Standards Act or any other Applicable Law dealing with such matters.

8.19 Sanctioned Persons; Anti-Corruption Laws; Patriot Act

None of Holdings, the Parent Borrower or any of its Subsidiaries or any of their respective directors or officers is subject to any economic embargoes or similar sanctions administered or enforced by (a) the U.S. Department of State or the U.S. Department of the Treasury (including the Office of Foreign Assets Control), (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom, (c) the relevant sanctions authorities in Canada, Ireland and Germany or (d) any other applicable sanctions authority (collectively, " **Sanctions** ", and the associated laws, rules, regulations and orders, collectively, " **Sanctions Laws** "). Each of Holdings, the Parent Borrower and its Subsidiaries and their respective officers and directors is in compliance, in all material respects, with (i) all Sanctions Laws, (ii) (A) the United States Foreign Corrupt Practices Act of 1977, as amended, and any other applicable anti-bribery or anti-corruption laws, rules, regulations and orders, (B) the UK Bribery Act of 2010 and (C) all laws, rules and regulations relating to bribery in Canada, Ireland and Germany ((A), (B) and (C) collectively, " **Anti-Corruption Laws** ") and (iii) the Patriot Act and any other applicable anti-terrorism and anti-money laundering laws, rules, regulations and orders. No part of the proceeds of the Loans or Letters of Credit will be used, directly or indirectly, in violation of the Patriot Act, the Anti-Corruption Laws, Sanctions Laws and/or any other anti-terrorism or anti-money laundering laws in any material respect.

8.20 Use of Proceeds

The Borrowers will use the proceeds of the Credit Extensions in accordance with Section 9.14 of this Agreement.

SECTION 9 Affirmative Covenants

The Borrowers hereby covenant and agree that on the Closing Date (immediately after giving effect to the Transactions) and thereafter, until the Aggregate Revolving Credit Commitments and all Letters of Credit have terminated (other than Letters of Credit that have been Cash Collateralized, backstopped or otherwise collateralized on terms and conditions reasonably satisfactory to the applicable L/C Issuer) and the Loans, together with interest, fees and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations), are paid in full:

9.1 Information Covenants

The Parent Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. As soon as available and in any event on or before the date that is 90 days after the end of each Fiscal Year (or, in the case of the Fiscal Years ended September 30, 2017 and September 30, 2018, the date that is 120 days after the end of such Fiscal Year), the consolidated balance sheet of the Parent Borrower and its consolidated Subsidiaries as at the end of such Fiscal Year, and the related consolidated statements of operations and cash flows for such Fiscal Year, setting forth comparative consolidated figures for the preceding Fiscal Year (commencing with the Fiscal Year ended September 30, 2019), all in reasonable detail and prepared in accordance with GAAP in all material respects and, in each case, except with respect to any such reconciliation, certified by independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Parent Borrower and its consolidated Subsidiaries as a going concern (other than any exception or qualification that is a result of (x) a current maturity date of any Indebtedness or (y) any actual or prospective default of a financial maintenance covenant (including the Financial Covenant)), all of which shall be (i) certified by an Authorized Officer of the Parent Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries (or Holdings or an indirect parent of the Parent Borrower and its consolidated Subsidiaries, as the case may be) in accordance with GAAP in all material respects and (ii) accompanied by a Narrative Report with respect thereto.

(b) Quarterly Financial Statements. As soon as available and in any event on or before the date that is 45 days after the end of each of the first three fiscal quarters of any Fiscal Year (or, in the case of financial statements for the fiscal quarters ending December 31, 2017, March 31, 2018 and June 30, 2018, on or before the date that is 75 days (with respect to the quarter ending December 31, 2017) or 60 days after the end of such fiscal quarter), the consolidated balance sheets of the Parent Borrower and its consolidated Subsidiaries, in each case, as at the end of such quarterly period and the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the Fiscal Year ended with the last day of such quarterly period, and the related consolidated statement of cash flows for such quarterly accounting period and for the elapsed portion of the Fiscal Year ended with the

last day of such quarterly period, and, commencing with the fiscal quarter ended on March 31, 2019, setting forth comparative consolidated figures for the related periods in the prior Fiscal Year or, in the case of such consolidated balance sheet, for the last day of the prior Fiscal Year, all of which shall be (i) certified by an Authorized Officer of the Parent Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries (or Holdings or an indirect parent of the Parent Borrower and its consolidated Subsidiaries, as the case may be) in accordance with GAAP in all material respects, subject to changes resulting from audit, normal year-end audit adjustments and absence of footnotes and (ii) accompanied by a Narrative Report with respect thereto.

(c) Officer's Certificates. Within five Business Days of the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Parent Borrower to the effect that no Default or Event of Default exists or, if any Default or Event of Default does exist, specifying the nature and extent thereof, which certificate shall set forth with specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such Fiscal Year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Lenders on the Closing Date or the most recent Fiscal Year or period, as the case may be. Within five Business Days of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Parent Borrower setting forth (A) in reasonable detail the Available Equity Amount as at the end of the Fiscal Year to which such financial statements relate and (B) the information required pursuant to Sections I and II of the Perfection Certificate or confirming that there has been no change in such information since the Closing Date or the date of the most recent certificate delivered pursuant to this clause (c)(B), as the case may be.

(d) Notice of Default; Litigation; ERISA Event. Promptly after an Authorized Officer of the Parent Borrower or any Restricted Subsidiary obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Parent Borrower proposes to take with respect thereto, (ii) any litigation, regulatory or governmental proceeding pending against the Parent Borrower or any Restricted Subsidiary that has a reasonable likelihood of adverse determination and such determination would reasonably be expected to be determined adversely and, if so determined, to result in a Material Adverse Effect and (iii) the occurrence of any ERISA Event, or any ERISA Event that is reasonably expected to occur, that would reasonably be expected to result in a Material Adverse Effect.

(e) Other Information. Promptly upon filing thereof, copies of any filings (including on Form 10-K, 10-Q or 8-K) or registration statements (other than drafts of pre-effective versions of registration statements) with, and reports to, the SEC or any analogous Governmental Authority in any relevant jurisdiction by Holdings, the Parent Borrower or any Restricted Subsidiary (other than amendments to any registration statement (to the extent such registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statements on Form S-8) and copies of all financial statements, proxy statements, notices and reports that Holdings, the Parent Borrower or any Restricted Subsidiary shall send to the Term Loan Administrative Agent or lenders under the Term Loan Credit Agreement or the holders of any

publicly issued debt with a principal amount in excess of $300,000,000 of Holdings, the Parent Borrower and/or any Restricted Subsidiary in their capacity as such holders (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement).

(f) Requested Information. With reasonable promptness, following the reasonable request of the Administrative Agent, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; *provided* that, notwithstanding anything to the contrary in this Section 9.1(f), none of Holdings, the Parent Borrower or any of its Restricted Subsidiaries will be required to provide any such other information pursuant to this Section 9.1(f) to the extent that (i) the provision thereof would violate any attorney client privilege (as reasonably determined by counsel (internal or external) to the Credit Parties), law, rule or regulation, or any contractual obligation of confidentiality binding on the Credit Parties or their respective Affiliates (so long as not entered into in contemplation hereof) or (ii) such information constitutes attorney work product (as reasonably determined by counsel (internal or external) to the Credit Parties).

(g) Projections. Within 90 days (or 120 days for the Fiscal Year ended on September 30, 2018) after the end of each Fiscal Year of the Parent Borrower ended after the Closing Date, a reasonably detailed consolidated budget for the following Fiscal Year as customarily prepared by management of the Parent Borrower for its internal use (including a projected consolidated balance sheet of the Parent Borrower and the Restricted Subsidiaries as of the end of such Fiscal Year, the related consolidated statements of projected cash flow and projected income and a summary of the material underlying assumptions applicable thereto) (collectively, the " **Projections** "), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of the Parent Borrower stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were based on good faith estimates and assumptions believed by management of the Parent Borrower to be reasonable at the time of preparation of such Projections, it being understood that such Projections and assumptions as to future events are not to be viewed as facts or a guarantee of performance, are subject to significant uncertainties and contingencies, many of which are beyond the control of the Parent Borrower and its Subsidiaries, and that actual results may vary from such Projections and such differences may be material.

(h) Reconciliations. Simultaneously with the delivery of each set of consolidated financial statements referred to in Sections 9.1(a) and (b) above, reconciliations for such consolidated financial statements or other consolidating information reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements; *provided* that the Parent Borrower shall be under no obligation to deliver the reconciliations or other information described in this clause (h) if the Consolidated Total Assets and the Consolidated EBITDA of the Parent Borrower and its consolidated Subsidiaries (which Consolidated Total Assets and Consolidated EBITDA shall be calculated in accordance with the definitions of such terms, but determined based on the financial information of the Parent Borrower and its consolidated Subsidiaries, and not the financial information of the Parent Borrower and its Restricted Subsidiaries) do not differ from the Consolidated Total Assets and the Consolidated EBITDA, respectively, of the Parent Borrower and its Restricted Subsidiaries by more than 2.5%.

(i) Borrowing Base Certificates. On or prior to (x) the date of a Notice of Borrowing made after the Closing Date, if such Notice of Borrowing is submitted before the Monthly Borrowing Base Certificate described in the following clause (y) is delivered to the Administrative Agent, with respect to the calendar month ended November 30, 2017, (y) January 31, 2018 with respect to the calendar month ended December 31, 2017, and (z) the 20th calendar day of each subsequent calendar month (or on a more frequent basis at the discretion of the Parent Borrower; *provided* that once a more frequent basis is elected by the Parent Borrower, it must be continued for no less than 60 calendar days after the date of such election), beginning with the calendar month ended January 31, 2018 (or if such day is not a Business Day, the next succeeding Business Day), a Borrowing Base Certificate showing each of the Borrowing Base and the calculation of the Aggregate Excess Availability and the Specified Aggregate Excess Availability, in each case as of the close of business on the last day of the immediately preceding calendar month (the Borrowing Base Certificate delivered as of each month end, the " **Monthly Borrowing Base Certificate** ") (or, at the option of the Parent Borrower, as of a more recent date), each such Borrowing Base Certificate to be certified as complete and correct in all material respects on behalf of the Borrowers by an Authorized Officer of the Parent Borrower; *provided* that during the Weekly Monitoring Period, a Borrowing Base Certificate showing the Parent Borrower's reasonable estimate (which shall be based on the most current accounts receivable aging reasonably available and shall be calculated in a consistent manner with the most recent Monthly Borrowing Base Certificate delivered pursuant to this Section) of each Borrowing Base and the calculation of the Aggregate Excess Availability and Specified Aggregate Excess Availability as of the close of business on the last day of the immediately preceding calendar week, unless the Administrative Agent otherwise agrees in its reasonably discretion, shall be furnished on Wednesday of each week (or if Wednesday is not a Business Day, on the next succeeding Business Day); *provided* that any Borrowing Base Certificate delivered pursuant to this Section 9.1(i) other than with respect to month's end may be based on such estimates by the Parent Borrower as the Parent Borrower may deem necessary;

(j) at the time of the delivery of each Monthly Borrowing Base Certificate provided for in Section 9.1(i), the Parent Borrower, the Canadian Borrower and the Irish Borrower shall each provide Inventory reports by category and location, together with reconciliation to the corresponding Monthly Borrowing Base Certificate, a reasonably detailed calculation of Eligible Inventory, and a reconciliation of the U.S. Credit Parties', the Canadian Borrower's and the Irish Borrower's respective Inventory between the amounts shown in each such Person's stock ledger and any Inventory reports delivered pursuant to this clause (j); *provided* , that any Borrowing Base Certificate delivered other than with respect to month's end may be based on such estimates by the U.S. Credit Parties, the Canadian Borrower or the Irish Borrower, as applicable, of Shrink and other amounts as the Parent Borrower may deem necessary;

(k) at the time of the delivery of each Monthly Borrowing Base Certificate provided for in Section 9.1(i), the Parent Borrower shall provide a current accounts receivable aging along with a reconciliation between the amounts that appear on such aging and the amount of accounts receivable presented on the concurrently delivered balance sheet; and

(l) (i) the Parent Borrower shall notify the Administrative Agent of a pending withdrawal of cash or Cash Equivalents constituting Eligible Borrowing Base Cash from a Blocked Account subject to a Blocked Account Agreement under Section 9.16 prior to making such withdrawal, and (ii) within one (1) Business Day of such a withdrawal, the Parent Borrower shall provide the Administrative Agent with an updated Borrowing Base Certificate reflecting the updated Eligible Borrowing Base Cash.

Notwithstanding the foregoing, the obligations in clauses (a), (b), (e) and (g) of this Section 9.1 may be satisfied with respect to financial information of the Parent Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of Holdings or any direct or indirect parent of Holdings or (B) the Parent Borrower's (or Holdings' or any direct or indirect parent thereof), as applicable, Form 8-K, 10-K or 10-Q, as applicable, filed with the SEC; *provided* that, with respect to each of clauses (A) and (B) of this paragraph, to the extent such information relates to Holdings or a direct or indirect parent of Holdings, such information is accompanied by consolidating or other information that explains in reasonable detail the differences between the information relating to Holdings or such parent, on the one hand, and the information relating to the Parent Borrower and its consolidated Restricted Subsidiaries on a standalone basis, on the other hand (*provided* , *however* , that the Parent Borrower shall be under no obligation to deliver such consolidating or other explanatory information if the Consolidated Total Assets and the Consolidated EBITDA of the Parent Borrower and its consolidated Restricted Subsidiaries do not differ from the Consolidated Total Assets and the Consolidated EBITDA, respectively, of Holdings or any direct or indirect parent of Parent Borrower and its consolidated Subsidiaries by more than 2.5%). Documents required to be delivered pursuant to clauses (a), (b) and (e) of this Section 9.1 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent Borrower posts such documents, or provides a link thereto on the Parent Borrower's website as notified to the Administrative Agent; or (ii) on which such documents are posted on the Parent Borrower's behalf on an Internet or intranet website, if any, or filed with the SEC, and available in EDGAR (or any successor) to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

9.2 Books, Records and Inspections

(a) The Parent Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent or the Required Lenders (as accompanied by the Administrative Agent) to visit and inspect any of the properties or assets of the Parent Borrower or such Restricted Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Parent Borrower and any such Restricted Subsidiary and discuss the affairs, finances and accounts of the Parent Borrower and of any such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or Required Lenders may desire (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); *provided* that, excluding any such visits and inspections during the continuation of an Event of Default (i) only the Administrative Agent, whether on its own or in conjunction with the Required Lenders, may exercise rights of the

Administrative Agent and the Lenders under this Section 9.2, (ii) the Administrative Agent shall not exercise such rights more than one time in any calendar year and (iii) only one such visit shall be at the Parent Borrower's expense; *provided* , *further* , that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Parent Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Required Lenders shall give the Parent Borrower the opportunity to participate in any discussions with the Parent Borrower's independent public accountants. Notwithstanding anything to the contrary in this Section 9.2, neither the Parent Borrower nor any Restricted Subsidiary will be required under this Section 9.2 to disclose or permit the inspection or discussion of any document, information or other matter to the extent that such action would violate any attorney-client privilege (as reasonably determined by counsel (internal or external) to the Credit Parties), law, rule or regulation, or any contractual obligation of confidentiality (not created in contemplation thereof) binding on the Credit Parties or their respective Affiliates or constituting attorney work product (as reasonably determined by counsel (internal or external) to the Credit Parties).

(b) The Parent Borrower will, and will cause each Restricted Subsidiary to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity, in all material respects, with GAAP shall be made of all material financial transactions and matters involving the assets of the business of the Parent Borrower or such Restricted Subsidiary, as the case may be (it being understood and agreed that any Restricted Subsidiary may maintain its individual books and records in conformity with local standards or customs and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

9.3 Maintenance of Insurance

The Parent Borrower will, and will cause each Material Subsidiary that is a Restricted Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Parent Borrower believes (in the good faith judgment of the management of the Parent Borrower, as applicable) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Parent Borrower believes (in the good faith judgment of management of the Parent Borrower, as applicable) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Parent Borrower believes (in the good faith judgment of management of the Parent Borrower, as applicable) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, upon written reasonable request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried, *provided* , *however* , that for so long as no Event of Default has occurred and is continuing, the Administrative Agent shall be entitled to make such request only once in any calendar year. With respect to each U.S. Mortgaged Property, obtain flood insurance in such total amount as the Administrative Agent may from time to time require, if at any time the area in which any improvements located on any U.S. 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.

9.4 Payment of Taxes

The Parent Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims in respect of any Taxes imposed, assessed or levied that, if unpaid, could reasonably be expected to become a material Lien upon any properties of the Parent Borrower or any Restricted Subsidiary; *provided* that neither the Parent Borrower nor any such Restricted Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim (i) that is being contested in good faith and by proper proceedings if it has maintained adequate reserves (in the good faith judgment of management of the Parent Borrower) with respect thereto in accordance with GAAP or (ii) with respect to which the failure to pay would not reasonably be expected to result in a Material Adverse Effect.

9.5 Consolidated Corporate Franchises

The Parent Borrower will do, and will cause each Material Subsidiary that is a Restricted Subsidiary to do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence, corporate rights and authority, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided* , *however* , that the Parent Borrower and the Restricted Subsidiaries may consummate any transaction otherwise permitted hereby, including under Section 10.2, 10.3, 10.4 or 10.5.

9.6 Compliance with Statutes, Regulations, Etc

The Parent Borrower will, and will cause each Restricted Subsidiary to, comply with all Applicable Laws applicable to it or its property, including all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, in each case except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.7 Lender Calls

At the reasonable request of the Administrative Agent, the Parent Borrower shall conduct a conference call that Lenders may attend to discuss the financial condition and results of operations of the Parent Borrower and its Restricted Subsidiaries for the most recently ended measurement period for which financial statements have been delivered pursuant to Section 9.1(a) or (b) (beginning with the fiscal period of the Parent Borrower ended March 31, 2018), at a date and time to be determined by the Parent Borrower with reasonable advance notice to the Administrative Agent, limited to one conference call per fiscal quarter.

9.8 Maintenance of Properties

The Parent Borrower will, and will cause the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition (ordinary wear and tear, casualty and condemnation excepted), except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

9.9 Transactions with Affiliates

The Parent Borrower will conduct, and will cause the Restricted Subsidiaries to conduct, all transactions with any of its or their respective Affiliates (other than (x) any transaction or series of related transactions with an aggregate value that is equal to or less than $25,000,000 or (y) transactions between or among (i) the Parent Borrower and the Restricted Subsidiaries or any Person that becomes a Restricted Subsidiary as a result of such transactions and (ii) the Parent Borrower, the Restricted Subsidiaries and to the extent in the ordinary course or consistent with past practice, Holdings) on terms that are, taken as a whole, not materially less favorable to the Parent Borrower or such Restricted Subsidiary as it would obtain in a comparable arm's-length transaction with a Person that is not an Affiliate (as determined in good faith by the Borrower); *provided* that the foregoing restrictions shall not apply to:

(a) transactions permitted by Section 10 (other than Section 10.6(m) and any provision of Section 10 permitting transactions by reference to Section 9.9),

(b) the Transactions and the payment of the Transaction Expenses,

(c) the issuance of Stock or Stock Equivalents of the Parent Borrower (or any direct or indirect parent thereof) to the management of the Parent Borrower (or any direct or indirect parent thereof) or any Subsidiary of the Parent Borrower in connection with the Transactions or pursuant to arrangements described in clause (e) of this Section 9.9,

(d) loans, advances and other transactions between or among the Parent Borrower, any Subsidiary of the Parent Borrower or any joint venture (regardless of the form of legal entity) in which the Parent Borrower or any Subsidiary of the Parent Borrower has invested (and which Subsidiary or joint venture would not be an Affiliate of the Parent Borrower but for the Parent Borrower's or such Subsidiary's Subsidiary ownership of Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Section 10,

(e) (i) employment, consulting and severance arrangements between the Parent Borrower and the Restricted Subsidiaries (or any direct or indirect parent of the Borrower) and their respective officers, employees, directors or consultants in the ordinary course of business (including payments, loans and advances in connection therewith) and (ii) issuances of securities, or other payments, awards or grants in cash, securities or otherwise and other transactions pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement,

(f) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of the Parent Borrower (or, to the extent attributable to the ownership of the Parent Borrower and its Restricted Subsidiaries, any direct or indirect parent thereof) and the Subsidiaries of the Parent Borrower,

(g) the issuance of Stock or Stock Equivalents (other than Disqualified Stock) of the Parent Borrower (or any direct or indirect parent thereof) to Holdings or to any director, officer, employee or consultant,

(h) any customary transactions with a Receivables Entity effected as part of a Permitted Receivables Financing and any customary transactions with a Securitization Subsidiary effected as part of a Qualified Securitization Financing,

(i) transactions pursuant to permitted agreements in existence on the Closing Date and, to the extent each such transaction is valued in excess of $25,000,000, set forth on Schedule 9.9 or any amendment, modification, supplement, replacement, extension, renewal or restructuring thereto to the extent such an amendment, modification, supplement, replacement, extension renewal or restructuring (together with any other amendment or supplemental agreements) is not materially adverse, taken as a whole, to the Lenders (in the good faith determination of the Parent Borrower),

(j) transactions in which Holdings (or any indirect parent of the Parent Borrower), the Parent Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Parent Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 9.9,

(k) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such transaction was not entered into in contemplation of such designation or redesignation, as applicable,

(l) Affiliate repurchases of the Term Loans or commitments in respect thereof to the extent permitted under the Term Loan Credit Agreement and the payments and other transactions reasonably related thereto, and

(m) transactions constituting any part of a Permitted Reorganization.

9.10 End of Fiscal Years

The Parent Borrower will, for financial reporting purposes, cause its Fiscal Year to end on September 30 of each year (each a " **Fiscal Year** ") and cause its Restricted Subsidiaries to maintain their fiscal years as in effect on the Closing Date; *provided* , *however* , that the Parent Borrower may, upon written notice to the Administrative Agent change its Fiscal Year or the fiscal years of its Restricted Subsidiaries with the prior written consent of the Administrative Agent (not to be unreasonably withheld, conditioned, delayed or denied), in which case the Parent Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

9.11 Additional U.S. Guarantors and Grantors

Subject to any applicable limitations set forth in the U.S. Guarantee, the U.S. Security Documents, or any Applicable Intercreditor Agreement and this Agreement (including Section 9.12), the Parent Borrower will cause each direct or indirect Wholly Owned Domestic Subsidiary of the Parent Borrower (excluding any U.S. Excluded Subsidiary) formed or otherwise purchased or acquired after the Closing Date and each other Domestic Subsidiary of the Parent Borrower that ceases to constitute a U.S. Excluded Subsidiary to, within 60 days from the date of such formation, acquisition or cessation (which in the case of any Subsidiary ceasing to constitute a U.S. Excluded Subsidiary pursuant to clause (a) thereof, commencing on the date of delivery of the applicable compliance certificate pursuant to Section 9.1(c)), as applicable (or such longer period as the Administrative Agent may agree in its reasonable discretion), execute (A) a supplement to each of the U.S. Guarantee and the U.S. Security Agreement in order to become a Guarantor under such Guarantee and a grantor/pledgor under the U.S. Security Agreement and (B) a joinder to the Intercompany Subordinated Note.

9.12 Further Assurances With Respect to U.S. Guarantors and Grantors

(a) Subject to the applicable limitations set forth in this Agreement (including Section 9.11) and the U.S. Security Documents and any Applicable Intercreditor Agreement, the Parent Borrower will, and will cause each other U.S. Credit Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents) that may be required under any Applicable Law, or that the Collateral Agent may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the applicable U.S. Security Documents, all at the expense of the Parent Borrower and the Restricted Subsidiaries.

(b) Subject to any applicable limitations set forth in the U.S. Security Documents (including in any U.S. Mortgage), if any assets that are of the nature secured by any U.S. Security Documents (including any owned Real Estate or improvements thereto constituting U.S. Collateral with a fair market value in excess of $10,000,000) are acquired by the Parent Borrower or any U.S. Subsidiary Guarantor after the Closing Date or are held by any Domestic Subsidiary on or after the time it becomes a U.S. Subsidiary Guarantor pursuant to Section 9.11 (other than assets constituting U.S. Collateral under the U.S. Security Documents that become subject to the Lien of any U.S. Security Document upon acquisition thereof or assets subject to a Lien granted pursuant to Section 10.2(d) or 10.2(g)), the Parent Borrower will promptly notify the Collateral Agent thereof and, if requested by the Collateral Agent, will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the other U.S. Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 120 days, unless extended by the Collateral Agent in its reasonable discretion, to grant and perfect such Liens consistent with the applicable requirements of the U.S. Security Documents, including actions described in paragraph (a) of this Section, all at the expense of the U.S. Credit Parties.

(c) Any U.S. Mortgage delivered to the Collateral Agent in accordance with the preceding clause (b) shall be accompanied by those items set forth in clause (d) that are customary for the type of assets covered by such U.S. Mortgage. Any items that are customary for the type of assets covered by such U.S. Mortgage may be delivered within a commercially reasonable period of time after the delivery of a U.S. Mortgage if they are not reasonably available at the time the U.S. Mortgage is delivered.

(d) With respect to any U.S. Mortgaged Property, within 120 days, unless extended by the Collateral Agent in its reasonable discretion, the Parent Borrower will deliver, or cause to be delivered, to the Collateral Agent (i) a U.S. Mortgage with respect to each U.S. Mortgaged Property, executed by an Authorized Officer of each obligor party thereto, (ii) a policy or policies of title insurance insuring the Lien of each such U.S. Mortgage as a valid Lien on the U.S. Mortgaged Property described therein, free of any other Liens except Permitted Encumbrances or consented to in writing (including via email) by the Collateral Agent, together with such endorsements and reinsurance as the Collateral Agent may reasonably request, together with evidence reasonably acceptable to the Collateral Agent of payment of all title insurance premiums, search and examination charges, escrow charges and related charges, fees, costs and expenses required for the issuance of the title insurance policies referred to above, (iii) a Survey, to the extent reasonably necessary to satisfy the requirements of clause (ii) above, (iv) all other documents and instruments, including Uniform Commercial Code or other applicable fixture security financing statements, reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by any such U.S. Mortgage and perfect such Liens to the extent required by, and with the priority required by, such U.S. Mortgage shall have been delivered to the Collateral Agent in proper form for filing, registration or recording and (v) written opinions of legal counsel in the states in which each such U.S. Mortgaged Property is located in customary form and substance. If any building or other improvement included in any U.S. Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or as hereafter in effect or successor act thereto), then the Parent Borrower shall, prior to delivery of the U.S. Mortgages, deliver or cause to be delivered, (i) a completed Federal Emergency Management Agency Standard Flood Determination with respect to each U.S. Mortgaged Property, in each case in form and substance reasonably satisfactory to the Collateral Agent and (ii) evidence of flood insurance with respect to each U.S. Mortgaged Property, to the extent and in amounts required by Applicable Laws, in each case in form and substance reasonably satisfactory to the Collateral Agent.

(e) Notwithstanding anything herein to the contrary, if the Parent Borrower and the Collateral Agent mutually agree in their reasonable judgment (confirmed in writing to the Parent Borrower and the Administrative Agent) that the cost or other consequences (including adverse tax and accounting consequences) of creating or perfecting any Lien on any property is excessive in relation to the benefits afforded to the Secured Parties thereby, then such property may be excluded from the U.S. Collateral for all purposes of the Credit Documents.

(f) Notwithstanding anything herein or in any other Credit Document to the contrary, the Parent Borrower and the U.S. Guarantors shall not be required, nor shall the Collateral Agent be authorized, (i) to perfect the above-described pledges, security interests and mortgages by any means other than by (A) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar central filing office) of the relevant State(s), (B)

filings in United States government offices with respect to intellectual property as expressly required herein and under the other Credit Documents, (C) delivery to the Collateral Agent (or, subject to the Applicable Intercreditor Agreements, to the Term Loan Collateral Agent or another representative acting as its gratuitous bailee), for its (or such other Person's) possession, of all U.S. Collateral consisting of material intercompany notes, stock certificates of the Parent Borrower and its Restricted Subsidiaries or (D) U.S. Mortgages required to be delivered pursuant to this Section 9.12, (ii) to enter into any control agreement with respect to any deposit account, securities account or commodities account or contract (other than for which control agreements are required to be obtained pursuant to Section 9.16), (iii) to take any action in any non-U.S. jurisdiction or pursuant to the requirements of the laws of any non-U.S. jurisdiction in order to create any security interests or to perfect any security interests, including with respect to any intellectual property registered outside of the United States (it being understood that there shall be no security agreements or pledge agreements governed by the laws of any non-U.S. jurisdiction in respect of any U.S. Collateral), (iv) except as expressly set forth above, to take any other action with respect to any U.S. Collateral to perfect through control agreements or to otherwise perfect by "control" or (v) to provide any notice to obtain the consent of governmental authorities under the Federal Assignment of Claims Act (or any state equivalent thereof).

9.13 Foreign Collateral and Guarantee Requirements

(a) with respect to any Foreign Borrower, so long as it remains a party hereunder, if at any time one or more Wholly Owned Foreign Subsidiaries of the Parent Borrower become the new direct parent of such Foreign Borrower, then within (60) days after the occurrence thereof (or such longer period as the Administrative Agent may agree in its reasonable discretion), the Borrowers shall cause each such new parent to deliver any and all certificates representing Stock and Stock Equivalents (to the extent certificated) in such Foreign Borrower, accompanied by undated stock powers or other appropriate instruments of transfer executed in blank (or any other documents customary under local law), and to duly execute and deliver to the Administrative Agent a supplement to each of the applicable Foreign Guarantee and the applicable Foreign Security Document (or if such supplement is not customary or possible to provide, to provide any new Foreign Guarantee and/or new Foreign Security Document (to be based on substantially the same form as the Foreign Guarantee and/or Foreign Security Document being replaced by such new Foreign Guarantee and/or Foreign Security Document)) in order to become a Foreign Guarantor under such Foreign Guarantee and a grantor, pledgor or chargor under each applicable Foreign Security Document.

(b) with respect to any Foreign Borrower, if at any time such Foreign Borrower acquires, forms, designates or otherwise owns any Wholly Owned Material Subsidiary that constitutes a Restricted Subsidiary organized, incorporated or established in the same jurisdiction as such Foreign Borrower or in any of Germany, the United Kingdom, Ireland or Canada, within 60 days after such acquisition, formation, designation or ownership (or such longer period as the Administrative Agent may agree in its reasonable discretion), the Borrowers shall (A) cause each such Subsidiary to deliver any and all certificates representing Stock and Stock Equivalents (to the extent certificated) in such Subsidiary, accompanied by undated stock powers or other appropriate instruments of transfer executed in blank (or any other documents customary under local law), and (B) to duly execute and deliver to the Administrative Agent any such supplement, filings security agreement or document, and take any as required under each applicable Foreign Security Document in order to grant a perfected first priority Lien over such Stock and Stock Equivalent (subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements).

(c) Subject to the applicable limitations set forth in this Agreement and the Foreign Security Documents, the Borrowers will, and will cause each other Foreign Credit Party to, execute any and all further documents, financing statements (including PPSA financing statements), agreements and instruments, and take all such further actions (including the filing and recording of financing statements (including PPSA financing statements), fixture filings, mortgages, deeds of trust and other documents) that may be required under any Applicable Law, or that the Collateral Agent may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the applicable Foreign Security Documents (subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements), all at the expense of the Borrowers and the Restricted Subsidiaries.

(d) Subject to any applicable limitations set forth in the Foreign Security Documents, if any assets that are of the nature secured by any Foreign Security Documents are acquired by any Foreign Borrower after the Closing Date (other than assets constituting Foreign Collateral under the applicable Foreign Security Documents that become subject to the Lien of any Foreign Security Document upon acquisition thereof or assets subject to a Lien granted pursuant to Section 10.2(d) or 10.2(g)), the Borrowers will promptly notify the Collateral Agent thereof and, if requested by the Collateral Agent, will cause such assets to be subjected to a Lien securing the Foreign Obligations and will take, and cause the other Foreign Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 120 days, unless extended by the Collateral Agent in its reasonable discretion, to grant and perfect such Liens consistent with the applicable requirements of the Foreign Security Documents (subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements), including actions described in paragraph (c) of this Section, all at the expense of the Foreign Credit Parties.

9.14 Use of Proceeds

The Borrowers will use the Letters of Credit issued on the Closing Date to backstop or replace any letters of credit issued to the Parent Borrower or any Restricted Subsidiary prior to the Closing Date. The Borrowers will, after the Closing Date, use the proceeds of the Credit Extensions for working capital and general corporate purposes (including Permitted Acquisitions and other Investments, capital expenditure, Restricted Payments and all other transactions not prohibited hereunder and under the other Credit Documents).

9.15 Changes in Business

The Parent Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted by the Parent Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date and other business activities which are extensions thereof or otherwise similar, incidental, complementary, synergistic, reasonably related or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Parent Borrower in good faith.

9.16 Cash Management Systems

(a) Annexed hereto as Schedule 9.16 is a schedule of all DDAs that are maintained by the Borrowers and the U.S. Subsidiary Guarantors that are Material Subsidiaries as of the Closing Date, which Schedule includes, with respect to each depository (i) the name and address of such depository; (ii) the account number(s) maintained with such depository; (iii) a contact person at such depository and (iv) identifying whether such DDA must be subject to a Blocked Account Agreement.

(b) Within 120 days after the Closing Date, or such longer period as the Administrative Agent may agree in its reasonable discretion, each Borrower and each U.S. Subsidiary Guarantor will use commercially reasonable efforts to enter into a springing blocked account agreement (each, a " **Blocked Account Agreement** ," which, for the avoidance of doubt, may be included in any Foreign Security Document), reasonably satisfactory to the Administrative Agent, with respect to the DDAs (other than Excluded Accounts) (such DDAs subject to Blocked Account Agreements, collectively, the " **Blocked Accounts** "). If such Blocked Account Agreements are not obtained within 120 days after the Closing Date (or such later date as the Administrative Agent shall reasonably agree), each Borrower and each U.S. Subsidiary Guarantor shall, within 60 days thereof (or such later date as the Administrative Agent may reasonably agree) to move its applicable DDAs to the Administrative Agent or another financial institution that will provide such Blocked Account Agreements. Each Borrower hereby agrees that, once the Blocked Account Agreements are entered into, all cash received by such Borrower or any U.S. Subsidiary Guarantor in any DDA that is not a Blocked Account (other than amounts held in Excluded Accounts and, solely in respect of Excluded Accounts identified in clause (ii) of the definition thereof, required by Applicable Law) will be promptly transferred into a Blocked Account (other than, during a Cash Dominion Period, a Blocked Account that is a cash pooling account). After entering into the Blocked Account Agreement, there shall be at all times thereafter at least one Blocked Account that is not a cash pooling account. To the extent that any DDA is used for both collection and for other purposes (including payments and disbursements or cash pooling functions), then within ninety (90) days after the Closing Date (or such longer period as the Administrative Agent may agree in its reasonable discretion) the Borrowers shall either (i) terminate such other functions (other than collections) of each such account or (ii) transition the collection function of such account to another account that is subject to a Blocked Account Agreement and dedicated solely to collections.

(c) Each Blocked Account Agreement shall permit the Administrative Agent to instruct the depository, (x) after the occurrence and during the continuance of a Specified Event of Default, in the case of a Blocked Account that is a cash pooling account of a Foreign Borrower or (y) during a Cash Dominion Period, in the case of all other Blocked Accounts (and delivery of notice thereof from the Administrative Agent), to transfer on each Business Day all available cash receipts to a concentration account maintained by the Administrative Agent at Citibank, N.A. (each, a " **Concentration Account** "), from:

(i) the sale of Inventory and other Collateral (other than Term Priority Collateral);

(ii) all proceeds of collections of Accounts; and

(iii) each Blocked Account (including all cash deposited therein from each DDA) (other than, except during a continuing Specified Event of Default, a cash pooling account).

If, at any time during the Cash Dominion Period, any cash or Cash Equivalents owned by any Borrower or any U.S. Subsidiary Guarantor (other than amounts held in Excluded Accounts and, solely in respect of Excluded Accounts identified in clause (ii) of the definition thereof, required by Applicable Law) are deposited to any account, or held or invested in any manner, other than in a Blocked Account (other than a Blocked Account that is a cash pooling account) that is subject to a Blocked Account Agreement (or a DDA which is swept daily to a Blocked Account (other than a Blocked Account that is a cash pooling account)), the Administrative Agent may require the applicable Person to close such account and have all funds therein transferred to a Blocked Account (other than a cash pooling account), and all future deposits made to a Blocked Account (other than a Blocked Account that is a cash pooling account) which is subject to a Blocked Account Agreement; *provided* that, to the extent that cash or Cash Equivalents are deposited in any Blocked Account that is a cash pooling account during a Cash Dominion Period, the Borrowers shall transfer such cash and Cash Equivalents to a Blocked Account that is not a cash pooling account, but, unless a Specified Event of Default has occurred and is continuing, the Administrative Agent may not require that (i) any such cash pooling account be closed or (ii) any cash and Cash Equivalents on deposit in any such cash pooling account prior to the commencement of a Cash Dominion Period be transferred to a Blocked Account that is not a cash pooling account. In addition to the foregoing, during the Cash Dominion Period, at the request of the Administrative Agent, the Borrowers shall provide the Administrative Agent with an accounting of the contents of the Blocked Accounts, which shall identify, to the reasonable satisfaction of the Administrative Agent, the proceeds from the Collateral which were deposited into a Blocked Account and swept to a Concentration Account.

(d) The Borrowers and the U.S. Subsidiary Guarantors may close DDAs or Blocked Accounts and/or open new DDAs or Blocked Accounts, subject to the execution and delivery to the Administrative Agent of appropriate Blocked Account Agreements (except with respect to any Excluded Accounts) consistent with and to the extent required by the provisions of this Section 9.16 and otherwise reasonably satisfactory to the Administrative Agent. Each such Person shall furnish the Administrative Agent with prior written notice of its intention to open or close a Blocked Account and the Administrative Agent shall promptly notify the Parent Borrower as to whether the Administrative Agent shall require a Blocked Account Agreement with the Person with whom such account will be maintained.

(e) The Borrowers and the U.S. Subsidiary Guarantors may also maintain one or more zero balance disbursement accounts to be used by such Persons for disbursements and payments (including payroll) in the ordinary course of business or as otherwise permitted hereunder.

(f) Each Concentration Account shall at all times be under the sole dominion and control of the Administrative Agent. Each Credit Party hereby acknowledges and agrees that (i) such Credit Party has no right of withdrawal from any Concentration Account, (ii) the funds on deposit in each Concentration Account shall at all times continue to be collateral security for all of the Obligations pursuant to the Security Documents, and (iii) the funds on deposit in each Concentration Account shall be applied as provided in this Agreement. In the event that, notwithstanding the provisions of this Section 9.16, during a Cash Dominion Period, any Credit Party receives or otherwise has dominion and control of any such proceeds or collections related to Collateral (other than Term Priority Collateral), such proceeds and collections shall be held in trust by such Person for the Administrative Agent, shall not be commingled with any of such Person's other funds or deposited in any account of such Person and shall promptly be deposited into a Concentration Account or dealt with in such other fashion as such Person may be instructed by the Administrative Agent.

(g) So long as no Cash Dominion Period is in existence, the Borrowers and the U.S. Subsidiary Guarantors may direct, and shall have sole control over, the manner of disposition of funds in the Blocked Accounts (other than Blocked Accounts that are cash pooling accounts, for which the Borrowers and the U.S. Subsidiary Guarantors may direct, and shall have sole control over, the manner of disposition of funds so long as no Specified Event of Default has occurred and is continuing).

(h) Any amounts received in any Concentration Account at any time shall be remitted to the operating account of the applicable Borrowers after the application of such amounts pursuant to Section 5.2(b).

(i) The Administrative Agent shall promptly (but in any event within one Business Day) furnish written notice to each Person with whom a Blocked Account is maintained, upon any termination of a Cash Dominion Period or a Specified Event of Default, as applicable, in each case for which the Administrative Agent has delivered a notice pursuant to Section 9.16(c), of the termination of such notice.

(j) The following shall apply to deposits and payments under and pursuant to this Agreement:

(i) Funds shall be deemed to have been deposited to the applicable Concentration Account on the Business Day on which deposited, *provided* that such deposit is available to the Administrative Agent by 4:00 p.m. on that Business Day (except that if the Obligations are being paid in full, by 2:00 p.m. New York City time, on that Business Day);

(ii) Funds paid to the Administrative Agent, other than by deposit to a Concentration Account, shall be deemed to have been received on the Business Day when they are good and collected funds, *provided* that such payment is available to the Administrative Agent by 4:00 p.m. on that Business Day (except that if the Obligations are being paid in full, by 2:00 p.m. New York City time, on that Business Day);

(iii) If a deposit to a Concentration Account or payment is not available to the Administrative Agent until after 4:00 p.m. on a Business Day, such deposit or payment shall be deemed to have been made at 9:00 a.m. on the then next Business Day; and

(iv) If any item deposited to any Concentration Account and applied in accordance with Section 5.2(b) is dishonored or returned unpaid for any reason, whether or not such return is rightful or timely, the Administrative Agent shall have the right to reverse such application and the Borrowers shall indemnify the Secured Parties against all reasonable out-of-pocket claims and losses resulting from such dishonor or return.

9.17 Appraisals and Field Examinations

The Administrative Agent may carry out, at the applicable Borrowers' expense, one inventory appraisal and one field exam in any Fiscal Year; *provided* , *however* , that notwithstanding the foregoing limitations, (x) at any time after the date on which the Aggregate Excess Availability has been less than the greater of $30,000,000 and 12.5% of the Aggregate Line Cap for five (5) consecutive Business Days, one additional field examination and one additional inventory appraisal may be conducted during each Fiscal Year until the Aggregate Excess Availability has been at least the greater of $30,000,000 and 12.5% of the Aggregate Line Cap for 20 consecutive calendar days and (y) at any time during the continuation of an Event of Default, field examinations and inventory appraisals may be conducted at the applicable Borrowers' expense as frequently as determined by the Administrative Agent in its Permitted Discretion.

9.18 Post-Closing Obligations

The Credit Parties shall deliver, or cause to be delivered, each of the items set forth on Schedule 9.18 hereto on or prior to the dates set forth therein, as such time periods may be extended by the Administrative Agent in its reasonable discretion.

SECTION 10 Negative Covenants

The Borrowers hereby covenant and agree that on the Closing Date (immediately after giving effect to the Transactions) and thereafter, until the Aggregate Revolving Credit Commitments, all Loans, all Letters of Credit have terminated (other than Letters of Credit that have been backstopped, Cash Collateralized or otherwise collateralized on terms and conditions reasonably satisfactory to the applicable L/C Issuer) and the Loans, together with interest, fees and all other Obligations (other than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreement or Contingent Obligations), are paid in full:

10.1 Limitation on Indebtedness

The Parent Borrower will not, and will not permit the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness. Notwithstanding the foregoing, the limitations set forth in the immediately preceding sentence shall not apply to any of the following:

(a) Indebtedness arising under the Credit Documents (including any Indebtedness incurred as permitted by Sections 2.14, 2.15 and 13.1);

(b) Indebtedness under the Term Loan Credit Documents and any Refinancing Indebtedness thereof, in an aggregate principal amount not to exceed the sum of (i) $2,925,000,000 *plus* (ii) the principal amount of "Incremental Facilities" (as defined in the Term Loan Credit Agreement as in effect on the Closing Date) measured at the time of incurrence pursuant to the Term Loan Credit Agreement as in effect on the Closing Date *plus* (iii) solely in the case of any such Refinancing Indebtedness, the Refinancing Increased Amount with respect thereto.

(c) [reserved];

(d) subject to compliance with Section 10.5, Indebtedness of the Parent Borrower or any Restricted Subsidiary owed to the Parent Borrower or any Restricted Subsidiary; *provided* that all such Indebtedness of any Credit Party owed to any Person that is not a Credit Party shall be (x) evidenced by the Intercompany Subordinated Note (*provided* that any Person becoming a Restricted Subsidiary after the Closing Date may enter into the Intercompany Subordinated Note within the time period set forth in Section 9.11) or (y) otherwise be subject to subordination terms substantially identical to the subordination terms set forth in the Intercompany Subordinated Note or otherwise reasonably acceptable to the Administrative Agent;

(e) subject to compliance with Section 10.5, Guarantee Obligations incurred by (i) Restricted Subsidiaries in respect of Indebtedness of the Parent Borrower or any other Restricted Subsidiary that is permitted to be incurred under this Agreement and (ii) the Parent Borrower in respect of Indebtedness of Restricted Subsidiaries that is permitted to be incurred under this Agreement; *provided* that (x) if the Indebtedness being guaranteed under this Section 10.1(e) is subordinated to the Obligations, such Guarantee Obligations shall be subordinated to the Guarantee of the Obligations on terms (taken as a whole) at least as favorable to the Lenders as those contained in the subordination of such Indebtedness and (y) a Restricted Subsidiary that is not a U.S. Credit Party may not, by virtue of this Section 10.1(e), guarantee Indebtedness that such Restricted Subsidiary could not otherwise incur under this Section 10.1;

(f) Indebtedness in respect of any bankers' acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities entered into in the ordinary course of business (including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims and similar obligations);

(g) Guarantee Obligations (i) incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees, (ii) otherwise constituting Investments permitted by Section 10.5 (other than Investments permitted by Section 10.5(l) by reference to Section 10.1 and Section 10.5(q)); *provided* that this clause (ii) shall not be construed to limit the requirements of Section 10.1(d) and (e), or (iii) contemplated by the Plan;

(h) Indebtedness (including Indebtedness arising under Capital Leases) incurred to finance the purchase price, cost of design, acquisition, construction, repair, restoration, replacement, expansion, installation or improvement of fixed or capital assets or otherwise in respect of capital expenditures, so long as such Indebtedness is incurred concurrently with or within 270 days of the acquisition, construction, repair, restoration, replacement, expansion, installation or improvement of such fixed or capital assets or incurrence of such capital expenditure, and any Refinancing Indebtedness thereof, in an aggregate principal amount not to exceed (i) the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance *plus* the principal amount of Capital Leases outstanding on the Closing Date, in each case at any time outstanding *plus* (ii) solely in the case of any such Refinancing Indebtedness, the Refinancing Increased Amount with respect thereto;

(i) Indebtedness permitted to remain outstanding under the Plan, and to the extent such Indebtedness exceeds $5,000,000, set forth on Schedule 10.1 and any Refinancing Indebtedness thereof; provided that in the case of any Refinancing Indebtedness of any such Indebtedness, each obligor of such Refinancing Indebtedness is an obligor of such Indebtedness;

(j) Indebtedness in respect of Hedging Agreements; *provided* that such Hedging Agreements are not entered into for speculative purposes (as determined by the Parent Borrower in good faith);

(k) (i) Permitted Other Debt assumed or incurred for any purpose, including to finance a Permitted Acquisition, other permitted Investments or capital expenditures; *provided* that (A) if such Indebtedness is incurred or assumed by a Restricted Subsidiary that is not a Credit Party, such Indebtedness is not guaranteed in any respect by the Parent Borrower or any other Guarantor except as permitted under Section 10.5, (B) the aggregate principal amount of Indebtedness incurred or assumed under this Section 10.1(k)(i) shall not exceed (1) the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance *plus* (2) additional amounts if, on a Pro Forma Basis after giving effect to the incurrence or assumption of such Indebtedness and the application of proceeds thereof and, if applicable, the Permitted Acquisition, permitted Investment or capital expenditure, the Consolidated Total Net Leverage Ratio is not greater than 3.30 to 1.00 or, to the extent incurred or assumed in connection with a Permitted Acquisition or similar Investment, the Consolidated Total Net Leverage Ratio (on a Pro Forma Basis for such transaction and the incurrence or assumption of such Indebtedness) is not greater than (I) 3.30 to 1.00 or (II) the Consolidated Total Net Leverage Ratio immediately prior to such Permitted Acquisition or similar Investment and (C) [reserved] and (ii) any Refinancing Indebtedness in respect of the Indebtedness under clause (i) above; *provided* that Indebtedness incurred or assumed by Restricted Subsidiaries that are not U.S. Subsidiary Guarantors under this Section 10.1(k), when combined with the total amount of Indebtedness incurred by Restricted Subsidiaries that are not U.S. Subsidiary Guarantors pursuant to Section 10.1(ee), shall not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding;

(l) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business or consistent with past practice, including those incurred to secure health, safety and environmental obligations in the ordinary course of business (including in respect of construction or restoration activities) or consistent with past practice;

(m) additional Indebtedness; *provided* that the aggregate amount of Indebtedness incurred or issued pursuant to this Section 10.1(m) shall not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding;

(n) Indebtedness in respect of Cash Management Services and other Indebtedness in respect of overdraft facilities, employee credit card programs, netting services, automatic clearinghouse arrangements and other cash management and similar arrangements in the ordinary course of business;

(o) (i) Indebtedness incurred in the ordinary course of business in respect of obligations of the Parent Borrower or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services and (ii) Indebtedness in respect of intercompany obligations of the Parent Borrower or any Restricted Subsidiary with the Parent Borrower or any Restricted Subsidiary in respect of accounts payable incurred in connection with goods sold or services rendered in the ordinary course of business and not in connection with the borrowing of money;

(p) Indebtedness arising from agreements of the Parent Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations (including earn-outs), in each case entered into in connection with Permitted Acquisitions, other Investments and the Disposition of any business, assets or Stock or Stock Equivalents permitted hereunder;

(q) Indebtedness of the Parent Borrower or any Restricted Subsidiary consisting of (i) financing of insurance premiums or (ii) take or pay obligations contained in supply agreements, in each case arising in the ordinary course of business;

(r) Indebtedness representing deferred compensation, or similar arrangement, to employees, consultants or independent contractors of the Parent Borrower and the Restricted Subsidiaries incurred in the ordinary course of business;

(s) Indebtedness consisting of promissory notes issued by the Parent Borrower or any Restricted Subsidiary to present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) to finance the purchase or redemption of Stock or Stock Equivalents of the Parent Borrower (or any direct or indirect parent thereof) permitted by Section 10.6(b);

(t) Indebtedness consisting of obligations of the Parent Borrower and the Restricted Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions and Permitted Acquisitions or any other Investment permitted hereunder;

(u) Indebtedness in respect of (i) Permitted Receivables Financings owed by a Receivables Entity or Qualified Securitization Financings owed by a Securitization Subsidiary and (ii) accounts receivable factoring facilities in the ordinary course of business; *provided* that the aggregate amount of Receivables Indebtedness pursuant to this clause (u) shall not exceed $160,000,000 at any time outstanding;

(v) Indebtedness in respect of (i) [reserved], (ii) Incremental Equivalent Debt (as defined in, and subject to the limitations set forth in, the Term Loan Credit Agreement as in effect on the date hereof; *provided* that references therein to "Permitted Other Loans" and "Permitted Other Notes" shall be deemed to be references to such terms as defined herein and references to Section 10.1(k) therein shall be deemed to be references to Section 10.1(k) hereof); and (iii) any Refinancing Indebtedness in respect thereof;

(w) [reserved];

(x) Indebtedness in an amount not to exceed the Available Equity Amount;

(y) Indebtedness of any Minority Investments or Indebtedness incurred on behalf thereof or representing guarantees of such Indebtedness of any Minority Investment, in an amount not to exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, in each case at any time outstanding;

(z) intercompany Indebtedness among the Parent Borrower and its Subsidiaries constituting any part of any Permitted Reorganization;

(aa) to the extent constituting Indebtedness, customer deposits and advance payments (including progress payments) received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(bb) (i) Indebtedness of the Parent Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Parent Borrower or any Subsidiary of the Parent Borrower in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than the United States;

(cc) Indebtedness owing to the seller of any business or assets permitted to be acquired by the Parent Borrower or any Restricted Subsidiary under this Agreement; *provided* that the aggregate amount of Indebtedness permitted under this clause (cc) shall not exceed the greater of $160,000,000 and 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) outstanding at any time;

(dd) obligations in respect of Disqualified Stock in an amount not to exceed the greater of $25,000,000 and 3% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) outstanding at any time;

(ee) Indebtedness incurred by Restricted Subsidiaries that are not U.S. Subsidiary Guarantors under this clause (ee), when combined with the total amount of Indebtedness incurred by Restricted Subsidiaries that are not U.S. Subsidiary Guarantors pursuant to Section 10.1(k), shall not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(ff) so long as the Payment Conditions have been satisfied at the time of incurrence and after giving effect thereto, unsecured Indebtedness of a Credit Party; *provided* that the scheduled final maturity date and the Weighted Average Life to Maturity of such Indebtedness shall not be earlier than the Initial Maturity Date; and

(gg) all premiums (if any), interest (including post-petition interest), fees, expenses, charges, and additional or contingent interest on obligations described in clauses (a) through (ff) above.

For the avoidance of doubt, any Indebtedness permitted to be incurred under any clause of this Section 10.1 may be used to modify, refinance, refund, renew, replace, exchange or extend any outstanding Indebtedness, including any such Indebtedness incurred under any other clause of this Section 10.1 and any such Indebtedness with respect to which the incurrence of Refinancing Indebtedness is expressly permitted under this Section 10.1, in each case, subject to the restrictions set forth in Section 10.7.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness or Disqualified Stock will not be deemed to be an incurrence or issuance of Indebtedness or Disqualified Stock for purposes of this covenant.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior lien priority with respect to the same collateral.

10.2 Limitation on Liens

The Parent Borrower will not, and will not permit the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Parent Borrower or such Restricted Subsidiary, whether now owned or hereafter acquired, except:

(a) Liens arising under the Security Documents;

(b) Liens securing Indebtedness permitted to be incurred pursuant to Section 10.1(b), and Hedging Obligations and Cash Management Obligations permitted to be secured on a *pari passu* basis with the Term Loans under the Term Credit Documents; *provided* that such Lien over the U.S. Collateral shall be subject to the Applicable Intercreditor Agreements;

(c) [reserved];

(d) Liens securing Indebtedness permitted pursuant to Section 10.1(h); *provided* that except as otherwise permitted hereby, such Liens attach at all times only to the assets so financed except (1) for accessions to the property financed with the proceeds of such Indebtedness and the proceeds and the products thereof and (2) that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender;

(e) Liens permitted to remain outstanding under the Plan; *provided* that any Lien securing Indebtedness or other obligations in excess of $5,000,000 shall only be permitted to the extent such Lien is listed on Schedule 10.2;

(f) (i) Liens securing Indebtedness permitted to be incurred under clause (B)(2) of the proviso to Section 10.1(k)(i) or Section 10.1(v)(ii); *provided* that (A) the representative of such Indebtedness shall have entered into the Applicable Intercreditor Agreements to the extent secured by the U.S. Collateral reflecting its junior priority status as compared with the Liens on the ABL Priority Collateral securing the Obligations and its senior, pari passu or junior priority status as compared with the Liens on the Term Priority Collateral securing the Obligations, (B) (I) with respect to Indebtedness incurred in reliance on clause (B)(2) of the proviso to Section 10.1(k)(i) that is secured by Liens on the Term Priority Collateral that are pari passu with the Liens on the Term Priority Collateral securing the Term Loan Obligations, immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated First Lien Net Leverage Ratio is no greater than 3.30 to 1.00 and (II) with respect to Indebtedness incurred in reliance on clause (B)(2) of the proviso to Section 10.1(k)(i) that is secured by Liens on the Term Priority Collateral that are junior to the Liens on the Term Priority Collateral securing the Term Loan Obligations, immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated Secured Net Leverage Ratio is no greater than 3.30 to 1.00 and (C) any such Liens on Foreign Collateral shall be junior to the Liens on such Collateral securing the Foreign Obligations pursuant to an Applicable Intercreditor Agreement and (ii) Liens securing Refinancing Indebtedness permitted to be incurred under Section 10.1(k)(ii) or Section 10.1(v)(iii);

(g) Liens existing on the assets of any Person that becomes a Restricted Subsidiary (or is a Restricted Subsidiary that survives a merger with such Person or any of its Subsidiaries) pursuant to a Permitted Acquisition or other permitted Investment or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or existing on assets acquired after the Closing Date, to the extent the Liens on such assets secure Indebtedness permitted by Section 10.1; *provided* that such Liens (i) are not created or incurred in connection with, or in contemplation of, such Person becoming such a Restricted Subsidiary or such assets being acquired and (ii) attach at all times only to the same assets to which such Liens attached and after-acquired property, property that is affixed or incorporated into the property covered by such Lien and accessions thereto and products and proceeds thereof, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and

which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment financed by such lender, it being understood that such requirement to pledge such after-acquired property shall not be permitted to apply to any such after-acquired property to which such requirement would not have applied but for such acquisition except as otherwise permitted hereunder, and any Refinancing Indebtedness thereof permitted by Section 10.1;

(h) additional Liens on assets of any Restricted Subsidiary that is not a U.S. Credit Party securing Indebtedness of such Restricted Subsidiary permitted pursuant to Section 10.1 (or other obligations of such Restricted Subsidiary not constituting Indebtedness);

(i) additional Liens on assets that do not constitute Collateral prior to the creation of such Liens, so long as the Credit Facilities hereunder are equally and ratably secured thereby and the aggregate amount of Indebtedness secured thereby at any time outstanding does not exceed $160,000,000; *provided* that such Liens are subject to intercreditor arrangements reasonably satisfactory to the Parent Borrower and the Collateral Agent; it being understood and agreed that intercreditor arrangements in substantially the form of the Applicable Intercreditor Agreements are satisfactory;

(j) additional Liens on U.S. Collateral, so long as (i)(x) with respect to Indebtedness that is secured by Liens on the Term Priority Collateral that are pari passu with the Liens on the Term Priority Collateral securing the Term Loan Obligations, immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated First Lien Net Leverage Ratio is no greater than 3.30 to 1.00 and (y) with respect to Indebtedness that is secured by Liens on the Term Priority Collateral that are junior to the Liens on the Term Priority Collateral securing the Term Loan Obligations, immediately after the incurrence thereof, on a Pro Forma Basis, the Consolidated Secured Net Leverage Ratio is no greater than 3.30 to 1.00, (ii) such Liens shall be junior to the Liens over the ABL Priority Collateral securing the Obligations and (iii) the holder(s) of such Liens (or a representative thereof) shall have entered into the Applicable Intercreditor Agreements;

(k) additional Liens, so long as the aggregate amount of obligations secured thereby at any time outstanding does not exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance;

(l) (i) Liens on accounts receivable, other Receivables Facility Assets, or accounts into which collections or proceeds of Receivables Facility Assets are deposited, in each case arising in connection with a Permitted Receivables Financing permitted under Section 10.1(u) and (ii) Liens on Securitization Assets and related assets arising in connection with a Qualified Securitization Financing permitted under Section 10.1(u), *provided* that no such Liens shall extend to any assets included in the Borrowing Base or to any Blocked Account;

(m) Permitted Encumbrances; and

(n) the supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, extension or renewal of any Lien permitted by clause (e), clause (g) and clause (i) of this Section 10.2 upon or in the same assets theretofore subject to such Lien (or upon or in after-acquired property that is affixed or incorporated into the property covered by such Lien and accessions thereto or any proceeds or products thereof) or the Refinancing Indebtedness (without a change in any obligor, except to the extent otherwise permitted hereunder) of the Indebtedness or other obligations secured thereby (including any unused commitments), to the extent such Refinancing Indebtedness is permitted by Section 10.1; *provided* that in the case of any such supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, extension or renewal of any Lien permitted by clause (g) and clause (i) of this Section 10.2, the requirements set forth in the proviso to clause (g) or clause (i), as applicable, shall have been satisfied.

10.3 Limitation on Fundamental Changes

The Parent Borrower will not, and will not permit the Restricted Subsidiaries to, consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise consummate the Disposition of, all or substantially all its business units, assets or other properties, except that:

(a) so long as both before and after giving effect to such transaction, no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Parent Borrower (other than a Foreign Credit Party) or any other Person may be merged, amalgamated or consolidated with or into the Parent Borrower; *provided* that (A) the Parent Borrower shall be the continuing or surviving company or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Parent Borrower (such other Person, the " **Successor Parent Borrower** "), (1) the Successor Parent Borrower (if other than the Parent Borrower) shall be an entity organized or existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof, (2) the Successor Parent Borrower (if other than the Parent Borrower) shall expressly assume all the obligations of the Parent Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (3) each U.S. Guarantor, unless it is the other party to such merger or consolidation, shall have by a supplement to the U.S. Guarantee confirmed that its guarantee thereunder shall apply to any Successor Parent Borrower's obligations under this Agreement, (4) each grantor and each pledgor, unless it is the other party to such merger or consolidation, shall have by a supplement to the U.S. Security Agreement, affirmed that its obligations thereunder shall apply to its U.S. Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a U.S. Mortgaged Property, unless it is the other party to such merger or consolidation, shall have affirmed that its obligations under the applicable U.S. Mortgage shall apply to its U.S. Guarantee as reaffirmed pursuant to clause (3) and (6) the Successor Parent Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger or consolidation and such supplements preserve the enforceability of this Agreement and the U.S. Guarantee and the perfection and priority of the Liens under the applicable U.S. Security Documents;

(b) so long as no Event of Default has occurred and is continuing, or would result therefrom, any Subsidiary of the Parent Borrower or any other Person (in each case, other than the Parent Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Parent Borrower; *provided* that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) the Parent Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more U.S. Guarantors, a U.S. Guarantor shall be the continuing or surviving Person or the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a U.S. Guarantor) shall execute a supplement to the U.S. Guarantee and the relevant U.S. Security Documents each in form and substance reasonably satisfactory to the Administrative Agent in order to become a U.S. Guarantor and pledgor, mortgagor and grantor, as applicable, thereunder for the benefit of the Secured Parties and to acknowledge and agree to the terms of the Intercompany Subordinated Note, and (iii) the Parent Borrower shall have delivered to the Administrative Agent an officers' certificate stating that such merger, amalgamation or consolidation and any such supplements to the U.S. Guarantee and any U.S. Security Document preserve the enforceability of the U.S. Guarantee and the perfection and priority of the Liens under the applicable U.S. Security Documents to the extent otherwise required;

(c) any Permitted Reorganization may be consummated;

(d) any Restricted Subsidiary that is not a Credit Party may sell, lease, transfer or otherwise Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Parent Borrower or any other Restricted Subsidiary;

(e) the Parent Borrower or any Subsidiary of the Parent Borrower (other than a Foreign Borrower) may sell, lease, transfer or otherwise Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any U.S. Credit Party; *provided* that the consideration for any such Disposition by any Person other than a U.S. Guarantor shall not exceed the fair value of such assets;

(f) any Restricted Subsidiary (other than a Foreign Borrower) may liquidate or dissolve if (i) the Parent Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Parent Borrower and is not materially disadvantageous to the Lenders and (ii) to the extent such Restricted Subsidiary is a Credit Party, any assets or business of such Restricted Subsidiary not otherwise disposed of or transferred in accordance with Section 10.4 or 10.5, or in the case of any such business, discontinued, shall be transferred to, or otherwise owned or conducted by, a Credit Party after giving effect to such liquidation or dissolution;

(g) the Parent Borrower or any Restricted Subsidiary may change its legal form, so long as (i) no Event of Default has occurred and is continuing or would result therefrom and (ii) the Liens granted pursuant to any Security Documents to which such Person is a party remain perfected and in full force and effect, to the extent otherwise required hereby;

(h) any merger, consolidation or amalgamation the purpose and only substantive effect of which is to reincorporate or reorganize the Parent Borrower or any Restricted Subsidiary that is a Domestic Subsidiary in a jurisdiction in the United States, any state thereof or the District of Columbia, so long as the Liens granted pursuant to the U.S. Security Documents to which the Parent Borrower is a party remain perfected and in full force and effect, to the extent otherwise required hereby;

(i) the Transactions and any transactions as contemplated by the Plan may be consummated; and

(j) the Parent Borrower and the Restricted Subsidiaries may consummate a merger, amalgamation dissolution, liquidation, windup, consolidation or Disposition, constituting, or otherwise resulting in, a transaction permitted by Section 10.4 (other than pursuant to (x) Section 10.4(d) and (y) the Disposition of all or substantially all of the assets of the Parent Borrower and its Restricted Subsidiaries, taken as a whole, to any Person other than the Parent Borrower or any U.S. Guarantor), an Investment permitted pursuant to Section 10.5 (other than Section 10.5(l)), and any Restricted Payments permitted pursuant to Section 10.6 (other than Section 10.6(f)).

10.4 Limitation on Disposition

The Parent Borrower will not, and will not permit the Restricted Subsidiaries to make any Disposition, except that (in each subject to the requirements set forth in the last sentence of this Section 10.4, if applicable):

(a) the Parent Borrower and the Restricted Subsidiaries may sell, transfer or otherwise Dispose of (i) obsolete, negligible, immaterial, worn-out, uneconomical, scrap, used, or surplus or mothballed assets (including any such equipment that has been refurbished in contemplation of such Disposition) or assets no longer used or useful in the business or no longer commercially desirable to maintain, (ii) inventory or goods (or other assets) held for sale in the ordinary course of business, (iii) cash and Cash Equivalents, (iv) immaterial assets (including allowing any registrations or any applications for registration of any intellectual property rights to lapse or go abandoned in the ordinary course of business), and (v) assets for the purposes of charitable contributions or similar gifts to the extent such assets are not material to the ability of the Parent Borrower and the Restricted Subsidiaries, taken as a whole, to conduct its business in the ordinary course;

(b) the Parent Borrower and the Restricted Subsidiaries may make Dispositions of assets; *provided* that (i) [reserved], (ii) as of the date of signing of the definitive agreement for such Disposition, no Event of Default shall have occurred and be continuing, (iii) with respect to any Disposition pursuant to this clause (b) for a purchase price in excess of $50,000,000, the Person making such Disposition shall receive fair market value and not less than 75% of such consideration in the form of cash or Cash Equivalents; *provided* that for the purposes of this clause (iii) the following shall be deemed to be cash: (A) any liabilities (as shown on the Parent Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Parent Borrower's or

such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet) of the Parent Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the payment in cash of the Obligations (other than intercompany liabilities owing to a Restricted Subsidiary being Disposed of) and that are (1) assumed by the transferee (or a third party in connection with such transfer) with respect to the applicable Disposition and for which the Parent Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing or indemnified from such liabilities or (2) otherwise cancelled or terminated in connection therewith, (B) any securities, notes or other obligations received by the Person making such Disposition from the purchaser that are converted by such Person into cash or Cash Equivalents or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of the applicable Disposition, (C) consideration consisting of Indebtedness of any Credit Party (other than subordinated Indebtedness) received after the Closing Date from Persons who are not Restricted Subsidiaries (so long as such Indebtedness is not cancelled or forgiven) and (D) any Designated Non-Cash Consideration received by the Person making such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 10.4(b) that is at that time outstanding, not in excess of the greater of $160,000,000 and 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value and (iv) any non-cash proceeds received in the form of Real Estate, Indebtedness or Stock and Stock Equivalents are pledged to the Collateral Agent to the extent required under Section 9.11, 9.12 or the Security Agreement;

(c) (i) the Parent Borrower and the Restricted Subsidiaries may make Dispositions to the Parent Borrower or any other Credit Party, (ii) any Restricted Subsidiary that is not a Credit Party may make Dispositions to the Parent Borrower or any Subsidiary of the Parent Borrower; *provided* that with respect to any such Disposition to an Unrestricted Subsidiary, such Disposition shall be for fair value and (iii) any Credit Party may make Dispositions to a non-Credit Party to the extent constituting an Investment permitted under Section 10.5 (other than Section 10.5(l));

(d) the Parent Borrower and any Restricted Subsidiary may effect any transaction permitted by Sections 10.2, 10.3 (other than Section 10.3(j)), 10.5 (other than Section 10.5(l)) or 10.6 (other than Section 10.6(f));

(e) the Parent Borrower and any Restricted Subsidiary may lease, sublease, license (only on a non-exclusive basis, with respect to any intellectual property) or sublicense (only on a non-exclusive basis, with respect to any intellectual property) real, personal or intellectual property in the ordinary course of business;

(f) Dispositions of property (including like-kind exchanges) to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property (excluding any boot thereon) or (ii) the proceeds of such Disposition are applied to the purchase price of such replacement property, in each case under Section 1031 of the Code or otherwise;

(g) the Parent Borrower and any other U.S. Credit Party may transfer or otherwise Dispose of any intellectual property for fair market value to any Restricted Subsidiary of the Parent Borrower that is not a U.S. Credit Party; *provided* that (i) the transferee shall be (A) a direct or indirect Wholly Owned Restricted Subsidiary and (B) a special purpose entity that does not incur any third-party Indebtedness for borrowed money (for the avoidance of doubt, such entity may have employees managing its intellectual property assets and conducting internal research and development activities), (ii) the consideration received by the Credit Party from such Disposition shall be in the form of (A) cash and Cash Equivalents, (B) intercompany notes owed to the Credit Party transferor/licensor by the non-Credit Party transferee/licensee, which intercompany notes are pledged to secure the Obligations and/or (C) Stock and Stock Equivalent of the transferee/licensee (or a parent entity of such transferee/licensee so long as such parent entity and any intermediate holding entity otherwise satisfies the requirements set forth in clause (i) above) and the Stock and Stock Equivalents of such transferee/licensee (or the parent entity) are pledged to secure the Obligations (subject to the limitation set forth in the Security Agreement on the pledge of Voting Stock of any CFC or CFC Holding Company) and (iii) such Disposition shall be subject to a license of such intellectual property to the Administrative Agent to be enforceable solely in connection with the exercise of the Administrative Agent's rights and remedies under the Credit Documents with respect to the ABL Priority Collateral or the Foreign Collateral; *provided* that in the case of this clause (ii)(C), the aggregate fair market value of any and all intellectual property so Disposed of shall not exceed $100,000,000;

(h) Dispositions of (i) Investments in joint ventures (regardless of the form of legal entity) to the extent required by, or made pursuant to, customary buy/sell arrangements or put/call arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements or (ii) to joint ventures in connection with the dissolution or termination of a joint venture to the extent required pursuant to joint venture and similar arrangements;

(i) (i) Dispositions of Receivables Facility Assets in connection with any Permitted Receivables Financing, and any Disposition of Securitization Assets in connection with any Qualified Securitization Financing and (ii) Dispositions in connection with accounts receivable factoring facilities in the ordinary course of business, *provided* that the Indebtedness arising in connection therewith shall not exceed the amount of Indebtedness permitted by Section 10.1(u);

(j) Dispositions listed on Schedule 10.4 or to consummate the Transactions, including transactions contemplated by the Plan;

(k) transfers of property subject to any damage, destruction, other casualty or loss or in connection with any seizure, condemnation, confiscation or taking proceeding or similar events upon receipt of the net cash proceeds in connection therewith;

(l) Dispositions or discounts of accounts receivable or notes receivable in connection with the collection or compromise thereof or the conversion of accounts receivable to notes receivable;

(m) Dispositions of any assets not constituting Collateral in an aggregate amount not to exceed $160,000,000;

(n) the execution of (or amendment to), settlement of or unwinding of any Hedging Agreement;

(o) any issuance or sale of Stock or Stock Equivalent in, or Indebtedness or other securities of, any Unrestricted Subsidiary;

(p) the surrender or waiver of contractual rights and settlement or waiver of contractual or litigation claims;

(q) Dispositions of any assets (including Stock and Stock Equivalents) acquired in connection with any Permitted Acquisition or other Investment not prohibited hereunder, which assets are not used or useful to the core or principal business of the Parent Borrower and its Restricted Subsidiaries (as determined by the Parent Borrower in good faith); and

(r) other Dispositions (including those of the type otherwise described herein) made for fair market value in an aggregate amount not to exceed the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(s) the Parent Borrower and any Restricted Subsidiary may (i) terminate or otherwise collapse its cost sharing agreements with the Parent Borrower or any Subsidiary and settle any crossing payments in connection therewith, (ii) convert any intercompany Indebtedness to Stock or any Stock to intercompany Indebtedness, (iii) settle, discount, write off, forgive or cancel any intercompany Indebtedness or other obligation owing by the Parent Borrower or any Restricted Subsidiary or (iv) settle, discount, write off, forgive or cancel any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of Holdings, the Parent Borrower, any direct or indirect parent thereof, or any Subsidiary thereof or any of their successors or assigns;

(t) any Disposition of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is purchased within 270 days thereof or (2) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually purchased within 270 days thereof);

(u) any Disposition in connection with a Permitted Reorganization;

(v) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater fair market value or usefulness to the business of the Parent Borrower and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Parent Borrower; and

(w) Dispositions of any asset between or among the Parent Borrower and/or any Restricted Subsidiary as a substantially concurrent interim Disposition in connection with a Disposition otherwise permitted pursuant to clauses (a) through (v) above; *provided* that after giving effect to any such Disposition, to the extent the assets subject to such Dispositions constituted Collateral, such assets shall remain subject to, or be rejoined to, the Lien of the Security Documents.

Notwithstanding the foregoing, no transfer or other Disposition of any intellectual property by a U.S. Credit Party to a Subsidiary that is not a U.S. Credit Party may be made except pursuant to Section 10.4(c)(iii) (solely in respect of Investments permitted by the proviso to Section 10.5(w)), (e) or (g).

Substantially simultaneously with the consummation of any Disposition (other than any Disposition permitted under Section 10.4(a)(ii)), if assets constituting more than 5% of the Aggregate Borrowing Base are Disposed of in such Disposition, the Parent Borrower shall deliver an updated Borrowing Base Certificate that gives Pro Forma Effect to such Disposition, together with calculations sufficient to demonstrate that the Availability Requirements shall be satisfied immediately after giving effect to such Disposition.

10.5 Limitation on Investments

The Parent Borrower will not, and will not permit the Restricted Subsidiaries, to make any Investment except:

(a) extensions of trade credit, asset purchases (including purchases of inventory, supplies, materials and equipment) and the licensing or contribution of intellectual property pursuant to joint marketing arrangements, original equipment manufacturer arrangements or development agreements with other Persons, in each case in the ordinary course of business;

(b) Investments in cash or Cash Equivalents when such Investments were made;

(c) loans and advances to officers, managers, directors, employees, consultants and independent contractors of the Parent Borrower (or any direct or indirect parent thereof) or any Subsidiary of the Parent Borrower (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances), (ii) in connection with such Person's purchase of Stock or Stock Equivalents of Holdings (or any direct or indirect parent thereof; *provided* that, to the extent such loans and advances are made in cash, the amount of such loans and advances used to acquire such Stock or Stock Equivalents shall be contributed to the Parent Borrower in cash) and (iii) for purposes not described in the foregoing clauses (i) and (ii); *provided* that the aggregate principal amount outstanding pursuant to clause (iii) shall not exceed $25,000,000 at any one time outstanding;

(d) Investments (i) contemplated by the Plan or to consummate the Transactions and (ii) existing on, or made pursuant to legally binding written commitments in existence on, the Closing Date and, to the extent such Investments exceed $5,000,000, set forth on Schedule 10.5 and any supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, renewal or extension thereof, only to the extent that the amount of any Investment made pursuant to this clause (d)(ii) does not at any time exceed the amount of such Investment set forth on Schedule 10.5 (except by an amount equal to the unpaid accrued interest and premium thereon *plus* any unused commitments *plus* amounts paid in respect of fees, premiums, costs and expenses incurred in connection with such supplement, amendment, amendment and restatement, modification, replacement, refinancing, refunding, restructuring, renewal or extension or as otherwise permitted hereunder);

(e) any Investment acquired by the Parent Borrower or any Restricted Subsidiary (i) in exchange for any other Investment or accounts receivable held by the Parent Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of, or settlement of delinquent accounts or disputes with or judgments against, the issuer, obligor or borrower of such original Investment or accounts receivable, (ii) as a result of a foreclosure by the Parent Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (iii) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates or in satisfaction or judgments against other Persons;

(f) Investments to the extent that payment for such Investments is made with (i) Stock or Stock Equivalents (other than Disqualified Stock) of the Parent Borrower (or any direct or indirect parent thereof) or (ii) the proceeds from the issuance of Stock or Stock Equivalents (other than Disqualified Stock, any sale or issuance to any Subsidiary and any issuance applied pursuant to Section 10.6(a) or Section 10.6(b)(i)) of the Parent Borrower (or any direct or indirect parent thereof); *provided* that such Stock or Stock Equivalents or proceeds of such Stock or Stock Equivalents will not increase the Available Equity Amount;

(g) Investments (other than in the form of direct or indirect transfers or Dispositions of intellectual property from a U.S. Credit Party to a non-U.S. Credit Party) by the Parent Borrower or any Restricted Subsidiary in the Parent Borrower or any Restricted Subsidiary or any Person that will, upon such Investment become a Restricted Subsidiary;

(h) Investments constituting Permitted Acquisitions;

(i) Investments constituting (i) Minority Investments and Investments in Unrestricted Subsidiaries and (ii) Investments in joint ventures (regardless of the form of legal entity) or similar Persons that do not constitute Restricted Subsidiaries, in each case valued at the fair market value (determined by the Parent Borrower acting in good faith) of such Investment at the time each such Investment is made, in an aggregate amount at any one time outstanding pursuant to this clause (i) that, at the time each such Investment is made, would not exceed an amount equal to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(j) Investments constituting non-cash proceeds received from Dispositions of assets pursuant to Section 10.4;

(k) Investments made to repurchase or retire Stock or Stock Equivalents of the Parent Borrower or any direct or indirect parent thereof owned by any employee or any stock ownership plan or key employee stock ownership plan of the Parent Borrower (or any direct or indirect parent thereof) in an aggregate amount, when combined with distributions made pursuant to Section 10.6(b), not to exceed the limitations set forth in such Section;

(l) Investments consisting of or resulting from Indebtedness, Liens, Restricted Payments, fundamental changes and Dispositions permitted by Section 10.1 (other than Sections 10.1(d), 10.1(e) and 10.1(g)(ii)), 10.2, 10.3 (other than Section 10.3(j)), 10.4 (other than Section 10.4(d)), 10.6 (other than Section 10.6(f)), 10.7 or 10.8, as applicable;

(m) loans and advances to any direct or indirect parent of the Parent Borrower in lieu of, and not in excess of the amount of, Restricted Payments to the extent permitted to be made to such parent in accordance with Section 10.6; *provided* that the aggregate amount of such loans and advances shall reduce the ability of the Parent Borrower and the Restricted Subsidiaries to make Restricted Payments under the applicable clauses of Section 10.6 by such amount;

(n) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(o) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(p) advances of payroll payments to employees, consultants or independent contractors or other advances of salaries or compensation to employees, consultants or independent contractors, in each case in the ordinary course of business;

(q) Guarantee Obligations of the Parent Borrower or any Restricted Subsidiary of leases (other than Capital Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(r) Investments held by a Person acquired (including by way of merger, amalgamation or consolidation) after the Closing Date otherwise in accordance with this Section 10.5 to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(s) Investments in Hedging Agreements permitted by Section 10.1;

(t) Investments in or by a Receivables Entity or a Securitization Subsidiary arising out of, or in connection with, any Permitted Receivables Financing or Qualified Securitization Financing, as applicable; *provided* that any such Investment in a Receivables Entity or a Securitization Subsidiary is in the form of a contribution of additional Receivables Facility Assets or Securitization Assets, as applicable, or as equity;

(u) Investments consisting of deposits of cash and Cash Equivalents as collateral support permitted under Section 10.2;

(v) other Investments not to exceed an amount equal to the Available Equity Amount at the time such Investments are made;

(w) other Investments in an amount at any one time outstanding not to exceed an amount equal to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis); *provided* that up to an amount equal to the greater of (i) $80,000,000 and (ii) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) may be made in the form of Disposition of intellectual property by a U.S. Credit Party to a Restricted Subsidiary that is not a U.S. Credit Party;

(x) Investments consisting of purchases and acquisitions of assets and services in the ordinary course of business;

(y) Investments in the ordinary course of business consisting of Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practice;

(z) Investments made as a part of, or in connection with or to otherwise fund the Transactions;

(aa) contributions in connection with compensation arrangements to a "rabbi" trust for the benefit of employees, directors, partners, members, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Parent Borrower or any of its Restricted Subsidiaries;

(bb) Investments relating to pension trusts;

(cc) Investments in Similar Business in an amount at any one time outstanding not to exceed an amount equal to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(dd) Investments in connection with Permitted Reorganizations;

(ee) Investments in deposit accounts, commodities and securities accounts opened in the ordinary course of business;

(ff) Investments solely to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this Agreement;

(gg) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(hh) Term Loans repurchased by the Parent Borrower or a Restricted Subsidiary pursuant to and in accordance with Section 13.6(g) of the Term Loan Credit Agreement; and

(ii) other Investments in an unlimited amount, so long as the Payment Conditions are satisfied at the time of and after giving effect to the Investment.

Notwithstanding the foregoing, no Investment consisting of or resulting from any transfer or other Disposition of any intellectual property by a U.S. Credit Party to a Subsidiary that is not a U.S. Credit Party may be made except pursuant to (i) Section 10.5(l) (solely in respect of Dispositions permitted by Section 10.4(e) or (g)) or (ii) the proviso to Section 10.5(w).

10.6 Limitation on Restricted Payments

The Parent Borrower will not, and will not permit the Restricted Subsidiaries to, declare or pay any Restricted Payments except that:

(a) the Parent Borrower may (or may make Restricted Payments to permit any direct or indirect parent thereof to) redeem in whole or in part any of its Stock or Stock Equivalents for another class of its (or such parent's) Stock or Stock Equivalents or with proceeds from substantially concurrent equity contributions or issuances of new Stock or Stock Equivalents (other than any Disqualified Stock, any sale or issuance to any Subsidiary and any contribution or issuance applied pursuant to Section 10.5(f)(ii) or Section 10.6(b)(i)); *provided* that (i) such new Stock or Stock Equivalents contain terms and provisions (taken as a whole) at least as advantageous to the Lenders, taken as a whole, in all respects material to their interests as those contained in the Stock or Stock Equivalents redeemed thereby and (ii) the cash proceeds from any such contribution or issuance shall not increase the Available Equity Amount;

(b) the Parent Borrower may (or may make Restricted Payments to permit any direct or indirect parent thereof to) redeem, acquire, retire or repurchase shares of its (or such parent's) Stock or Stock Equivalents held by any present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) of the Parent Borrower (or any direct or indirect parent thereof) and any Subsidiaries, so long as such repurchase is pursuant to, and in accordance with the terms of, any stock option or stock appreciation rights plan, any management, director and/or employee benefit, stock ownership or option plan, stock subscription plan or agreement, employment termination agreement or any employment agreements or stockholders' or shareholders' agreement; *provided* , *however* , that the aggregate amount of payments made under this Section 10.6(b), when combined with Investments made pursuant to Section 10.5(k), do not exceed in any Fiscal Year $20,000,000 (with unused amounts in any Fiscal Year being carried over to succeeding Fiscal Years subject to a maximum (without giving effect to the following proviso) of $30,000,000 in any Fiscal Year); *provided* , *further* , that such amount in any Fiscal Year may be increased by an amount not to exceed:

(i) the cash proceeds from the sale of Stock (other than Disqualified Stock, any sale or issuance to any Subsidiary and any contribution or issuance applied pursuant to Section 10.5(f)(ii) or Section 10.6(a)) of the Parent Borrower and, to the extent contributed to the Parent Borrower, Stock of any of the Parent Borrower's direct or indirect parent companies, in each case to present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) of the Parent Borrower (or any of its direct or indirect parent companies) or any Subsidiary of the Parent Borrower that occurs after the Closing Date; *provided* that such Stock or proceeds of such Stock will not increase the Available Equity Amount; *plus*

(ii) the cash proceeds of key man life insurance policies received by the Parent Borrower or any Restricted Subsidiary after the Closing Date; less

(iii) the amount of any Restricted Payment previously made with the cash proceeds described in clauses (i) and (ii) above;

and *provided* , *further* , that cancellation of Indebtedness owing to the Parent Borrower or any Restricted Subsidiary from present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) of the Parent Borrower (or any of its direct or indirect parent companies), or any Subsidiary of the Parent Borrower in connection with a repurchase of Stock or Stock Equivalents of the Parent Borrower or any of its direct or indirect parent companies will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement;

(c) so long as no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing or would result therefrom, the Parent Borrower make Restricted Payments; *provided* that the amount of all such Restricted Payments paid from the Closing Date pursuant to this clause (c) shall not exceed an amount equal to the Available Equity Amount at the time such Restricted Payments are paid;

(d) the Parent Borrower may make Restricted Payments to any direct or indirect parent company of the Parent Borrower in amount required for any such direct or indirect parent to pay, in each case without duplication:

(i) foreign, federal, state and local income Taxes for any taxable period in respect of which a consolidated, combined, unitary or affiliated return is filed by such direct or indirect parent that includes the Parent Borrower and/or any of its Subsidiaries; *provided* that for purposes of this Section 10.6(d)(i), such Taxes shall be deemed to equal the amount that the Parent Borrower and its Subsidiaries would be required to pay in respect of foreign, federal, state and local income Taxes if the Parent Borrower were the parent of a standalone consolidated, combined, affiliated, unitary or similar tax group including its Subsidiaries (any such Restricted Payments, " **Tax Distributions** ");

(ii) (A) such parents' general operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties) to the extent such costs and expenses are attributable to the ownership or operation of the Parent Borrower and its Restricted Subsidiaries and (to the extent of cash actually paid by Unrestricted Subsidiaries to the Parent Borrower or its Restricted Subsidiaries for such purposes) Unrestricted Subsidiaries, (B) any indemnification claims made by directors or officers of the Parent Borrower (or any parent thereof) to the extent such claims are attributable to the ownership or operation of the Parent Borrower or any Restricted Subsidiary and (to the extent of cash actually paid by Unrestricted Subsidiaries to the Parent Borrower or its Restricted Subsidiaries for such purposes) Unrestricted Subsidiaries or (C) fees and expenses otherwise due and payable by the Parent Borrower (or any parent thereof) or any Restricted Subsidiary and not prohibited to be paid by the Parent Borrower and its Restricted Subsidiaries hereunder;

(iii) franchise and excise Taxes and other fees, Taxes and expenses required to maintain the corporate existence of any direct or indirect parent of the Parent Borrower;

(iv) to any direct or indirect parent of the Parent Borrower to finance any Investment permitted to be made by the Parent Borrower or any Restricted Subsidiary pursuant to Section 10.5; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets, Stock or Stock Equivalents) to be contributed to the Parent Borrower or such Restricted Subsidiary or (2) the merger, amalgamation or consolidation (to the extent permitted in Section 10.5) of the Person formed or acquired into the Parent Borrower or any Restricted Subsidiary, (C) the Parent Borrower or such Restricted Subsidiary shall comply with Section 9.11, Section 9.12 and the Security Agreement to the extent applicable, (D) the aggregate amount of such Restricted Payments shall reduce the ability of the Parent Borrower and the Restricted Subsidiary to make Investments under the applicable clauses of Section 10.5 by such amount and (E) any property received by the Parent Borrower or the Restricted Subsidiaries in connection with such transaction shall only increase the Available Equity Amount to the extent the fair market value of such property as determined in good faith by the Board of Directors of the Parent Borrower exceeds the aggregate amount of Restricted Payments made pursuant to this clause (iv);

(v) customary costs, fees and expenses (other than to Affiliates) related to any unsuccessful equity or debt offering or acquisition or Disposition payable by the Parent Borrower or the Restricted Subsidiaries;

(vi) customary salary, bonus, severance and other benefits payable to officers, employees or consultants of any direct or indirect parent company of the Parent Borrower to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Parent Borrower, its Restricted Subsidiaries and (to the extent of cash actually paid by Unrestricted Subsidiaries to the Parent Borrower or its Restricted Subsidiaries for such purposes) Unrestricted Subsidiaries;

(vii) AHYDO Catch-Up Payments with respect to Indebtedness of any direct or indirect parent of the Parent Borrower; *provided* that the Net Cash Proceeds of such Indebtedness have been contributed to the Parent Borrower as a capital contribution; and

(viii) expenses incurred by any direct or indirect parent of the Parent Borrower in connection with any public offering or other sale of Stock or Stock Equivalents (including in respect of the listing of Avaya Holdings on the Closing Date) or Indebtedness (i) other than in connection with the listing of Avaya Holdings on the Closing Date, where the Net Cash Proceeds of such offering or sale are intended to be received by or contributed to the Parent Borrower or a Restricted Subsidiary, (ii) in a pro-rated amount of such expenses in proportion to the amount of such Net Cash Proceeds intended to be so received or contributed or (iii) otherwise on an interim basis prior to completion of such offering so long as any direct or indirect parent of the Parent Borrower shall cause the amount of such expenses to be repaid to the Parent Borrower or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(e) Restricted Payments made to dissenting equityholders in connection with their exercise of appraisal rights or the settlement of any claim or actions with respect thereto in connection with any Permitted Acquisition or similar Investment permitted under Section 10.5 (other than Section 10.5(l));

(f) Restricted Payments consisting of or resulting from Liens, fundamental changes, Dispositions, Investments or other payments permitted by 10.2, 10.3 (other than Section 10.3(j)), 10.4 (other than Section 10.4(d)), 10.5 (other than Section 10.5(l)), 10.7 or 10.8, as applicable;

(g) the Parent Borrower may repurchase Stock or Stock Equivalents of the Parent Borrower (or any direct or indirect parent thereof) deemed to occur upon exercise of stock options or warrants if such Stock or Stock Equivalents represents a portion of the exercise price of such options or warrants, and the Parent Borrower may pay Restricted Payments to any direct or indirect parent thereof as and when necessary to enable such parent to effect such repurchases;

(h) the Parent Borrower may (i) pay cash in lieu of fractional shares in connection with any Restricted Payment, distribution, split, reverse share split, merger, consolidation, amalgamation or other combination thereof or any Permitted Acquisition, and any Restricted Payment to the Parent Borrower's direct or indirect parent in order to effect the same and (ii) honor any conversion request by a holder of convertible Indebtedness and make cash payments in lieu of fractional shares in connection with any such conversion and may make payments on convertible Indebtedness in accordance with its terms;

(i) the Parent Borrower may make any Restricted Payment within 60 days after the date of declaration thereof or giving irrevocable notice thereof, if at the date of declaration or notice such payment would have complied with the provisions of this Agreement;

(j) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Parent Borrower may make Restricted Payments, so long as the aggregate amount of all such Restricted Payments in any Fiscal Year does not exceed 6% of the market capitalization of the Public Reporting Entity calculated on a trailing twelve month average basis;

(k) the Parent Borrower may make Restricted Payments in an amount equal to withholding or similar Taxes payable or expected to be payable by present or former officer, manager, consultant, director or employee (or their respective wealth management vehicles, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees, estates or immediate family members) and any repurchases of Stock or Stock Equivalents in consideration of such payments including deemed repurchases in connection with the exercise of stock options;

(l) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Parent Borrower may (or may make Restricted Payments to permit any direct or indirect parent thereof to) make Restricted Payments in an aggregate amount not to exceed $5 million per fiscal quarter;

(m) the Parent Borrower may make payments described in Section 9.9 (other than Section 9.9(a) and Section 9.9(d) (to the extent expressly permitted by reference to Section 10.6);

(n) the Parent Borrower may make Restricted Payments in connection with the Transactions or contemplated by the Plan;

(o) so long as no Event of Default shall have occurred and is continuing or would result therefrom, the Parent Borrower may make Restricted Payments in amounts up to the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis);

(p) the Parent Borrower may make Restricted Payments in an unlimited amount, *provided* that the Payment Conditions shall be satisfied at the time of the making of such Restricted Payment and after giving effect thereto;

(q) Restricted Payments in respect of working capital adjustments or purchase price adjustments pursuant to any Permitted Acquisition or other Investment permitted hereunder and to satisfy indemnity and other similar obligations in connection with any Permitted Acquisition or other Investment permitted hereunder;

(r) the distribution, by dividend or otherwise, of shares of Stock or Stock Equivalents of, or Indebtedness owed to the Parent Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries or the proceeds thereof;

(s) [reserved]; and

(t) each Restricted Subsidiary may make Restricted Payments to the Parent Borrower and other Restricted Subsidiaries of the Parent Borrower (and, in the case of a Restricted Payment by a non-Wholly Owned Restricted Subsidiary, to the Parent Borrower and any other Restricted Subsidiary, as compared to the other owners of Stock in such Restricted Subsidiary, on a pro rata or more than pro rata basis based on their ownership interests of the relevant class of Stock).

Notwithstanding the foregoing, no Restricted Payment consisting of or resulting from any transfer or other Disposition of any intellectual property by a U.S. Credit Party to a Subsidiary that is not a U.S. Credit Party may be made except pursuant to Section 10.6(f) solely in respect of Dispositions permitted by Section 10.4(c)(iii) (solely in respect of Investments permitted by the proviso to Section 10.5(w)), (e) or (g).

10.7 Limitations on Debt Prepayments and Amendments

(a) The Parent Borrower will not, and will not permit the Restricted Subsidiaries to, voluntarily prepay, repurchase or redeem or otherwise defease prior to the scheduled maturity thereof any Indebtedness that is subordinated in right of payment or lien to the Obligations (in the case of Lien subordination, with respect to all of the Collateral) with a principal amount in excess of $50,000,000 (the " **Junior Indebtedness** "), except that the Parent Borrower and its Restricted Subsidiaries may (i) make payments of regularly scheduled principal and interest, (ii) make AHYDO Catch-Up Payments, (iii) so long as no Event of Default shall have occurred and be continuing or would result therefrom, prepay, repurchase or redeem or otherwise defease Junior Indebtedness in an aggregate principal amount from the Closing Date not in excess of the sum of, (1) (I) the greater of (x) $160,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) and (II) additional unlimited amounts so long as the Payment Conditions are satisfied at the time of such prepayment, repurchase, renegotiation or defeasance and after giving effect thereto *plus* (2) the Available Equity Amount at the time of such prepayment, repurchase, redemption or other defeasance , (iv) refinance Junior Indebtedness with any Refinancing Indebtedness; (v) convert, exchange, redeem, repay or prepay such Junior Indebtedness into, for or with, as applicable, Stock or Stock Equivalents of any direct or indirect parent of the Parent Borrower (other than Disqualified Stock except as permitted hereunder); (vi) prepay, repurchase, redeem or otherwise defease Junior Indebtedness within 60 days of the applicable Redemption Notice if, at the date of any payment, redemption, repurchase, retirement, termination or cancellation notice in respect thereof (each, a " **Redemption Notice** "), such payment, redemption, repurchase, retirement, termination or cancellation would have complied with another provision of this Section 10.7(a); *provided* that such payment, redemption, repurchase, retirement, termination or cancellation shall reduce capacity under such other provision, (vii) repay or prepay intercompany subordinated Indebtedness (including under the Intercompany Subordinated Note) owed among the Parent Borrower and/or the Restricted Subsidiaries, in either case unless an Event of Default under Section 11.1 or 11.5 has occurred and is continuing and the Parent Borrower has received a written notice from the Collateral Agent instructing it not to make or permit any such repayment or prepayment and (viii) transfer credit positions in connection with intercompany debt restructurings so long as such Indebtedness is permitted by Section 10.1 after giving effect to such transfer.

(b) The Parent Borrower will not, and will not permit the Restricted Subsidiaries to waive, amend, or modify the definitive documentation in respect of any Junior Indebtedness with a principal amount in excess of $50,000,000, to the extent that any such waiver, amendment or modification, taken as a whole, would be adverse to the Lenders in any material respect; *provided* that this Section 10.7(b) would not prohibit a refinancing or replacement of such Indebtedness with Refinancing Indebtedness so long as (1) such Refinancing Indebtedness is permitted to be incurred under Section 10.1 and (2) the prepayment of such Junior Indebtedness is permitted under Section 10.7(a) above.

10.8 Limitation on Subsidiary Distributions

The Parent Borrower will not, and will not permit any Restricted Subsidiary that is not a Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to (x) (i) pay dividends or make any other distributions to the Parent Borrower or any Restricted Subsidiary that is a Guarantor on its Stock or Stock Equivalents or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to the Parent Borrower or any Restricted Subsidiary that is a Guarantor, (y) make loans or advances to the Parent Borrower or any Restricted Subsidiary that is Guarantor or (z) sell, lease or transfer any of its properties or assets to the Parent Borrower or any Restricted Subsidiary that is a Guarantor, except (in each case) for such encumbrances or restrictions (A) which the Parent Borrower has reasonably determined in good faith will not materially impair the Parent Borrower's ability to make payments under this Agreement when due or (B) existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Closing Date, including pursuant to this Agreement, the Term Loan Credit Documents and the related documentation and related Hedging Obligations and Cash Management Obligations;

(b) purchase money obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (x), (y) or (z) above on the property so acquired, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender (it being understood that such restriction shall not be permitted to apply to any property to which such restriction would not have applied but for such acquisition);

(c) Applicable Laws or any applicable rule, regulation or order, or any request of any Governmental Authority having regulatory authority over the Parent Borrower or any of its Subsidiaries;

(d) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Parent Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such agreement or instrument, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment (or assets affixed or appurtenant thereto and additions and accessions) provided by any lender, other equipment (or assets affixed or appurtenant thereto and additions and accessions) financed by such lender (it being understood that such encumbrance or restriction shall not be permitted to apply to any property to which such encumbrance or restriction would not have applied but for such acquisition);

(e) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Parent Borrower pursuant to an agreement that has been entered into for the sale or Disposition of all or substantially all of the Stock or Stock Equivalents or assets of such Subsidiary and restrictions on transfer of assets subject to Liens permitted hereunder;

(f) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to Dispose of the assets securing such Indebtedness and (y) restrictions or encumbrances on transfers of assets subject to Liens permitted hereunder (but, with respect to any such Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Lien);

(g) restrictions or encumbrances on cash or other deposits or net worth imposed by customers under, or made necessary or advisable by, contracts entered into in the ordinary course of business;

(h) restrictions or encumbrances imposed by other Indebtedness or Disqualified Stock of Restricted Subsidiaries permitted to be incurred subsequent to the Closing Date pursuant to the provisions of Section 10.1;

(i) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture (including its assets and Subsidiaries) and the Stock or Stock Equivalents issued thereby;

(j) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(k) restrictions created in connection with any Permitted Receivables Financing or any Qualified Securitization Financing that, in the good faith determination of the Parent Borrower, are necessary or advisable to effect such Permitted Receivables Financing or Qualified Securitization Financing, as the case may be;

(l) customary restrictions on leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to property interest, rights or the assets subject thereto;

(m) customary provisions restricting assignment or transfer of any agreement entered into in the ordinary course of business;

(n) restrictions contemplated by the Plan or created in connection with the consummation of the Transaction, including restrictions imposed by the PBGC Stipulation of Settlement; or

(o) any encumbrances or restrictions of the type referred to in clauses (x), (y) and (z) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, extensions, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (n) above; *provided* that such amendments, modifications, restatements, renewals, increases, extensions, supplements, refundings, extensions, replacements, restructurings or refinancings (x) are, in the good faith judgment of the Parent Borrower, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, extension, restructuring, supplement, refunding, replacement or refinancing or (y) do not materially impair the Parent Borrower's ability to pay its obligations under the Credit Documents as and when due (as determined in good faith by the Parent Borrower);

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Parent Borrower or any Restricted Subsidiary that is a Guarantor to other Indebtedness incurred by the Parent Borrower or any Restricted Subsidiary that is a Guarantor shall not be deemed to constitute such an encumbrance or restriction.

10.9 Amendment of Organizational Documents

The Borrowers will not, nor will the Borrowers permit any Credit Party to, amend or otherwise modify any of its Organizational Documents in a manner that is materially adverse to the Lenders, except as required by Applicable Laws.

10.10 Permitted Activities

Holdings will not engage in any material operating or business activities; *provided* that the following and any activities incidental thereto shall be permitted in any event: (i) its ownership of the Stock of the Parent Borrower, including receipt and payment of dividends and payments in respect of Indebtedness and other amounts in respect of Stock, (ii) the maintenance of its legal existence (including the ability to incur and pay, as applicable, fees, costs and expenses and taxes relating to such maintenance), (iii) the performance of its obligations with respect to the Transactions, the Credit Documents and any other documents governing Indebtedness permitted hereby, (iv) any public offering of its or its direct or indirect parent entity's common equity or any other issuance or sale of its or its direct or indirect parent entity's Stock, (v) financing activities, including the issuance of securities, incurrence of debt,

receipt and payment of dividends and distributions, making contributions to the capital of the Parent Borrower and guaranteeing the obligations of the Parent Borrower and the Subsidiaries, (vi) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group and the provision of administrative and advisory services (including treasury and insurance services) to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, (vii) holding any cash or other property (but not operate any property), (viii) making and receiving of any dividends, payments in respect of Indebtedness or Investments permitted hereunder, (ix) providing indemnification to officers and directors, (x) activities relating to any Permitted Reorganization, (xi) activities related to the Plan and the consummation of the Transactions and activities contemplated thereby, (xii) merging, amalgamating or consolidating with or into any direct or indirect parent of Holdings (in compliance with the definition of "Holdings" in this Agreement), (xiii) repurchases of Indebtedness through open market purchases and Dutch auctions, (xiv) activities incidental to Permitted Acquisitions or similar Investments consummated by the Parent Borrower and the Restricted Subsidiaries, including the formation of acquisition vehicle entities and intercompany loans and/or Investments incidental to such Permitted Acquisitions or similar Investments, (xv) any transaction with the Parent Borrower or any Restricted Subsidiary to the extent expressly permitted under this Section 10, (xvi) making any AHYDO Catch-Up Payments, (xvii) paying any Taxes it is obligated to pay and (xviii) any activities incidental or reasonably related to the foregoing.

10.11 Financial Covenant

The Parent Borrower shall not permit the Fixed Charge Coverage Ratio for any Test Period to be less than 1.00 to 1.00; *provided* that such Fixed Charge Coverage Ratio will only be tested (i) on the date any Covenant Trigger Period commences (as of the last day of the Test Period ending immediately prior to the date on which such Covenant Trigger Period shall have commenced) and shall continue to be tested as of the last day of each Test Period ended thereafter until such Covenant Trigger Period is no longer continuing.

10.12 Foreign Borrower Transactions

Unless (x) a Foreign Borrower or a Foreign Guarantor ceases to be a party under this Agreement pursuant to Section 4.4 or (y) a Person (other than a Foreign Borrower) ceases to be the direct parent company of any Foreign Borrower, no Foreign Credit Party shall, and the Parent Borrower shall not permit any Foreign Credit Party to, cease to comply with each requirement below:

(a) (i) no Foreign Credit Party shall cease to be a Restricted Subsidiary, (ii) no Foreign Credit Party shall cease to be a direct or indirect Wholly Owned Foreign Subsidiary of the Parent Borrower; and (iii) other than the Canadian Borrower, no Foreign Borrower shall cease to be a direct Wholly Owned Subsidiary of one or more direct or indirect Wholly Owned Foreign Subsidiaries of the Parent Borrower;

(b) (i) no Foreign Borrower shall cease to be established, organized, existing or incorporated in the same jurisdiction as on the Closing Date and (ii) no direct parent of any Foreign Borrower shall cease to be established, organized, existing or incorporated in Canada, Germany, Ireland and the United Kingdom or any other OECD country; and

(c) no Foreign Borrower may merge, amalgamate or consolidate with or into another Person in a transaction in which such Foreign Borrower does not survive such event, or Dispose of all or substantially all of its assets to another Person unless such other Person constitutes a Restricted Subsidiary of the Parent Borrower (such Person, a " **Successor Foreign Borrower** ") and (1) the Successor Foreign Borrower shall be an entity organized or incorporated or existing under the same jurisdiction as the Foreign Borrower, (2) the Successor Foreign Borrower shall expressly assume all the obligations of the Foreign Borrower under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger or consolidation, shall have by a supplement to, or by way of a confirmation agreement in respect of, the applicable Guarantee confirmed that its guarantee thereunder shall apply to the Successor Foreign Borrower's obligations under this Agreement, (4) each grantor, each pledgor and each chargor, unless it is the other party to such merger or consolidation, shall have by a supplement to the applicable Security Document, affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a U.S. Mortgaged Property, unless it is the other party to such merger or consolidation, shall have affirmed that its obligations under the applicable U.S. Mortgage shall apply to its U.S. Guarantee as reaffirmed pursuant to clause (3) and (6) the Successor Foreign Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger or consolidation and such supplements (or confirmation agreements, if applicable) preserve the enforceability of this Agreement and the Guarantees and the perfection and priority of the Liens under the applicable Security Documents (with respect to the Foreign Guarantees and Foreign Security Documents, subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements).

SECTION 11 Events of Default

Upon the occurrence of any of the following specified events (each an " **Event of Default** "):

11.1 Payments

The Borrowers shall (a) default in the payment when due of any principal of the Loans, (b) default, and such default shall continue for more than five Business Days, in the payment when due of any interest on the Loans or (c) default, and such default shall continue for more than ten Business Days, in the payment when due of any fees or any other amounts owing hereunder or under any other Credit Document; or

11.2 Representations, Etc.

Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be materially untrue with respect to the Credit Parties, taken as a whole, on the date as of which made or deemed made, and, to the extent

capable of being cured, such incorrect representation and warranty shall remain incorrect in any material respect for a period of thirty days after written notice thereof from the Administrative Agent to the Parent Borrower, except that with respect to any representation, warranty or statement contained in a Borrowing Base Certificate, to the extent capable of being cured, such incorrect representation and warranty shall remain incorrect in any material respect for a period of three Business Days after receipt of written notice by the Parent Borrower from the Administrative Agent; or

11.3 Covenants

Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(d)(i) (*provided* that notice of such default at any time shall timely cure the failure to provide such notice), Section 9.5 (solely with respect to the Parent Borrower) or Section 10; or

(b) default in the due performance or observance by it of any term, covenant or agreement contained in (i) Section 9.1(i) and such default shall continue unremedied for a period of at least five Business Days after receipt of written notice by the Parent Borrower from the Administrative Agent (or, if such Borrowing Base Certificate is required to be delivered during a Weekly Monitoring Period, at least two Business Days after receipt of written notice by the Parent Borrower from the Administrative Agent) or (ii) Section 9.16 (other than any such failure resulting solely from actions taken by one or more Persons not controlled directly or indirectly by the Parent Borrower or such Person's (or Persons') failure to act in accordance with the instructions of the Parent Borrower or the Administrative Agent) and, unless a Cash Dominion Period is ongoing, such default shall continue unremedied for a period of five Business Days after receipt of written notice by the Borrowers of the Administrative Agent; or

(c) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) or (b) of this Section 11.3) contained in this Agreement or any other Credit Document and such default shall continue unremedied for a period of at least 30 calendar days after receipt of written notice by the Parent Borrower from the Administrative Agent; or

11.4 Default Under Other Agreements

(a) The Parent Borrower or any Restricted Subsidiary shall (i) default in any payment with respect to any Indebtedness (other than any Indebtedness described in Section 11.1, Hedging Obligations or Indebtedness under any Permitted Receivables Financing) in excess of $100,000,000 in the aggregate for the Parent Borrower and such Restricted Subsidiaries beyond the period of grace or cure and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (other than any agreement or condition relating to, or provided in any instrument or agreement, under which such Hedging Obligations

or such Permitted Receivables Financing was created) beyond the period of grace or cure and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created, if the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its Stated Maturity; or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (other than any Hedging Obligations or Indebtedness under any Permitted Receivables Financing) or as a mandatory prepayment, prior to the Stated Maturity thereof; *provided* that clauses (a) and (b) above shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; *provided* , *further* , that this Section 11.4 shall not apply to any Indebtedness if the sole remedy of the holder thereof following such event or condition is to elect to convert such Indebtedness into Stock or Stock Equivalents (other than Disqualified Stock) and cash in lieu of fractional shares or (ii) any such default that is remedied by or waived (including in the form of amendment) by the requisite holders of the applicable item of Indebtedness or contested in good faith by the Parent Borrower or the applicable Restricted Subsidiary in either case, prior to acceleration of all Loans and termination of the Revolving Credit Commitments pursuant to this Section 11; or

11.5 Bankruptcy

Except as otherwise permitted under Section 10.3, (i) any Borrower or any Material Subsidiary shall commence a voluntary case, proceeding or action concerning itself under applicable Debtor Relief Laws; (ii) an involuntary case, proceeding or action is commenced against any Borrower or any Material Subsidiary and the petition is not controverted within 60 days after commencement of the case, proceeding or action; (iii) an involuntary case, proceeding or action is commenced against any Borrower or any Material Subsidiary and the petition is not dismissed or stayed within 60 consecutive days after commencement of the case, proceeding or action; (iv) a custodian (as defined in the Bankruptcy Code), judicial manager, receiver, receiver manager, trustee, administrator, examiner or similar person is appointed for, or takes charge of, all or substantially all of the property of any Borrower or any Material Subsidiary; (v) any Borrower or any Material Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, administration, examinership or liquidation or similar law or other Debtor Relief Laws of any jurisdiction whether now or hereafter in effect relating to any Borrower or any Material Subsidiary; (vi) there is commenced against any Borrower or any Material Subsidiary any such proceeding or action that remains undismissed or unstayed for a period of 60 consecutive days; (vii) any Borrower or any Material Subsidiary is adjudicated insolvent or bankrupt; (viii) any order of relief or other order approving any such case or proceeding or action is entered; (ix) any Borrower or any Material Subsidiary suffers any appointment of any custodian, Receiver, receiver manager, trustee, administrator, examiner or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 consecutive days; (x) any Borrower or any Material Subsidiary makes a general assignment for the benefit of creditors; (xi) any corporate action is taken by any Borrower or any

Material Subsidiary for the purpose of authorizing any of the foregoing; (xii) solely in respect of a German Credit Party, is unable to pay its debts as they fall due (*zahlungsunf ä hig*) within the meaning of section 17 of the German Insolvency Code (*Insolvenzordnung*) or threatened to become unable to pay its debts (*drohend zahlungsunf ä hig*) within the meaning of section 18 of the German Insolvency Code and based on such projection a German managing director (*gesch ä ftsf ü hrer*) has filed for insolvency or is over-indebted within the meaning of section 19 of the German Insolvency Code; or (xiii) solely in respect of a U.K. Credit Party or any Irish Credit Party, is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts, by reason of actual or anticipated financial difficulties, is put into examination (in respect of an Irish Credit Party only), takes any step with a view to a moratorium, suspension of payments, reorganization as a result of actual or anticipated financial difficulties (by way of voluntary arrangement, scheme of arrangement or otherwise) or a composition or similar arrangement with any creditors, or a moratorium or other protection from its creditors is declared or imposed in respect of any of its Indebtedness; or

11.6 ERISA

(a) The occurrence of any ERISA Event; (b) there could result from any event or events set forth in clause (a) of this Section 11.6 the imposition of a Lien, the granting of a security interest, or a liability, or the reasonable likelihood of incurring a Lien, security interest or liability; and (c) such ERISA Event, Lien, security interest or liability will or would be reasonably likely to have a Material Adverse Effect; or

11.7 Guarantee

Any Guarantee provided by Holdings, the Parent Borrower or any Material Subsidiary or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, and subject to the applicable Foreign Legal Reservations) or any such Guarantor thereunder or any other Credit Party shall deny or disaffirm in writing any such Guarantor's obligations under such Guarantee; or

11.8 Security Agreement

The U.S. Security Agreement or any other material Security Document pursuant to which the assets of any Credit Party are pledged as Collateral or any material provision thereof shall cease to be in full force or effect in respect of a material portion of the Collateral (other than pursuant to the terms hereof or thereof or any defect arising as a result of acts or omissions of the Collateral Agent or any Lender which do not result from a material breach by a Credit Party of its obligations under the Credit Documents and with respect to Foreign Security Documents, subject, in all cases, to the applicable Foreign Legal Reservations and Foreign Perfection Requirements) or any grantor thereunder or any other Credit Party shall deny or disaffirm in writing such grantor's obligations under the U.S. Security Agreement or any other such Security Document; or

11.9 Judgments

One or more final judgments or decrees shall be entered against any Borrower or any Restricted Subsidiary involving a liability requiring the payment of $100,000,000 or more in the aggregate for all such final judgments and decrees for the Parent Borrower and the Restricted Subsidiaries (to the extent not paid or covered by indemnity or insurance provided by a carrier that has not denied coverage) and any such final judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 consecutive days after the entry thereof; or

11.10 Change of Control

A Change of Control shall occur:

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent shall, at the written request of the Required Lenders, by written notice to the Borrowers, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrowers, except as otherwise specifically provided for in this Agreement (*provided* that, if an Event of Default specified in Section 11.5 shall occur with respect to any Borrower, the result that would occur upon the giving of written notice by the Administrative Agent as specified below shall occur automatically without the giving of any such notice): (i) declare the Revolving Credit Commitments terminated, whereupon the Revolving Credit Commitment, if any, of each Lender shall forthwith terminate immediately and any fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest and fees in respect of any or all Loans and any or all Obligations owing hereunder and under any other Credit Document to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; (iii) terminate any Letter of Credit that may be terminated in accordance with its terms; (iv) direct the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Security Documents and (iii) enforce any and all of the Administrative Agent's rights under the Guarantees.

Notwithstanding anything to the contrary contained herein, any Event of Default under this Agreement or similarly defined term under any other Credit Document, other than any Event of Default which cannot be waived without the written consent of each Lender directly and adversely affected thereby, shall be deemed not to be "continuing" if the events, act or condition that gave rise to such Event of Default have been remedied or cured (including by payment, notice, taking of any action or omitting to take any action) or have ceased to exist and the Borrowers are in compliance with this Agreement and/or such other Credit Document.

11.11 Application of Proceeds

(a) Any amount received by the Administrative Agent or the Collateral Agent from any U.S. Credit Party (or from proceeds of any U.S. Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default under Section 11.5 shall be applied in accordance with any Applicable Intercreditor Agreement. In the event that either (x) any Applicable Intercreditor Agreement directs the application with respect to such amount be made with reference to this Agreement or the other Credit Documents or (y) no Applicable Intercreditor Agreement is then in effect that is applicable to such amount, any amount received by the Administrative Agent or the Collateral Agent from any U.S. Credit Party (or from proceeds of any U.S. Collateral), in each case, following any acceleration of the Obligations under this Agreement or any Event of Default under Section 11.5 shall be applied:

(i) 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 Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith and all amounts for which the Administrative Agent and Collateral Agent is entitled to indemnification pursuant to the provisions of any Credit Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid, in each case constituting U.S. Obligations, until paid in full;

(ii) Second, to the repayment of all U.S. Protective Advances;

(iii) Third, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including all costs, liabilities and advances made or incurred by the other U.S. Secured Parties in connection therewith, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid, in each case constituting U.S. Obligations, until paid in full;

(iv) Fourth, without duplication of amounts applied pursuant to clauses (i)—(iii) above, to the indefeasible payment in full in cash, *pro rata* , of interest and other amounts constituting U.S. Obligations (other than principal or premium or reimbursement obligations in respect of Letters of Credit and obligations to Cash Collateralize Letters of Credit) and any fees, premiums and scheduled periodic payments due under Secured Hedging Agreement and Secured Cash Management Agreements to the extent constituting U.S. Obligations and any interest accrued thereon (excluding any breakage, termination or other payments thereunder), in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(v) Fifth, to the payment in full in cash, *pro rata* , of principal amount of the U.S. Obligations (including in respect of Secured Hedging Agreements and Secured Cash Management Agreements) and to Cash Collateralize all U.S. L/C Obligations and any premium thereon and any breakage, termination or other payments under Secured Hedging Agreements or Secured Cash Management Agreements, in each case to the extent constituting U.S. Obligations;

(vi) Sixth, without duplication of amounts applied pursuant to clauses (i)—(v) above or Section 11.11(b), to the indefeasible payment in full in cash, *pro rata* , of interest and other amounts constituting Foreign Obligations (other than principal or premium or reimbursement obligations in respect of Letters of Credit and obligations to Cash Collateralize Letters of Credit) and any fees, premiums and scheduled periodic payments due under Secured Hedging Agreement and Secured Cash Management Agreements to the extent constituting Foreign Obligations and any interest accrued thereon (excluding any breakage, termination or other payments thereunder), in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(vii) Seventh, to the payment in full in cash, *pro rata* , of principal amount of the Foreign Obligations (including in respect of Secured Hedging Agreements and Secured Cash Management Agreements) and to Cash Collateralize all Foreign L/C Obligations and any premium thereon and any breakage, termination or other payments under Secured Hedging Agreements or Secured Cash Management Agreements, in each case to the extent constituting Foreign Obligations; and

(viii) Eighth, the balance, if any, to the person lawfully entitled thereto (including the applicable Credit Party or its successors or assigns) or as a court of competent jurisdiction may direct.

Notwithstanding the foregoing, amounts received from any Credit Party shall not be applied to any Excluded Swap Obligation of such Credit Party.

(b) Any amount received by the Administrative Agent or the Collateral Agent from any Foreign Credit Party (or from proceeds of any Foreign Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default under Section 11.5 shall be applied in accordance with any Applicable Intercreditor Agreement. In the event that either (x) any Applicable Intercreditor Agreement directs the application with respect to such amount be made with reference to this Agreement or the other Credit Documents or (y) no Applicable Intercreditor Agreement is then in effect that is applicable to such amount, any amount received by the Administrative Agent or the Collateral Agent from any Foreign Credit Party (or from proceeds of any Foreign Collateral), in each case, following any acceleration of the Obligations under this Agreement or any Event of Default under Section 11.5 shall be applied, without duplication of amounts applied pursuant to Section 11.11(a):

(i) 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 Administrative Agent, Collateral Agent and their agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and Collateral Agent in connection therewith and all amounts for which the Administrative Agent and Collateral Agent is entitled to indemnification pursuant to the provisions of any Credit Document, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid, in each case constituting Foreign Obligations, until paid in full;

(ii) Second, to the repayment of all Foreign Protective Advances;

(iii) Third, to the payment of all other reasonable costs and expenses of such sale, collection or other realization including all costs, liabilities and advances made or incurred by the Foreign Secured Parties in connection therewith, together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid, in each case constituting Foreign Obligations, until paid in full;

(iv) Fourth, without duplication of amounts applied pursuant to clauses (i)—(iii) above, to the indefeasible payment in full in cash, *pro rata* , of interest and other amounts constituting Foreign Obligations (other than principal or premium or reimbursement obligations in respect of Letters of Credit and obligations to Cash Collateralize Letters of Credit) and any fees, premiums and scheduled periodic payments due under Secured Hedging Agreement and Secured Cash Management Agreements to the extent constituting Foreign Obligations and any interest accrued thereon (excluding any breakage, termination or other payments thereunder), in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(v) Fifth, to the payment in full in cash, *pro rata* , to the principal amount of the Foreign Obligations (including in respect of Secured Hedging Agreements and Secured Cash Management Agreements) and to Cash Collateralize all Foreign L/C Obligations, and to pay any premium thereon and any breakage, termination or other payments under Secured Hedging Agreements or Secured Cash Management Agreements, in each case to the extent constituting Foreign Obligations; and

(vi) Sixth, the balance, if any, to the person lawfully entitled thereto (including the applicable Foreign Credit Party or its successors or assigns) or as a court of competent jurisdiction may direct.

SECTION 12 The Agents

12.1 Appointment

(a) Except with respect to Germany, each Secured Party (other than the Administrative Agent) hereby irrevocably designates and appoints the Administrative Agent as the agent (or in the case of the Foreign Security Documents governed by the laws of Ireland or the U.K. Security Documents, as security trustee) of such Secured Party under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. With respect to Germany, each Secured Party (other than the Collateral Agent) hereby irrevocably designates and appoints the Collateral Agent as the agent of such Secured Party under this Agreement and the other Credit Documents and irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than this Section 12.1 and Sections 12.2, 12.9, 12.12 and 12.13, in each case, with respect to the Borrowers) are solely for the benefit of the Agents and the other Secured Parties, and the Borrowers shall not have any rights as a third party beneficiary of such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Agent shall have any duties or responsibilities, except those expressly set forth herein or in any other Credit Document, any fiduciary relationship with any other Secured Party or any agency or trust obligations with respect to any Credit Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against such Agent.

(b) The Secured Parties hereby irrevocably designate and appoint the Collateral Agent as the agent with respect to the Collateral, and each of the Secured Parties hereby irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall have no duties or responsibilities except those expressly set forth herein or in any other Credit Document, any fiduciary relationship with any of the other Secured Parties or any agency or trust obligations with respect to any Credit Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) Each of the Joint Lead Arrangers, in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

12.2 Delegation of Duties

The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, sub-agents or attorneys-in-fact selected by it in the absence of gross negligence or willful misconduct by such agents, sub-agents or attorneys-in-fact (as determined in the final judgment of a court of competent jurisdiction).

12.3 Exculpatory Provisions

(a) No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct, as determined in the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any of Holdings, the Borrowers, any other Guarantor, any other Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document, or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of Holdings, the Borrowers, any other Guarantor or any other Credit Party to perform

its obligations hereunder or thereunder. No Agent shall be under any obligation to any other Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof.

(b) Each Lender confirms to the Administrative Agent, the Collateral Agent, each other Lender and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance on the Administrative Agent, the Collateral Agent, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Agreement, (y) making Loans and other Credit Extensions hereunder and under the other Credit Documents and (z) in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risks and (iii) has determined that entering into this Agreement and making Loans and other Credit Extensions hereunder and under the other Credit Documents is suitable and appropriate for it.

(c) Each Lender acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Credit Documents, (ii) that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Lender or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Agreement based on such documents and information, as it has deemed appropriate and (iii) it will, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Lender or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own credit analysis and decision to take or not take action under, this Agreement and the other Credit Documents based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

(i) the financial condition, status and capitalization of the Borrowers and each other Credit Party;

(ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Credit Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Credit Document;

(iii) determining compliance or non-compliance with any condition hereunder to the making of a Loan or the issuance of a Letter of Credit and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition; and

(iv) the adequacy, accuracy and/or completeness of any information delivered by the Administrative Agent, the Collateral Agent, any other Lender or by any of their respective Related Parties under or in connection with this Agreement or any other Credit Document, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Credit Document.

12.4 Reliance by Agents

The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex, electronic mail, or teletype message, statement, order or other document or instruction believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings and/or the Borrowers), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; *provided* that none of the Administrative Agent or the Collateral Agent shall be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or Applicable Law.

12.5 Notice of Default

Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent, as applicable, has received written notice from a Lender, Holdings or the Borrowers referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent or the Collateral Agent receives such a notice, it shall give notice thereof to the Lenders, the Administrative Agent or the Collateral Agent, as applicable. The Administrative Agent and the Collateral Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; *provided* that unless and until the Administrative Agent or the Collateral Agent, as applicable, shall have received such directions, the Administrative Agent or the Collateral Agent, as applicable, may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as is within its authority to take under this Agreement and otherwise as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable.

12.6 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders

Each Lender expressly acknowledges that none of the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent, the Collateral Agent or any of the Joint Lead Arrangers hereinafter taken, including any review of the affairs of Holdings, a Borrower, any other Guarantor or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent, the Collateral Agent or any Joint Lead Arranger to any Lender or the L/C Issuer. Each Lender and the L/C Issuer represents to Administrative Agent, the Collateral Agent and the Joint Lead Arrangers that it has, independently and without reliance upon the Administrative Agent, Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of Holdings, the Borrower, each other Guarantor and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, Collateral Agent, any Joint Lead Arranger or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of Holdings, the Borrowers, each other Guarantor and each other Credit Party. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, none of the Administrative Agent, the Collateral Agent or any Joint Lead Arranger shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of Holdings, the Borrowers, any other Guarantor or any other Credit Party that may come into the possession of the Administrative Agent, the Collateral Agent, any Joint Lead Arranger or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 Indemnification

The Lenders agree to indemnify each Agent, each in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Aggregate Revolving Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Aggregate Revolving Credit Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Aggregate Revolving Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against such Agent, including all fees, disbursements and other charges of counsel to the extent required to be reimbursed by the Credit Parties pursuant to Section 13.5, in any way

relating to or arising out of the Revolving Credit Commitments, the Loans and Letters of Credit, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing (**SUBJECT TO THE PROVISOS BELOW, WHETHER OR NOT CAUSED BY OR ARISING IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE ORDINARY NEGLIGENCE OF THE INDEMNIFIED PERSON**); *provided* that no Lender shall be liable to any Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction; *provided* , *further* , that no action taken in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur, be imposed upon, incurred by or asserted against the Administrative Agent or the Collateral Agent in any way relating to or arising out of the Revolving Credit Commitments, the Loans and Letters of Credit, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing (including at any time following the payment of the Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse such Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrowers; *provided* that such reimbursement by the Lenders shall not affect the Borrowers' continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; *provided* that in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's *pro rata* portion thereof; and *provided* , *further* , this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such Agent's gross negligence or willful misconduct (as determined by a final judgment of court of competent jurisdiction). The agreements in this Section 12.7 shall survive the payment of the Loans and all other amounts payable hereunder.

12.8 Agents in their Individual Capacities

Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with Holdings, the Borrowers, any other Guarantor, and any other Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

12.9 Successor Agents

Each of the Administrative Agent and Collateral Agent may resign at any time by notifying the other Agent, the Lenders, the L/C Issuers and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrowers (not to be unreasonably withheld or delayed) so long as no Event of Default under Section 11.1 or 11.5 (solely with respect to the Parent Borrower) has occurred and is continuing, 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 L/C Issuers, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrowers' consent); *provided* that if such Agent shall notify the Borrowers and the Lenders that no qualifying Person (including as a result of the absence of consent of the Borrowers) has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (x) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Secured Parties under any of the Credit Documents, the retiring Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed) and (y) all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders with (except after the occurrence and during the continuation of an Event of Default under Section 11.1 or 11.5 (solely with respect to the Parent Borrower)) the consent of the Borrowers (not to be unreasonably withheld) appoint successor Agents as provided for above in this paragraph. Upon the acceptance of a successor's appointment as the Administrative Agent or Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the U.S. Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, 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 Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the

retiring Agent's resignation hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 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 an Agent.

12.10 Withholding Tax

To the extent required by any Applicable Law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent or of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrowers (solely to the extent required by this Agreement) and without limiting the obligation of the Borrowers to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

12.11 Administrative Agent May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, administration, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Secured Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent hereunder) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent

shall consent to the making of such payments directly to the Secured Parties, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 4.1 and 13.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Secured Party or to authorize the Administrative Agent to vote in respect of the claim of any Secured Party in any such proceeding.

12.12 Intercreditor Agreements

Each of the Collateral Agent and the Administrative Agent is hereby authorized to enter into any Applicable Intercreditor Agreement contemplated hereby, and the parties hereto acknowledge that any such Applicable Intercreditor Agreement to which the Collateral Agent and/or the Administrative Agent is a party are each binding upon them. Each Secured Party (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any such Applicable Intercreditor Agreement and (b) hereby authorizes and instructs the Collateral Agent and the Administrative Agent to enter into any such Applicable Intercreditor Agreement and to subject the Liens on the Collateral securing the Obligations to the provisions thereof. In addition, each Secured Party hereby authorizes the Collateral Agent and the Administrative Agent to enter into any other intercreditor arrangements to the extent required to give effect to the establishment of intercreditor rights and privileges as contemplated and required by Section 10.2 of this Agreement.

12.13 Security Documents and Guarantee; Agents under Security Documents and Guarantee

(a) Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Guarantees, the Collateral and the Security Documents, as applicable. Subject to Section 13.1, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may (or otherwise instruct the Collateral Agent to) execute any documents or instruments necessary to (x) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clauses (d), (g) and (l) of Section 10.2 or (y) enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement (including the Applicable Intercreditor Agreements). The Secured Parties hereby irrevocably agree that the Liens granted to the Collateral Agent by the Credit Parties on any Collateral shall be automatically released (i) upon the termination of the Aggregate Revolving Credit Commitments and all Letters of Credit (other than Letters of Credit that have been Cash Collateralized, backstopped or otherwise collateralized on terms and conditions reasonably satisfactory to the applicable L/C Issuer) and the repayment in full of the Loans, together with interest, fees and all other Obligations (other

than Hedging Obligations under Secured Hedging Agreements, Cash Management Obligations under Secured Cash Management Agreements or Contingent Obligations), (ii) upon the sale or other Disposition of such Collateral (including as part of or in connection with any other sale or other Disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other Disposition is made in compliance with the terms of this Agreement (and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 13.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the applicable Guarantee, (vi) as required to effect any sale or other Disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Security Documents, (vii) if such assets constitute U.S. Excluded Collateral or Foreign Excluded Collateral and (viii) with respect to any direct parent company of any Foreign Borrower, upon such Person ceasing to be the direct parent company of such Foreign Borrower pursuant to transactions permitted hereunder. Any such release shall not in any manner discharge, affect or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Secured Parties hereby irrevocably agree that the Guarantors (other than Holdings) shall be automatically released from the applicable Guarantee upon consummation of any transaction resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary or upon becoming a U.S. Excluded Subsidiary. The Lenders hereby authorize the Administrative Agent and the Collateral Agent, as applicable, and the Administrative Agent and the Collateral Agent agree to execute and deliver any instruments, documents, and agreements necessary or desirable or reasonably requested by the Borrowers to evidence and confirm the release of any Guarantor or Collateral and its security interest therein pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

(b) *Right to Realize on Collateral and Enforce Guarantee* . Anything contained in any of the Credit Documents to the contrary notwithstanding, Holdings, the Borrowers, the Agents and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee, it being understood and agreed that all powers, rights and remedies hereunder and under any Guarantee may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Collateral Agent on behalf of the Secured Parties, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other Disposition, the Collateral Agent or any Secured Party may be the purchaser or licensor of any or all of such Collateral at any such sale or other Disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any

such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other Disposition. No holder of Hedging Obligations under Secured Hedging Agreements or Cash Management Obligations under Secured Cash Management Agreements shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Hedging Obligations under Secured Hedging Agreements or Cash Management Obligations under Secured Cash Management Agreements that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to or vote on, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender, L/C Issuer or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedging Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

SECTION 13 Miscellaneous

13.1 Amendments, Waivers and Releases

Except as otherwise expressly set forth in the Credit Documents (including Section 2.10(e), neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of this Section 13.1. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; *provided* , *however* , that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and *provided* , *further* , that no such waiver and no such amendment, supplement or modification shall:

(i) forgive or reduce any portion of any Loan or fee or extend the final scheduled maturity date of any Loan or reduce the stated rate, or forgive any portion thereof, or extend the date for the payment of any principal, any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Lender’s Revolving Credit Commitment or extend the final expiration date of any Letter of Credit beyond the Letter of Credit Expiration Date, or increase the aggregate amount of the Revolving Credit

Commitments of any Lender, or modify clause (i) of the proviso to Section 4.2(a) in a manner that would alter the pro rata allocation to the Appropriate Lenders of any reduction in the Revolving Credit Commitments of any Tranche, in each case without the written consent of each Lender directly and adversely affected thereby; *provided* that, in each case for purposes of this clause (i), a waiver of any condition precedent in Section 7 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment of the Financial Covenant (or any financial definitions or financial ratios or any component thereof), the making of any Protective Advance in accordance herewith or the waiver of any other covenant shall not constitute an increase of any Revolving Credit Commitment of a Lender, a reduction or forgiveness of any portion of any Loan or in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal or interest or an extension of the final maturity of any Loan, or the scheduled termination date of any Revolving Credit Commitment;

(ii) (x) reduce the percentages specified in the definition of the term "Required Lenders" or "Supermajority Lenders" without the consent of each Lender, or (y) amend any other provision of this Section 13.1 that has the effect of decreasing the number of Lenders that are required to approve any amendment, modification or waiver, consent to the assignment or transfer by Holdings or the Parent Borrower of their respective rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3 or as contemplated by the definition of "Holdings"), alter the order of application set forth in Section 5.2(b) during the continuance of an Event of Default or Section 11.11 or change Section 13.8 or any other provision requiring pro rata sharing among the Lenders, in each case of this clause (y) without the written consent of each Lender directly and adversely affected thereby,

(iii) amend, modify or waive any provision of Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent or any other former or current Agent to whom Section 12 then applies in a manner that directly and adversely affects such Person,

(iv) amend, modify or waive any provision of Section 3.1 without the written consent of each L/C Issuer to whom such provision then applies in a manner that directly and adversely affects such Person,

(v) amend, modify or waive any provision of Section 3.2 without the written consent of each Swing Line Lender to whom such provision then applies in a manner that directly and adversely affects such Person,

(vi) release all or substantially all of the value of the Guarantors under the Guarantees (except as expressly permitted by such Guarantees or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents or this Agreement), in either case without the prior written consent of each Lender,

(vii) increase the advance rates provided for in each Borrowing Base referenced in the definition thereof or any component definition of any of the foregoing, or modify the definitions of "Eligible Accounts", "Eligible Borrowing Base Cash", "Eligible Credit Card Receivables", "Eligible In-Transit Inventory", "Eligible Investment Grade Accounts", "Eligible Inventory" or the eligibility criteria set forth therein, if as a result thereof the amounts available to be borrowed by the Borrowers would be increased, without the written consent of the Supermajority Lenders; *provided* that any increase to the advance rate in the Borrowing Base of any Foreign Borrower or any modification of the definition of "Eligible Account", "Eligible Inventory" or the eligibility criteria set forth therein, to the extent they are solely relevant to the assets of the Foreign Borrowers (but not the assets of the U.S. Borrower) and as a result thereof the amounts available to be borrowed by the Foreign Borrowers would be increased, such increase or modification shall not be approved without the written consent of the Foreign Lenders that would constitute the "Supermajority Lenders" if the Tranche of the Foreign Revolving Credit Commitments were the only Tranche outstanding; *provided, further* , that the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Reserves without the consent of any Lender or

(viii) amend, modify or waive any provision of Section 14 or in any Foreign Guarantee or any Foreign Security Document or waive any condition precedent contained in Section 7 in connection with any such provision without the written consent of the Foreign Lenders that would constitute "Required Lenders" if the Tranche of the Foreign Revolving Credit Commitments were the only Tranche outstanding.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon Holdings, the Borrowers, the applicable Credit Parties, such Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, Holdings, the Borrowers, the applicable Credit Parties, the Lenders, the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, modification, supplement, waiver or consent hereunder, except that the Revolving Credit Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Revolving Credit Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders, except as expressly provided for by this Agreement).

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to (i) add syndication or documentation agents and make customary changes and references related thereto and (ii) if applicable, add or modify "parallel debt" language in any jurisdiction in favor of the Collateral Agent or add sub-agents, in the case of clause (i), with the consent of only the Borrowers and the Administrative Agent, and in the case of clause (ii), with the consent of only the relevant Borrowers, the Administrative Agent and the Collateral Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect any Incremental Commitments pursuant to Section 2.14 or Extension Amendments pursuant to Section 2.15 (and the Administrative Agent and the Borrowers may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the terms of any such incremental facility or extension amendment); (ii) no Lender consent is required to effect any amendment or supplement to any Applicable Intercreditor Agreement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of such Applicable Intercreditor Agreement permitted under this Agreement, as applicable; it being understood that any such amendment or supplement may make such other changes to such Applicable Intercreditor Agreement as, in the good faith determination of the Administrative Agent and the Borrower, are required to effectuate the foregoing; *provided* that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Credit Document) may be amended by an agreement in writing entered into by the Parent Borrower and the Administrative Agent (A) to cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Parent Borrower), (B) to effect administrative changes of a technical or immaterial nature (as reasonably determined by the Administrative Agent and the Parent Borrower), (C) to correct incorrect cross-references or similar inaccuracies or (D) to add benefit to the existing Revolving Credit Commitments if adding such benefit is a condition to the incurrence of any Indebtedness permitted to be incurred under the Credit Documents; *provided* that in the case of clauses (A) and (B) above, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; (iv) guarantees, collateral documents and related documents executed by the Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion if applicable, (A) 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 applicable Secured Parties, (B) as required by local law or advice of counsel 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 the Applicable Law or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Parent Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit

Documents; and (v) the Credit Parties and the Collateral Agent, without the consent of any other Secured Party, shall be permitted to enter into amendments and/or supplements to any Security Documents in order to include customary provisions permitting the Collateral Agent to appoint sub-collateral agents or representatives to act with respect to Collateral matters thereunder in its stead.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time (and direct the Collateral Agent to grant such extensions) for the satisfaction of any of the requirements under Sections 9.11, Section 9.12, Section 9.13 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of Holdings, the Borrowers and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

13.2 Notices

Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile or other electronic transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or e-mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to Holdings, the Borrowers, the Administrative Agent, the Collateral Agent, an L/C Issuer, or a Swing Line Lender to the address, facsimile number, e-mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, e-mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings, the Borrowers, the Administrative Agent, the Collateral Agent, the relevant L/C Issuer.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by e-mail, when delivered; *provided* that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.9, 4.2 and 5.1 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

13.4 Survival of Representations and Warranties

All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Credit Extensions hereunder.

13.5 Payment of Expenses; Indemnification

The Borrowers agree, within thirty (30) days after written demand therefor (including documentation reasonably supporting such request), or, in the case of expenses of the type described in clause (a) below incurred prior to the Closing Date, on the Closing Date, (a) if the Closing Date occurs, to pay or reimburse the Agents and the Joint Lead Arrangers (and, in the case of the following clause (ii), the Lenders) for all their reasonable and documented out-of-pocket costs and expenses incurred (i) in connection with the syndication, preparation, execution, delivery, negotiation and administration of this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith (including any amendment or waiver with respect thereto and for reimbursement of reasonable expenses related to appraisals, field examinations and collateral review permitted hereunder), and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable and documented fees, disbursements and other charges of Davis Polk & Wardwell LLP and to the extent reasonably necessary, one local counsel in each relevant material jurisdiction, excluding in each case allocated costs of in-house counsel and fees and solely to the extent the Parent Borrower has consented to the retention of such other Person, expenses with respect to any other advisor or consultant, and (ii) upon the occurrence and during the continuation of an Event of Default, in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable and documented out-of-pocket fees, disbursements and other charges of Advisors (limited, in the case of Advisors, as set forth in the definition thereof), (b) to pay, indemnify, and hold harmless each Lender, the L/C Issuers and each Agent from, any and all recording and filing fees and (c) to pay, indemnify, and hold harmless each Lender, the L/C Issuers and each Agent and their respective Affiliates, and the directors, officers, partners, employees and agents of any of the foregoing, from and against any and all other liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable and documented out-of-pocket fees, disbursements and other charges of Advisors related to the Transactions or, with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents

and any such other documents, including, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law (other than by such indemnified person or any of its Related Parties (other than trustees and advisors)) or to any actual or alleged presence, release or threatened release into the environment of Hazardous Materials attributable to the operations of Holdings, the Borrowers, any of the Borrowers' Subsidiaries or any of the Real Estate (all the foregoing in this clause (c), collectively, the " **indemnified liabilities** ") (**SUBJECT TO THE PROVISO BELOW, WHETHER OR NOT CAUSED BY OR ARISING IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE ORDINARY NEGLIGENCE OF THE INDEMNIFIED PERSON**); *provided* that none of the Borrowers nor any other Credit Party shall have any obligation hereunder to any Agent, any L/C Issuer or any Lender or any of their respective Related Parties with respect to indemnified liabilities to the extent they result from (A) the gross negligence, bad faith or willful misconduct of such indemnified Person or any of its Related Parties (acting on behalf of or at such indemnified Person's direction) as determined by a final non-appealable judgment of a court of competent jurisdiction, (B) a material breach of the obligations of such indemnified Person or any of its Related Parties (acting on behalf of or at such indemnified Person's direction) under the Credit Documents as determined by a final non-appealable judgment of a court of competent jurisdiction, (C) disputes not involving an act or omission of Holdings, the Borrowers or any other Credit Party and that is brought by an indemnified Person against any other indemnified Person, other than any claims against any indemnified Person in its capacity or in fulfilling its role as an Agent or any similar role under the Credit Facilities or (D) any settlement effected without the Borrowers' prior written consent, but if settled with the Borrowers' prior written consent (not to be unreasonably withheld, delayed, conditioned or denied) or if there is a final non-appealable judgment in any such proceeding, the Borrowers will indemnify and hold harmless such indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with this Section 13.5. All amounts payable under this Section 13.5 shall be paid within 30 days of receipt by the Borrowers of an invoice relating thereto setting forth such expense in reasonable detail. The agreements in this Section 13.5 shall survive repayment of the Loans and all other amounts payable hereunder.

No Credit Party nor any indemnified Person shall have any liability for any special, punitive, indirect or consequential damages resulting from this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (except, in the case of the Borrowers' obligation hereunder to indemnify and hold harmless the indemnified Person, to the extent of any losses, claims, damages, liabilities and expenses incurred or paid by such indemnified Person to a third party unaffiliated with such indemnified Person). No indemnified Persons 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 Credit Documents or the transactions contemplated hereby or thereby, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of any indemnified Person or any of its Related Parties (acting on behalf of or at such indemnified Person's direction) (as determined by a final non-appealable judgment of a court of competent jurisdiction). This Section 13.5 shall not apply to Taxes.

Each indemnified Person, by its acceptance of the benefits of this Section 13.5, agrees to refund and return any and all amounts paid by the Borrowers (or on their behalf) to it if, pursuant to limitations on indemnification set forth in this Section 13.5, such indemnified Person was not entitled to receipt of such amounts.

13.6 Successors and Assigns; Participations and Assignments

(a) 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 (including any Affiliate of an L/C Issuer that issues any Letter of Credit), except that (i) except as expressly permitted by Section 4.4 or Section 10.3 or Section 10.12, neither Holdings nor the Borrowers may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by Holdings or the Borrowers without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6. 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 (including any Affiliate of a L/C Issuer that issues any Letter of Credit), Participants (to the extent provided in clause (c) of this Section 13.6), to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent, the L/C Issuers and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (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 Revolving Credit Commitments and the Revolving Credit Loans at the time owing to it) with the prior written consent (in each case, such consent not to be unreasonably withheld, delayed, conditioned or denied) of:

(A) the Parent Borrower; *provided* that no consent of the Parent Borrower shall be required for an assignment of Revolving Credit Loans (1) to a Lender, an Affiliate of a Lender or an Approved Fund or (2) if an Event of Default under Section 11.1 or 11.5 (solely with respect to the Parent Borrower) has occurred and is continuing, to any other assignee; and

(B) the Administrative Agent, each L/C Issuer and each Swing Line Lender; *provided* that no such shall be required for any assignment of any Revolving Credit Commitments or Revolving Credit Loan to a Lender, an Affiliate of a Lender, an Approved Fund.

Notwithstanding the foregoing, no such assignment shall be made to (x) a natural person, (y) any investment vehicle established primarily for the benefit of a natural person or (z) a Disqualified Institution (*provided* that the prohibition in clause (z) shall not apply retroactively to disqualify any entity that has previously acquired an assignment or participation interest in the Revolving Credit Loans to the extent such entity was not a Disqualified Institution at the time of the applicable assignment or participation, as the case may be), and any attempted assignment in

violation of clauses (x)—(z) shall be null and void. For the avoidance of doubt, (i) the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the ascertaining, monitoring, inquiring or enforcing of the list of Persons who are Disqualified Institutions (or any provisions relating thereto) at any time, and shall have, and shall have no liability with respect to or arising out of any assignment or participation of any Revolving Credit Commitments or Revolving Credit Loans to any Disqualified Institution and (ii) the Administrative Agent may share a list of Persons who are Disqualified Institutions with any Lender upon request.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitments or Revolving Credit Loans, the amount of the Revolving Credit Commitments or Revolving Credit 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), shall not be less than $5,000,000, unless each of the Parent Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld, delayed, conditioned or denied); *provided* that no such consent of the Parent Borrower shall be required if an Event of Default under Section 11.1 or 11.5 (solely with respect to the Parent Borrower) has occurred and is continuing; *provided* , *further* , that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(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; *provided* that each Lender shall be permitted to assign a proportionate part of all of the assigning Lender's rights and obligations under one Tranche of Revolving Credit Commitments without assigning its rights and obligations under the other Tranche;

(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 in the amount of $3,500; *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and the applicable tax forms as required under Section 5.4 (or the comparable provisions under Section 14); and

(E) the assignee shall not be Holdings, the Parent Borrower or any of its Subsidiaries.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(iv) of this Section 13.6, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto 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 2.10, 2.11, 5.4 (and the comparable provisions under Section 14) and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 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 clause (c) of this Section 13.6 (other than attempted assignments or transfers in violation of the last paragraph of Section 13.6(b)(i) above, which shall be null and void as provided above).

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at the Administrative Agent's Office in the United States 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 Revolving Credit Commitments of, and principal amount of the Loans and any payment made by any L/C Issuer under any Letter of Credit, Revolving Credit Loans owing to, each Lender pursuant to the terms hereof from time to time (the " **Register** "). Further, each Register shall contain the name and address of the Administrative Agent and the Lending Office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Administrative Agent, the Collateral Agent 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 Holdings, the Borrowers, the Collateral Agent, the L/C Issuers and any Lender (solely with respect to its own outstanding Loans and Revolving Credit Commitments), at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 13.6 (unless waived) and any written consent to such assignment required by clause (b) of this Section 13.6, the Administrative Agent shall promptly accept such Assignment and Assumption and record the information contained therein in the Register.

(c) (i) Any Lender may, without the consent of Holdings, the Borrowers, the Administrative Agent or any L/C Issuer, sell participations to one or more banks or other entities that are not (x) a natural person, (y) any investment vehicle established primarily for the benefit of a natural person or (z) a Disqualified Institution (*provided* that the prohibition in clause (z)

shall not apply retroactively to disqualify any entity that has previously acquired an assignment or participation interest in the Revolving Credit Loans to the extent such entity was not a Disqualified Institution at the time of the applicable assignment or participation, as the case may be) (each, a " **Participant** ") (and any such attempted sales to the Persons identified in clauses (x)—(z) above shall be null and void) (*provided* that the last sentence of Section 13.6(b)(i) shall apply) in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitments and the Revolving Credit Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) Holdings, the Borrowers, the Administrative Agent, the L/C Issuers and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the monitoring or enforcing of the list of Disqualified Institutions with respect to the sales of participations at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any consent, amendment, modification, supplement or waiver described in clause (i) or (iv) of the second proviso of the first paragraph of Section 13.1 that directly and adversely affects such Participant. Subject to clause (c)(ii) of this Section 13.6, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 (and the comparable provisions of Section 14) to the same extent as if it were a Lender, and *provided* that such Participant agrees to be subject to the requirements and limitations of those Sections and Sections 2.12 and 13.7(a) as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; *provided* that such Participant agrees to be subject to Section 13.8(a) as though it were a Lender. Each Lender that sells a participation agrees, at the Parent Borrower's request and expense, to use reasonable efforts to cooperate with the Parent Borrower to effectuate the provisions of Section 13.7 with respect to any Participant.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 (or the comparable provisions under Section 14) than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Parent Borrower's prior written consent.

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each Participant's interest in the Revolving Credit Loans (or other rights or obligations) held by it (the " **Participant Register** "). 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. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person 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.

(d) Any Lender may, without the consent of Holdings, the Borrowers or the Administrative Agent, 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, and this Section 13.6 shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 13.16, the Borrowers authorize each Lender to disclose (other than to any Disqualified Institutions) to any Participant, secured creditor of such Lender or assignee (each, a " **Transferee** "), any prospective Transferee and any prospective direct or indirect contractual counterparties to any swap or derivative transactions to be entered into in connection with or relating to Revolving Credit Loans made hereunder any and all financial information in such Lender's possession concerning the Borrowers and their Affiliates that has been delivered to such Lender by or on behalf of the Borrowers and their Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrowers and their Affiliates in connection with such Lender's credit evaluation of the Borrowers and their Affiliates prior to becoming a party to this Agreement.

(f) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a " **Granting Lender** ") may grant to a special purpose funding vehicle (an " **SPV** "), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers, the option to provide to the Borrowers all or any part of any Revolving Credit Loan that such Granting Lender would otherwise be obligated to make the Borrowers pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPV to make any Revolving Credit Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Revolving Credit Loan, the Granting Lender shall be obligated to make such Revolving Credit Loan pursuant to the terms hereof. The making of a Revolving Credit Loan by an SPV hereunder shall utilize the Revolving Credit Commitment of the Granting Lender to the same extent, and as if, such Revolving Credit Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 13.6, any SPV may (i) with

notice to, but without the prior written consent of, the Parent Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Revolving Credit Loans to the Granting Lender or to any financial institutions (consented to by the Parent Borrower and the Administrative Agent) other than a Disqualified Institution providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Revolving Credit Loans and (ii) disclose on a confidential basis any non-public information relating to its Revolving Credit Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 13.6(f) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement, (x) no SPV shall be entitled to any greater rights under Sections 2.10, 2.11, and 5.4 (and the comparable provisions under Section 14) than its Granting Lender would have been entitled to absent the use of such SPV and (y) each SPV agrees to be subject to the requirements of Sections 2.10, 2.11, and 5.4 (and the comparable provisions under Section 14) as though it were a Lender and has acquired its interest by assignment pursuant to clause (b) of this Section 13.6.

This Section 13.6 shall be construed so that all Loans are at all times maintained in "registered form" within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations.

13.7 Replacements of Lenders under Certain Circumstances

(a) The Borrowers shall be permitted (x) to replace any Lender with a replacement bank or institution or (y) terminate the Revolving Credit Commitment of such Lender, as the case may be, and repay all Obligations of the Borrowers due and owing to such Lender relating to the Revolving Credit Loans and participations held by such Lender as of such termination date that (a) requests reimbursement for amounts owing pursuant to Section 2.10, Section 5.4 (or the comparable provisions under Section 14) (or any Borrower is required to pay any Indemnified Taxes or additional amounts to any Agent or Lender or to any Governmental Authority on account of any Agent or Lender pursuant to Section 5.4 (or the comparable provisions under Section 14)), (b) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken, (c) becomes a Defaulting Lender or (d) refuses to make an Extension Election pursuant to Section 2.15; *provided* that, solely in the case of the foregoing clause (x), (i) no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing at the time of such replacement, (ii) the Borrowers shall repay (or the replacement bank or institution shall purchase, at par) all Revolving Credit Loans and other amounts (other than any disputed amounts), pursuant to Section 2.10, 2.11 or 5.4 (or the comparable provisions under Section 14), as the case may be, owing to such replaced Lender prior to the date of replacement, (iii) the replacement bank or institution, if not already a Lender, an Affiliate of a Lender or an Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent (solely to the extent such consent would be required under Section 13.6), (iv) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (*provided* that the Borrowers shall be obligated to pay the registration and processing fee referred to therein unless otherwise agreed) and (v) any such replacement shall not be deemed to be a waiver of any rights that the Borrowers, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a " **Non-Consenting Lender** ") has failed to consent to a proposed amendment, modification, supplement, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires the consent of either (i) all of the Lenders directly and adversely affected or (ii) all of the Lenders, and, in each case, with respect to which the Required Lenders or a majority (in principal amount) of the directly and adversely affected Lenders shall, in each such case, have granted their consent, then so long as no Event of Default then exists, the Borrowers shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Revolving Credit Loans and its Revolving Credit Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) or (y) terminate the Revolving Credit Commitment of such Lender, repay all Obligations of the Borrowers due and owing to such Lender relating to the Revolving Credit Loans and participations held by such Lender as of such termination date; *provided* that: (a) all Obligations of the Borrowers hereunder owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment, and (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof *plus* accrued and unpaid interest thereon. In connection with any such assignment, the Borrowers, Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6.

(c) Nothing in this Section 13.7 shall be deemed to prejudice any right or remedy that Holdings or the Borrowers may otherwise have at law or at equity.

13.8 Adjustments; Set-off

(a) Except as contemplated in Section 13.6 or elsewhere herein or in any other Credit Document, if any Lender (a " **Benefited Lender** ") shall (i) in its capacity as a U.S. Revolving Credit Lender, at any time receive any payment of all or part of its U.S. Revolving Credit Loans, or interest thereon, or the participations in U.S. L/C Obligations and U.S. Swing Line Loans held by it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than its Pro Rata Share (or other applicable share contemplated hereunder) compared to any such payment to or collateral received by any other U.S. Revolving Credit Lender, if any, in respect of such other U.S. Revolving Credit Lender's U.S. Revolving Credit Loans, or interest thereon or the participations in the U.S. L/C Obligations and U.S. Swing Line Loans or (ii) in its capacity as a Foreign Revolving Credit Lender, at any time receive any payment of all or part of its Foreign Revolving Credit Loans, or interest thereon, or the participations in Foreign L/C Obligations and Foreign Swing Line Loans held by it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than its Pro Rata Share (or other applicable share contemplated hereunder) compared to any such payment to or collateral received by any other Foreign Revolving Credit Lender, if any, in respect of such other Foreign Revolving Credit Lender's Foreign Revolving Credit Loans, or interest thereon or the participations in the Foreign L/C Obligations and Foreign Swing Line Loans, in each case of clauses (i) and (ii), such Benefited Lender shall purchase for cash from the other applicable Lenders a participating interest in such portion of each such other

Lender's applicable Revolving Credit Loans, applicable participations in L/C Obligations and Swing Line Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the applicable Lenders; *provided* , *however* , that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by Applicable Law, each Lender shall have the right, without prior notice to Holdings, the Borrowers, any such notice being expressly waived by Holdings, the Borrowers to the extent permitted by Applicable Law but with the prior written consent of the Administrative Agent, upon any amount becoming due and payable by the Borrowers hereunder (whether at the Stated Maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than any Excluded Account of the type described in clause (i), (ii), (vi), (vii) and (viii) of the definition thereof), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the applicable Borrower. Each Lender agrees promptly to notify the Borrowers and the Administrative Agent after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

13.9 Counterparts; Electronic Execution

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrowers and the Administrative Agent. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or any other Credit Document 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 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.

13.10 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.11 INTEGRATION

THIS WRITTEN AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT OF PARENT BORROWER, HOLDINGS, THE OTHER BORROWERS, THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT, THE L/C ISSUERS AND THE LENDERS WITH RESPECT TO THE SUBJECT MATTER HEREOF, AND (1) THERE ARE NO PROMISES, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES BY HOLDINGS, THE BORROWERS, THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, THE L/C ISSUERS OR ANY LENDER RELATIVE TO SUBJECT MATTER HEREOF NOT EXPRESSLY SET FORTH OR REFERRED TO HEREIN OR IN THE OTHER CREDIT DOCUMENTS, (2) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES AND (3) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES; *PROVIDED* THAT THE SYNDICATION PROVISIONS AND THE PARENT BORROWER'S AND HOLDINGS' CONFIDENTIALITY OBLIGATIONS IN THE COMMITMENT LETTER SHALL REMAIN IN FULL FORCE AND EFFECT PURSUANT TO THE TERMS THEREOF.

13.12 GOVERNING LAW

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13.13 Submission to Jurisdiction; Waivers

Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by Applicable Law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 or at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or, in the case of the Administrative Agent, the Collateral Agent, the Lenders, the L/C Issuers and the Swing Line Lenders, shall limit the right to sue in any other jurisdiction;

(e) subject to the last paragraph of Section 13.5, waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final judgment in any 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 Applicable Law.

EACH FOREIGN CREDIT PARTY HEREBY IRREVOCABLY DESIGNATES, APPOINTS AND EMPOWERS CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10011 (TELEPHONE: 212-590-9330; FACSIMILE: 212-894-8581; EMAIL: NYTEAM1@WOLTERKLUWER.COM) (THE " **PROCESS AGENT** "), IN THE CASE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT IN THE UNITED STATES AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS THAT MAY BE SERVED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY CREDIT DOCUMENT (AND THE PARENT BORROWER SHALL DELIVER TO THE ADMINISTRATIVE AGENT EVIDENCE OF ACCEPTANCE BY THE PROCESS AGENT OF SUCH APPOINTMENT). NOTHING IN THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

13.14 Acknowledgments

Each of Holdings and the Borrowers hereby acknowledge that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between Holdings and the Borrowers, on the one hand, and the Administrative Agent, the L/C Issuer, the Lenders and the other Agents on the other hand, and Holdings, the Borrowers and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each of the Administrative Agent and the other Agents, is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for any of Holdings, the Borrowers, any other Credit Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the

Administrative Agent nor any other Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of Holdings, the Borrowers or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or any other Agent has advised or is currently advising Holdings, the Borrowers, the other Credit Parties or their respective Affiliates on other matters) and neither the Administrative Agent or other Agent has any obligation to Holdings, the Borrowers, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; (iv) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of Holdings, the Borrowers and their respective Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and Holdings and the Borrowers has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Holdings and the Borrowers agree not to claim that the Administrative Agent or any other Agent has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Holdings, the Borrowers or any other Affiliates, in connection with the transactions contemplated hereby or the process leading hereto.

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings and the Borrower, on the one hand, and any Lender, on the other hand.

13.15 WAIVERS OF JURY TRIAL

HOLDINGS, THE BORROWERS, EACH AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.16 Confidentiality

The Administrative Agent, each L/C Issuer, each other Agent and each Lender shall hold all non-public information furnished by or on behalf of Holdings, the Borrowers or any Subsidiary of the Borrowers in connection with such Person's evaluation of whether to become an Agent or Lender hereunder or obtained by such Lender, the Administrative Agent, L/C Issuer or such other Agent pursuant to the requirements of this Agreement or in connection with any amendment, supplement, modification or waiver or proposed amendment, supplement, modification or waiver hereto (including any Incremental Amendment or Extension Amendment) or the other Credit Documents (" **Confidential Information** "), confidential; *provided* that the Administrative Agent, each L/C Issuer, each other Agent and each Lender may make disclosure (a) as required by the order of any court or administrative agency or in any

pending legal, judicial or administrative proceeding, or otherwise as required by Applicable Law, regulation or compulsory legal process (in which case such Lender, the Administrative Agent, L/C Issuer or such other Agent shall use commercially reasonable efforts to inform the Borrowers promptly thereof to the extent lawfully permitted to do so (except with respect to any audit or examination conducted by bank accountants or any self-regulatory authority or governmental or regulatory authority exercising examination or regulatory authority)), (b) to such Lender's or the Administrative Agent's or such L/C Issuer's or such other Agent's attorneys, professional advisors, independent auditors, trustees or Affiliates involved in the Transactions on a "need to know" basis and who are made aware of and agree to comply with the provisions of this Section 13.16, in each case on a confidential basis (with such Lender, the Administrative Agent, L/C Issuer or such other Agent responsible for such persons' compliance with this Section 13.16), (c) on a confidential basis to any bona fide prospective Lender, prospective participant or swap counterparty (in each case, other than a Disqualified Institution or a Person who the Parent Borrower has affirmatively denied assignment thereto in accordance with Section 13.6), (d) to the extent requested by any bank regulatory authority having jurisdiction over a Lender or its Affiliates (including in any audit or examination conducted by bank accountants or any self-regulatory authority or governmental or regulatory authority exercising examination or regulatory authority), (e) to the extent such information: (i) becomes publicly available other than as a result of a breach of this Section 13.16 or other confidential or fiduciary obligation owed by the Administrative Agent, such other Agent or such Lender to the Parent Borrower or its Affiliates or (ii) becomes available to the Administrative Agent, such other Agent or such Lender on a non-confidential basis from a source other than Holdings, the Parent Borrower or any Subsidiary or on behalf of Holdings, the Parent Borrower or any Subsidiary that, to the knowledge (after due inquiry) the Administrative Agent, such other Agent or such Lender, is not in violation of any confidentiality obligation owed to the Parent Borrower or its Affiliates, (f) to the extent the Parent Borrower shall have consented to such disclosure in writing (which may include through electronic means), (g) as is necessary in protecting and enforcing the rights of the Administrative Agent, such other Agent or such Lender with respect to this Agreement or any other Credit Document, (h) for purposes of establishing any defense available under Applicable Laws, including, without limitation, establishing a "due diligence" defense, (i) to the extent independently developed by the Administrative Agent, such other Agent or such Lender or any Affiliates thereof without reliance on confidential information, (j) on a confidential basis, to the rating agencies in consultation with the Parent Borrower, (k) on a confidential basis, to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Credit Facilities or market data collectors, similar services providers to the lending industry and service providers to the Administrative Agent in connection with the administration and management of this Agreement and the Credit Documents and (l) to ClearPar ® or any other pricing settlement provider. Each Lender, the Administrative Agent and each other Agent agrees that it will not provide to prospective Transferees or to any pledgee referred to in Section 13.6 or to prospective direct or indirect contractual counterparties to any swap or derivative transactions to be entered into in connection with or relating to Loans made hereunder any of the Confidential Information unless such Person is advised of and agrees to be bound by the provisions of this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16.

13.17 Direct Website Communications

(a) Holdings and the Borrowers may, at their option, provide to the Administrative Agent any information, documents and other materials that they are obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication (*provided* that such communications described in clauses (A)—(D) will be delivered pursuant to Section 13.2, including by e-mail) 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 or Event of 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 thereunder (all such non-excluded communications being referred to herein collectively as " **Communications** "), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at an email address separately identified by the Administrative Agent; *provided* that: (i) upon written request by the Administrative Agent, Holdings or the Parent Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) Holdings or the Parent Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of Holdings, the Borrowers, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(b) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(c) Holdings and the Borrowers further agree that the Agents may make the Communications available to the Lenders by posting the Communications on Debtdomain or a substantially similar electronic transmission system (the " **Platform** "), so long as the access to such Platform is limited (i) to the Agents, the L/C Issuers, the Lenders or any bona fide potential Transferee and (ii) remains subject the confidentiality requirements set forth in Section 13.16.

(d) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. In no event shall any Agent or their Related Parties (collectively, the " **Agent Parties** " and each an " **Agent Party** ") have any liability to Holdings, the Borrowers, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Holdings', the Borrowers' or any Agent's transmission of Communications through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than trustees or advisors)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents (as determined in a final non-appealable judgment of a court of competent jurisdiction).

(e) The Borrowers and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive material non-public information with respect to Holdings, the Parent Borrower, the Subsidiaries of the Parent Borrower or their securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that Holdings or the Parent Borrower has indicated contains only publicly available information with respect to Holdings, the Parent Borrower and the Subsidiaries of the Parent Borrower and their securities may be posted on that portion of the Platform designated for such public-side Lenders. If Holdings or the Parent Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to Holdings, the Parent Borrower, the Subsidiaries of the Parent Borrower and their securities. Notwithstanding the foregoing, Holdings and the Parent Borrower shall use commercially reasonable efforts to indicate whether any document or notice contains only publicly available information.

13.18 USA PATRIOT Act

Each Lender hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " **Patriot Act** "), it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

13.19 Payments Set Aside

To the extent that any payment by or on behalf of the Borrowers is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

13.20 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of any Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the " **Judgment Currency** ") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the " **Agreement Currency** "), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrowers in the Agreement Currency, the Borrowers agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrowers (or to any other Person who may be entitled thereto under Applicable Law).

13.21 Cashless Rollovers

Notwithstanding anything to the contrary contained in this Agreement or in any other Credit Document, to the extent that any Lender extends the maturity date of, or replaces, renews or refinances, any of its then-existing Revolving Credit Loans by way of an Incremental Amendment or Extension Amendment or any other amendment to this Agreement, in each case, to the extent such extension, replacement, renewal or refinancing is effected by means of a "cashless roll" by such Lender, such extension, replacement, renewal or refinancing shall be deemed to comply with any requirement hereunder or any other Credit Document that such payment be made "in Dollars", "in immediately available funds", "in Same Day Funds", "in cash" or any other similar requirement.

13.22 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

13.23 Limitations on Sanctions Provisions

Notwithstanding anything set forth herein or in any other Credit Document, Section 8.19 and any other provision in the Credit Documents relating to Sanctions shall not be interpreted or applied to the extent that such obligations and /or representations would violate or expose Holdings, the Parent Borrower or any Subsidiary of the Parent Borrower or any directors, officer or employee thereof to any liability under any anti-boycott or blocking law, regulation or statute that is in force from time to time in the European Union (and/or any of its member states) that are applicable to such Person (including EU Regulation (EC) 2271/96 and § 7 of the German Foreign Trade Ordinance (Verordnung zur Durchführung des Außenwirtschaftsgesetzes (Außenwirtschaftsverordnung – AWV)). The representations given and undertakings assumed by any Credit Party to any other party resident in Germany (gebietsansässig) are made only to the extent that any party resident in Germany (gebietsansässig) would be permitted to receive such representations and undertakings pursuant to §7 of the AWV or any other Applicable Law applicable to such Credit Party resident in Germany.

13.24 Joinder of German Borrowers

Notwithstanding anything set forth herein or in any other Credit Document, it is understood and agreed that neither German Borrower is a party to this Agreement on the Closing Date and no German Security Document or U.K. Security Document to which any German

Credit Party is required to be a party has been entered into on the Closing Date. After the Closing Date, by (i) one or more joinder, accession and/or confirmation agreements to this Agreement executed by the applicable German Borrower, (ii) the execution of the German Security Documents and any U.K. Security Document to which the applicable German Credit Party is required to be a party, in each case as listed on Schedule 1.1(g) and (iii) the delivery of customary legal opinions, certificates and other documents that would have been required to be delivered by the German Credit Parties if the applicable German Borrower became a party to this Agreement on the Closing Date, in each case of clauses (i)—(iii), in form and substance reasonably satisfactory to the Collateral Agent, the applicable German Borrower shall become a party hereto and the applicable provisions under this Agreement and the other Credit Documents shall become effective with respect to such German Borrower.

SECTION 14 Foreign Credit Party Provisions

The provisions set forth in Sections 14.1—14.4 shall only apply to the extent the applicable Foreign Borrower is a Borrower under this Agreement.

14.1 Canadian Credit Parties

(a) Additional Representations. The Canadian Borrower makes the following representations and warranties:

(i) Each Canadian Credit Party (a) is a duly organized and validly existing corporation or other entity in good standing (as applicable) under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, except as would not reasonably be expected to result in a Material Adverse Effect, (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect and (c) is in compliance with all Applicable Laws, except to the extent that the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

(ii) Each Canadian Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Canadian Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such Canadian Credit Party enforceable in accordance with its terms, subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements and the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(iii) Neither the execution, delivery or performance by any Canadian Credit Party of the Credit Documents to which it is a party nor the compliance with the terms and provisions thereof nor the consummation of the financing transactions contemplated hereby and thereby will violate any provision of the Organizational Documents of such Canadian Credit Party.

(iv) For the purposes of the Insolvency Regulation, except as set forth on Schedule 14.1, no Canadian Credit Party (to the extent such Canadian Credit Party is subject to the Insolvency Regulation) has a centre of main interest other than as situated in its jurisdiction of incorporation.

(v) Subject to the qualifications set forth in Section 6.2, with respect to each Canadian Credit Party, the Canadian Security Documents, taken as a whole, are effective to create in favor of the Collateral Agent, for the benefit of the Foreign Secured Parties, a legal, valid and enforceable first priority security interest (subject to Liens permitted hereunder) in the Collateral described therein, in each case, to the extent required under the Canadian Security Documents, the enforceability of which is subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements and the applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. In the case of (i) the Stock described in the Canadian Security Agreement that is in the form of securities represented by stock certificates or otherwise constituting certificated securities (as defined in the PPSA), when certificates representing such Stock are delivered to the Collateral Agent along with instruments of transfer in blank or endorsed to the Collateral Agent, and (ii) all other Collateral constituting personal property described in the Canadian Security Agreement, when financing statements, intellectual property security agreements and other required filings, recordings, agreements and actions in appropriate form are executed and delivered, performed, recorded or filed in the appropriate offices, as the case may be, the Collateral Agent, for the benefit of the applicable Foreign Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Canadian Credit Parties in all Collateral that may be perfected by filing, recording or registering a financing statement, an intellectual property security agreement or analogous document (to the extent such Liens may be perfected by possession of the certificated securities (as defined in the PPSA) by the Collateral Agent or such filings, agreements or other actions or perfection is otherwise required by the terms of any Credit Document), in each case, to the extent required under the Canadian Security Documents, as security for the Foreign Obligations, in each case prior and superior in right to any other Lien (except, in the case of Liens permitted hereunder).

(vi) As of the Closing Date, (x) Schedule 14.1(a) lists all of the Canadian Pension Plans and (y) none of the Canadian Pension Plans is a Canadian Defined Benefit Plan. Except where the non-registration, non-payment or termination would not reasonably be expected to have a Material Adverse Effect, (i) the Canadian Pension Plans are duly registered under the Income Tax Act (Canada), as amended from time to time and all other Applicable Laws which require registration, (ii) all employer and employee payments, contributions or premiums to be remitted, paid to or in respect

of each Canadian Pension Plan have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all Applicable Laws and (iii) there has been no termination of any Canadian Pension Plan, and to the knowledge of the Canadian Credit Parties, no facts or circumstances have occurred or existed that would result, or be reasonably anticipated to result, in the declaration of a termination of any Canadian Pension Plan by any Governmental Authority under Applicable Law.

(vii) As used herein, the following capitalized terms shall have the meanings set forth below:

" **Canadian Defined Benefit Plan** " shall mean any Canadian Pension Plan which contains a "defined benefit provision" as defined in subsection 147.1(l) of the Income Tax Act (Canada), as amended from time to time.

" **Canadian Pension Plan** " shall mean each pension plan required to be registered under Canadian federal or provincial law which is maintained or contributed to by, or to which there is or may be an obligation to contribute, in each case by any Canadian Credit Party in respect of its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, or any other pension plan maintained by any government of any other province or territory of Canada, respectively.

(b) Net Payments in Respect of Credit Extensions to the Canadian Borrower

(i) In this provision " **Canadian Indemnified Taxes** " shall mean Indemnified Taxes; provided, for this purpose, that paragraph (c) of the definition of "Excluded Taxes" shall be replaced with the following:

> "(c) any Canadian federal withholding Tax that is imposed on amounts payable to or for the account of any Agent or Lender: (i) under the law in effect at the time such Agent or Lender becomes a party to this Agreement (or designates a new Lending Office other than a new Lending Office designated at the request of the Canadian Borrower pursuant to Section 13.7(a)); *provided* that this clause (c)(i) shall not apply to the extent that the indemnity payments or additional amounts any Lender would be entitled to receive (without regard to this clause (c)(i)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or designation of a new Lending Office by such Lender) would have been entitled to receive pursuant to Section 5.4 immediately before such assignment, participation, transfer or change in Lending Office in the absence of such assignment, participation, transfer or change in Lending Office (it being understood and agreed, for the avoidance of doubt, that any withholding Tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new Lending Office) shall not be an Excluded Tax under this clause (c)(i); and (ii) as a consequence of such Agent or Lender not dealing at arm's length (within the meaning of the Income Tax Act (Canada)) with a Credit Party at the time of such amount is paid."

(ii) The provisions of Section 5.4 are hereby incorporated by reference and shall apply with respect to any payments in connection with any Loan or other Credit Extension to the Canadian Borrower, and all payments by any Canadian Guarantor; *provided* that, for purposes of this provision (ii): (x) all references in Section 5.4 to the Parent Borrower shall be deemed to refer to the Canadian Borrower, (y) all references in Section 5.4 to U.S. Guarantors shall be deemed to refer to Canadian Guarantors, and (z) all references in Section 5.4 to Indemnified Taxes shall be deemed to refer to Canadian Indemnified Taxes.

(c) Additional Agreements

(i) Quebec Security. Each of the parties hereto (including each Lender, acting for itself and on behalf of each of its Affiliates that are or become Foreign Secured Parties from time to time) confirms the appointment and designation of the Administrative Agent as the hypothecary representative for the present and future Foreign Secured Parties (in such capacity, the " **Representative** "), as contemplated by Article 2692 of the Civil Code of Québec, for the purposes of holding any security granted by the Foreign Credit Parties or any one of them pursuant to the laws of the Province of Quebec. The execution by the Representative prior to the date hereof of any document creating or evidencing any such security for the benefit of any of the Foreign Secured Parties is hereby ratified and confirmed. Each future Foreign Secured Party, whether a Lender or a holder of any Foreign Obligation, shall be deemed to have ratified and confirmed (for itself and on behalf of each of its Affiliates that are or become Foreign Secured Parties from time to time) the appointment of the Administrative Agent as the Representative. The Representative shall (a) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted hereunder, all rights and remedies given to the Representative pursuant to any hypothec, pledge, applicable law or otherwise, (b) benefit from and be subject to all provisions hereof with respect to the Administrative Agent, mutatis mutandis, including all such provisions with respect to the liability or responsibility to an indemnification by the Foreign Secured Parties, and (c) be entitled to delegate from time to time any of its powers or duties under any hypothec or pledge on such terms and conditions as it may determine from time to time. The substitution or replacement of the Administrative Agent pursuant to the provisions hereof shall also constitute the substitution or replacement of the Representative. The new Representative, without further act, shall then be vested and have all the rights, powers and authorities granted to the Representative hereunder and shall be subject in all respects to the terms, conditions and provisions hereof, to the same extent as if originally acting as Representative hereunder. Notwithstanding the provisions of Section 32 of An Act respecting the special powers of legal persons (Quebec), the Administrative Agent may acquire and be the holder of any bond or debenture issued by any Foreign Credit Party.

(ii) For purposes of any assets, liabilities or entities located in the Province of Quebec and for all other purposes pursuant to which the interpretation or construction of this Agreement and the other Credit Documents may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) "personal property" shall be deemed to include "movable property", (b) "real property" shall be deemed to include "immovable property", (c) "tangible property" shall be deemed to include "corporeal property", (d) "intangible property" shall be deemed to include "incorporeal property", (e) "security interest", "mortgage" and "lien" shall be deemed to include a "hypothec", "prior claim", "reservation of ownership" and a "resolutory clause", (f) all references to filing, registering or recording under the UCC or the PPSA shall be deemed to include publication under the Civil Code of Québec, (g) all references to "perfection" of or "perfected" liens or security interest shall be deemed to include a reference to an "opposable" or "set up" hypothec as against third parties, (h) any "right of offset", "right of setoff" or similar expression shall be deemed to include a "right of compensation", (i) "goods" shall be deemed to include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall be deemed to include a "mandatary", (k) "construction liens" shall be deemed to include "legal hypothecs in favor of persons having taken part in the construction or renovation of an immovable", (l) "joint and several" shall be deemed to include "solidary", (m) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (n) "beneficial ownership" shall be deemed to include "ownership", (o) "legal title" shall be deemed to include "holding title on behalf of an owner as mandatary or prête-nom", (p) "easement" shall be deemed to include "servitude", (q) "priority" shall be deemed to include "rank" or "prior claim", as applicable, (r) "survey" shall be deemed to include "certificate of location and plan", (s) "state" shall be deemed to include "province", (t) "fee simple title" shall be deemed to include "ownership" (including ownership under a right of superficies), (u) "ground lease" shall be deemed to include "emphyteusis" or a "lease with a right of superficies", as applicable, (v) "leasehold interest" shall be deemed to include "a valid lease", and (w) "lease" shall be deemed to include a "leasing contract".

(iii) Notwithstanding anything to the contrary contained in this Agreement or in any other Credit Document, solely to the extent that a court of competent jurisdiction finally determines that the calculation or determination of interest or any fee payable by any Canadian Credit Party in respect of the Foreign Obligations pursuant to this Agreement and the other Credit Documents shall be governed by the laws of any province or territory of Canada or the federal laws of Canada, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code (Canada), R.S.C. 1985, c. C-46, as the same shall be amended, replaced or re-enacted from time to time, " **Section 347** ") payable by the Canadian Credit Parties to the Agents or any Lender under this Agreement or any other Credit Document exceed the effective annual rate of interest on the "credit advanced" (as defined in Section 347) under this Agreement or such other Credit Document lawfully permitted under Section 347 and, if any payment, collection or demand pursuant to this Agreement or any other Credit Document in respect of "interest" (as defined in Section 347) is determined to be contrary to the provisions of Section 347, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Agents, the Lenders and the Canadian Credit Parties and the amount of such payment or collection shall be refunded by the relevant Agents and Lenders to the

applicable Canadian Credit Parties. For the purposes of this Agreement and each other Credit Document to which the Canadian Credit Parties are a party, the effective annual rate of interest payable by the Canadian Credit Parties shall be determined in accordance with generally accepted actuarial practices and principles over the term of the loans on the basis of annual compounding for the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent for the account of the Canadian Credit Parties will be conclusive for the purpose of such determination in the absence of evidence to the contrary.

(iv) For the purposes of the Interest Act (Canada) and with respect to Canadian Credit Parties only:

(A) whenever any interest or fee payable by the Canadian Credit Parties is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which such rate is to be ascertained and (z) divided by 360 or 365, as the case may be; and

(B) all calculations of interest payable by the Canadian Credit Parties under this Agreement or any other Credit Document are to be made on the basis of the nominal interest rate described herein and therein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.

(C) The parties hereto acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

(v) The Canadian Borrower shall, and shall cause the other Canadian Credit Parties:

(A) Promptly after an Authorized Officer of any Canadian Credit Party obtains knowledge thereof, furnish the Administrative Agent written notice of any litigation or proceeding commenced against any such Canadian Credit Party or of any governmental investigation that is instituted against such Canadian Credit Party, in each case, in respect of any Canadian Pension Plan, its fiduciaries or its assets, which litigation, proceeding or investigation would reasonably be expected to have a Material Adverse Effect.

(B) Remit or pay all employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan by each such Canadian Credit Party and each Subsidiary of each such Canadian Credit Party in a timely fashion in accordance with the terms thereof, any funding agreements and all Applicable Laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(C) Deliver to the Administrative Agent, (i) if requested by the Administrative Agent in writing copies of each annual and other return, report or valuation with respect to each Canadian Pension Plan as filed with any applicable Governmental Authority and (ii) notification within 30 days of commencement of participation in a Canadian Pension Plan and notification of any voluntary or involuntary termination of a Canadian Pension Plan within 30 days of the later of the effective date of termination or date on which termination is declared, except where in this clause (ii) such commencement or termination would not reasonably be expected to have a Material Adverse Effect.

(vi) No Canadian Credit Party shall, directly or indirectly, (a) in each case, other than by virtue of a transaction permitted by clause (b) below, establish, contribute to or assume an obligation with respect to any Canadian Defined Benefit Plan, or (b)(i) acquire an interest in any Person if such Person sponsors, maintains or contributes to, or at any time in the five-year period preceding such acquisition has sponsored, maintained or contributed to a Canadian Defined Benefit Plan, in each case if such acquisition would reasonably be expected to result in a Material Adverse Effect or (ii) without the consent of the Administrative Agent (which shall not be unreasonably withheld or delayed), cause or allow any Person described in clause (b)(i) above to become, or to merge, amalgamate, or consolidate with, a Credit Party.

(vii) Canadian AML.

(A) Each Canadian Credit Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the Criminal Code (Canada) and the United Nations Act (Canada), including the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism (Canada) and the United Nations Al-Qaida and Taliban Regulations (Canada) promulgated under the United Nations Act (Canada), and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any rules, regulations, directives, guidelines or orders thereunder, " **CAML** "), the Lenders and the Administrative Agent may be required to obtain, verify and record information regarding each Canadian Credit Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of each Canadian Credit Party, and the transactions contemplated hereby. Each Canadian Credit Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Administrative Agent, or any prospective assign or participant of a Lender or the Administrative Agent, in order to comply with any applicable CAML, whether now or hereafter in existence.

(B) If the Administrative Agent has ascertained the identity of each Canadian Credit Party or any authorized signatories of each Canadian Credit Party for the purposes of applicable CAML, then the Administrative Agent:

i. shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of applicable CAML legislation; and

ii. shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(C) Notwithstanding clause (B) and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent has no obligation to ascertain the identity of each Canadian Credit Party or any authorized signatories of each Canadian Credit Party on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from each Canadian Credit Party or any such authorized signatory in doing so.

14.2 German Credit Parties

(a) Additional Representations. Each German Borrower makes the following representations and warranties:

(i) Each German Credit Party (a) is a duly organized and validly existing corporation or other entity under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, except as would not reasonably be expected to result in a Material Adverse Effect, (b) has duly qualified and is authorized to do business in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect and (c) is in compliance with all Applicable Laws, except to the extent that the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

(ii) Each German Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each German Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such German Credit Party enforceable in accordance with its terms, subject in each case to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law) and any applicable Foreign Legal Reservations and Foreign Perfection Requirements.

(iii) Neither the execution, delivery or performance by any German Credit Party of the Credit Documents to which it is a party nor the compliance with the terms and provisions thereof nor the consummation of the financing transactions contemplated hereby and thereby will violate any provision of the Organizational Documents of such German Credit Party.

(iv) For the purposes of the Insolvency Regulation, except as set forth on Schedule 14.1, the centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) of each German Credit Party is situated in Germany, and it has no "establishment" (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction.

(v) With respect to each German Credit Party, the German Security Documents, are effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority security interest (subject to Liens permitted hereunder) in the German Security (as defined below) described therein, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of law, any legal reservations and perfection requirements.

(b) Net Payments in Respect of Credit Extensions to the German Borrowers

(i) Tax gross-up

(A) Any German Borrower or any other German Credit Party shall make all payments to be made by it without any Tax Deduction unless required by law. Any German Borrower shall promptly upon becoming aware that a German Credit Party must make a Tax Deduction, notify the Administrative Agent accordingly.

(B) If a Tax Deduction is required by law to be made by a German Credit Party, the amount of the payment due from that German Credit Party shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(C) A payment shall not be increased under paragraph (b)(i)(B) above by reason of a Tax Deduction on account of Taxes imposed by Germany, (x) if on the date on which the payment falls due, the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a German Qualifying Lender, but on that date that Lender is not or has ceased to be a German Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or German Treaty or any published practice or published concession of any relevant taxing authority, or (ii) the relevant Lender is a German Qualifying Lender and the relevant German Credit Party making the payment is able to demonstrate that the payment could have been made to the Lender without a Tax Deduction had that Lender complied with its obligations under paragraph b)(i)(D).

(D) A Lender and each German Credit Party which makes a payment to which that Lender is entitled, shall cooperate in completing or assisting with the completion of any procedural formalities necessary for that German Credit Party to obtain authorization to make that payment without a Tax Deduction and maintain that authorization where an authorization expires or otherwise ceases to have effect.

(E) If a German Credit Party is required to make a Tax Deduction, that German Credit Party shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(F) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, a German Credit Party making that Tax Deduction shall deliver to the Administrative Agent for the benefit of the Lender entitled to the payment evidence reasonably satisfactory to that Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(G) If a German Credit Party makes a Tax Payment and the relevant Lender determines, acting reasonably and in good faith, that it has obtained and utilized a Tax Credit or other similar Tax benefit which is attributable to that Tax Payment (or an increased payment of which that Tax Payment forms part), that Lender shall pay to the relevant German Credit Party such amount as that Lender determines, acting reasonably and in good faith, will leave that Lender (after that payment) in the same after-Tax position as it would have been in if the Tax Payment had not been made by that German Credit Party.

(H) Each Lender which becomes a party to this Agreement after the date of this Agreement as a Lender under a Loan made available to a German Borrower shall indicate in the relevant Assignment and Assumption or other document executed in connection with becoming a Lender whether it is (x) not a German Qualifying Lender, (y) a German Qualifying Lender (other than a German Treaty Lender), or (z) a German Treaty Lender. If a Lender which becomes a party to this Agreement after the date of this Agreement fails to indicate its status in accordance with this Section 14.2(b)(i)(H) then such Lender shall be treated for the purposes of this Agreement as if it is not a German Qualifying Lender until such time as it notifies the Administrative Agent which category applies.

(I) As used herein, the following capitalized terms shall have the meanings set forth below:

" **German Qualifying Lender** " means, in respect of a payment by or in respect of a German Borrower, a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under an Agreement or any payment under a Credit Document and is: (x) a lending through a Facility Office in Germany; or (y) a German Treaty Lender.

" **Facility Office** " means: (x) in respect of a Lender, the office or offices notified by that Lender to the Administrative Agent in writing on or before the date it becomes a Lender or the (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or (y) in respect of any other party to this Agreement which is not a Credit Party, the office in the jurisdiction in which it is resident for tax purposes.

" **German Treaty Lender** " means, in relation to a payment of interest by or in respect of a German Borrower under a Credit Document, a Lender which (x) is treated as a resident of a Treaty State for the purposes of the Treaty, and (y) does not carry on a business in Germany through a permanent establishment with which that Lender's participation in a Loan is effectively connected; and (z) fulfils any other conditions which must be fulfilled under the Treaty and the laws of Germany by residents of that Treaty State for such residents to obtain full exemption from taxation on interest in Germany (including the completion of any necessary procedural formalities.

" **Tax Credit** " means a credit against, relief or remission for, or repayment of, any Taxes.

" **Tax Deduction** " means a deduction or withholding from a payment under any Credit Document for and on account of any Taxes.

" **Tax Payment** " means in relation to any German Credit Party, either the increase in a payment made by that German Credit Party to a Lender under Section 14.2(b)(i) or a payment under Section 14.2(b)(ii).

" **Treaty State** " means a jurisdiction having a double taxation agreement (a " **Treaty** ") with Germany which makes provision for full exemption from tax imposed by Germany on interest.

(ii) Tax indemnity

(A) Each German Borrower shall (within three Business Days of demand by the Administrative Agent) pay to a Lender an amount equal to the loss, liability or cost which that Lender determines will be or has been (directly or indirectly) suffered for or on account of Taxes by that Lender in respect of any payment by or on account of any obligation of any German Credit Party under any Credit Document.

(B) Paragraph (ii)(A) above shall not apply:

(x) with respect to any Taxes assessed on a Lender

(aa) under the law of the jurisdiction in which such Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which such Lender is treated as resident for tax purposes; or

(bb) under the law of the jurisdiction in which such Lender is located in respect of amounts received or receivable in that jurisdiction

if such Taxes are imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by such Lender; or

(y) to the extent a loss, liability or cost:

(aa) is compensated for by an increased payment under Section 14.2(b)(i) (Tax gross-up); or

(bb) would have been compensated for by an increased payment under Section 14.2(b)(i) (Tax gross-up) but was not so compensated solely because one of the exclusions in Section 14.2(b)(i) (Tax gross-up) applied.

(C) A Lender making, or intending to make a claim under this Section 14.2(b)(ii)(A) above shall promptly notify the Administrative Agent of the event which will give, or has given, rise to the claim, following which the Administrative Agent shall notify the relevant German Borrower. A Lender shall, on receiving a payment from a German Borrower under this clause 14.2(b)(ii), notify the Administrative Agent.

(c) Additional Agreements

(i) For the purposes of the Insolvency Regulation, except as set forth on Schedule 14.1, (i) the centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) of each German Credit Party is situated in Germany, and it has no "establishment" (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction and (ii) no Foreign Credit Party (to the extent such Foreign Credit Party is subject to the Insolvency Regulation) has a centre of main interest other than as situated in its jurisdiction of incorporation.

(ii) For the purposes of any Collateral that is governed by German law (the " **German Security** "), the following additional provisions shall apply, in addition to the provisions otherwise set out hereunder or in any other Credit Document:

(A) Each Foreign Secured Party appoints the Collateral Agent as its agent and attorney (*Stellvertreter*) under or in connection with any German Security Document. The Collateral Agent accepts its appointment. Without limiting any other authorization granted hereunder or under any other provision set out in any Credit

Document or otherwise, the Collateral Agent shall in particular be entitled to enter into any German law governed pledge agreement in its own name as well as in the name of each Foreign Secured Party. For such purposes, each of the other Foreign Secured Parties releases the Collateral Agent from the restrictions imposed by Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any corresponding restriction set forth in other applicable jurisdictions, in each case, to the extent legally possible. Each Foreign Secured Party which is barred by its constitutional documents or by-laws from granting such relief shall notify the Collateral Agent accordingly.

(B) The Collateral Agent shall in case of German Security which is assigned (*Sicherungsabtretung*) or transferred as security (*Sicherungsübereignung*) or otherwise transferred under a non-accessory security right (*nichtakzessorische Sicherheit*) to it, hold, administer and, as the case may be, enforce or release such German Security in its own name, but for the account of the Foreign Secured Parties.

(C) In the case of German Security constituted by accessory security interest (*akzessorische Sicherheit*) created by way of pledge or other accessory instruments, the Collateral Agent shall hold (with regard to its own rights under the Section 14.2), administer and, as the case may be, enforce or release such German Security in its own name and, subject to the exercise of the authority conferred to pursuant to (A) above, on behalf of the Foreign Secured Parties.

(D) Each Foreign Secured Party hereby authorizes and instructs the Collateral Agent (with the right of sub delegation) to enter into any documents evidencing German Security and to make and accept all declarations and take all actions as it considers necessary or useful in connection with any German Security on behalf of the Foreign Secured Parties (other than the Collateral Agent). The Collateral Agent shall further be entitled to rescind, release, amend and/or execute new and different documents securing the German Security.

(E) Each Foreign Secured Party (other than the Collateral Agent) authorizes the Collateral Agent (whether or not by or through employees or agents) (i) to exercise such rights, remedies, powers and discretions as are specifically delegated to or conferred upon the Collateral Agent under the Credit Documents relating the German Security together with such powers and discretions as are reasonably incidental thereto; and (ii) to take such action on its behalf as may from time to time be authorized under or in accordance with the Credit Documents relating to the German Security.

(F) The Foreign Secured Parties and the Collateral Agent agree that all rights and claims constituted by the abstract acknowledgment of indebtedness pursuant to Section 14.5 (Parallel Debt) and all proceeds held by the Collateral Agent pursuant to or in connection with such Parallel Debt are held by the Collateral Agent with effect from the date of such Parallel Debt for the benefit of the Foreign Secured Parties and will be administered in accordance with the Credit Documents relating to any Foreign Obligations.

(G) Each Foreign Secured Party hereby ratifies and approves all acts and declarations previously done by the Collateral Agent on such Foreign Secured Party's behalf (including, for the avoidance of doubt the declarations made by the Collateral Agent as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) in relation to the creation of any pledge (*Pfandrecht*) on behalf and for the benefit of any Foreign Secured Party as future pledgee or otherwise).

(d) German Limitation Language

(i) Notwithstanding anything to the contrary in this Agreement or any other Credit Document, if and to the extent that any managing director (*Gesch ä ftsf ü hrer*) of a German Security Provider (or, in case of a GmbH & Co. KG, of its general partner) demonstrates in writing to the Administrative Agent by way of providing a certificate accompanied with background information satisfactory to the Administrative Agent acting reasonably that payment under a Cross- and Upstream Liability Obligation were to cause personal liability of such managing director based on mandatory restrictions imposed by German law relating to up-stream and cross-stream guarantees and/or collateral and/or payment, the Administrative Agent shall only be entitled to demand payment under the Cross- and Upstream Liability Obligation from the relevant German Security Provider up to the amount at which no such personal liability (as demonstrated by the managing director) would occur. In the event that the Administrative Agent is so restricted in demanding payment pursuant to this section, the relevant German Security Provider shall take all reasonable measures to mitigate the effect of such limitation and inform the Administrative Agent of any such measures accordingly. The German Security Provider shall at any time, upon the Administrative Agent's reasonable request, provide the Administrative Agent with further and updated evidence showing whether and to which extent its financial condition has improved. The Administrative Agent shall at all times remain entitled acting reasonably to make further demands under the Cross- and Upstream Liability Obligation as and when the financial condition of the relevant German Security Provider improves. The Foreign Secured Parties hereby authorize the Administrative Agent to rely on the information provided by the relevant German Security Provider.

(ii) Any evidence relating to financial information delivered by the relevant German Security Provider in connection with clause (i) above shall be prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* , " **HGB** ") consistently applied by the relevant German Security Provider (or in case of a GmbH & Co. KG, by its general partner) in preparing its unconsolidated balance sheets (*Jahresabschluss*) according to Section 42 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschr ä nkter Haftung*), Sections 242, 264 HGB in the previous years, save that

(A) loans provided to the relevant German Security Provider by the Parent Borrower or any of its Subsidiaries shall be disregarded, if and to the extent that such loans are subordinated or are considered subordinated by law or by contract at least to the rank pursuant to section 39 (1) No. 5 InsO; *provided* in each case that either

a. the German Security Provider (x) has, as consequence of enforcement of the Guarantee Obligations of that German Security Provider, a reimbursement claim against the relevant lender which can be set off and (y) is entitled to set off this reimbursement claim with the repayment claim under such loan, or

b. a waiver (*Erlass*) of such loans granted to the relevant German Security Provider (x) would be permitted under the Credit Documents and (y) would not result in personal liability of the directors of that lender or of any other affiliated company in case of a breach of capital maintenance rules under Section 30 GmbHG or any similar provision of any other jurisdiction applicable to it,

and further provided that in the case of clause a. and/or clause b. above such set-off or waiver (*Erlass*) is (factually) possible and achievable and permissible under Applicable Law (e.g. the relevant lender is itself in administration or cannot dispose of the relevant receivable because it is subject to security); and

(B) loans or other contractual liabilities incurred by the relevant German Security Provider in breach of this Agreement or any other Credit Document shall not be taken into account as liabilities.

(iii) The parties acknowledge and agree that the management of the relevant German Security Provider must at all times remain protected from personal liability, in particular based on breach of mandatory restrictions imposed by German law relating to up-stream and cross-stream guarantees and/or collateral and/or payments. Therefore, the parties agree, in particular with a view to uncertainty as regards the point in time which is relevant for the determination of free assets and therefore, whether such personal liability may be inferred, based on recent decisions of the German Supreme Court, to amend, re-negotiate (but also including potential deletion if no longer required) and / or adjust the foregoing paragraphs (i) and (ii) as appropriate for such purpose.

(iv) In addition to the above, it is agreed and acknowledged that payments and enforcement steps (each a " **Payment** ") in respect of the intra-group liabilities may be made, accepted and/or taken with respect to intra-group liabilities owed to an intra-group lender incorporated in Germany as a limited liability company or a limited partnership (in each case a " **German Intra-Group Lender** ") if and to the extent that such Payment is required for the avoidance of personal (criminal or civil) liability of the managing directors (*Geschäftsführer*) of the relevant German Intra -Group Lender (or its general partner, as the case may be) in connection with any breach of obligations under section 30 GmbHG.

(v) Definitions:

(A) " **German Security Provider** " shall mean any Credit Party incorporated under the laws of Germany in the legal form of a limited liability company (*Gesellschaft mit beschr ä nkter Haftung*) or a limited partnership with a limited liability company as its general partner (" **GmbH & Co. KG** ").

(B) " **Cross- and Upstream Liability Obligations** " shall mean any guarantee, security interest and indemnity or joint and several liability which secures any obligations owed by any other Credit Party who is an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 German Stock Corporation Act (*Aktiengesetz*) (in each case other than a direct or indirect Subsidiary of such German Security Provider). For the avoidance of doubt, any guarantee and indemnity or joint and several liability which secures any obligations owed in respect of (x) loans to the extent they are on-lent to the relevant German Security Provider or any of its direct or indirect Subsidiaries and such amount is not repaid or (y) bank guarantees, letters of credit or any other financial or monetary instrument issued for the benefit of any of the creditors of the relevant German Security Provider or any of its direct or indirect Subsidiaries shall not constitute Cross- and Upstream Liability Obligations.

14.3 Irish Credit Parties

(a) Additional Representations. The Irish Borrower makes the following representations and warranties:

(i) Each Irish Credit Party (a) is a duly incorporated and validly existing corporation or other entity in good standing (as applicable) under the laws of the jurisdiction of its incorporation and has the corporate or other power and authority to own its property and assets and to transact the business in which it is engaged, except as would not reasonably be expected to result in a Material Adverse Effect, (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect and (c) is in compliance with all Applicable Laws, except to the extent that the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

(ii) Each Irish Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or shareholder or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Irish Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such Irish Credit Party enforceable in accordance with its terms, subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements and the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(iii) Neither the execution, delivery or performance by any Irish Credit Party of the Credit Documents to which it is a party nor the compliance with the terms and provisions thereof nor the consummation of the financing transactions contemplated hereby and thereby will violate any provision of the Organizational Documents of such Irish Credit Party.

(iv) For the purposes of the Insolvency Regulation, except as set forth on Schedule 14.1, the centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) of each Irish Credit Party is situated in Ireland, and it has no "establishment" (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction.

(v) Each Foreign Credit Party is a member of the same group of companies consisting of a holding company and its subsidiaries (each within the meaning of Section 8 of the Companies Act 2014 of Ireland) for the purposes of section 243 of the Companies Act 2014 of Ireland.

(vi) No Foreign Credit Party which is a party to an Irish Security Document or has otherwise created a Lien over any asset situate in Ireland pursuant to an Irish Security Document is a "relevant external company" within the meaning of the Companies Act 2014 of Ireland.

(b) Net Payments in Respect of Credit Extensions to the Irish Borrower

(i) The Irish Borrower shall make all payments to be made by it without any deduction or withholding of any taxes unless required by law. The Irish Borrower shall promptly upon becoming aware that it must make a deduction or withholding of any taxes, notify the Administrative Agent accordingly.

(ii) If a deduction or withholding of any taxes is required by law to be made by the Irish Borrower, the amount of the payment due from the Irish Borrower shall be increased to an amount which (after making a deduction or withholding of any taxes) leaves an amount equal to the payment which would have been due if no deduction or withholding of any taxes, had been required.

(iii) A payment shall not be increased under paragraph (ii) above by reason of a deduction or withholding of any taxes imposed by Ireland, if on the date on which the payment falls due, the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been an Irish Qualifying Lender, but on that date that Lender is not or has ceased to be an Irish Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Irish Treaty or any published practice or published concession of any relevant taxing authority; or (B) the relevant Lender is an Irish Qualifying Lender solely on account of being an Irish Treaty Lender and the Irish Borrower making the payment is able to demonstrate that the payment could have been made to the Lender without deduction or withholding had that Lender complied with is obligations under Section 14.3(b)(vi)(D) below.

(iv) If the Irish Borrower is required to make a deduction or withholding of any taxes, that Irish Borrower shall make that deduction or withholding of any taxes and any payment required in connection with that deduction or withholding of any taxes within the time allowed and in the minimum amount required by law.

(v) Within thirty days of making either a deduction or withholding of any taxes or any payment required in connection with a deduction or withholding of any taxes, the Irish Borrower making that deduction or withholding of any taxes shall deliver to the Administrative Agent entitled to the payment evidence reasonably satisfactory to the Administrative Agent that a deduction or withholding of any taxes has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(vi) (A) Each Lender on or prior to the date it becomes a party hereto, shall inform the Administrative Agent whether it is an Irish Qualifying Lender by completing and providing to the Administrative Agent an Irish Qualifying Lender Confirmation. Each Lender shall upon reasonable written request from the Irish Borrower or the Administrative Agent, provide an updated Irish Qualifying Lender Confirmation.

(B) If a Lender fails to provide an Irish Qualifying Lender Confirmation in accordance with Section 14.3(b)(vi)(A) above then that Lender shall be treated for the purposes of the Agreement (including by the Irish Borrower) as if it is not an Irish Qualifying Lender until such time as it notifies the Irish Borrower which category applies.

(C) Each Lender upon reasonable written request from the Irish Borrower from time to time shall, if applicable, provide such information as may be required to enable the Irish Borrower to comply with the provision of Sections 891A, 891E, 891F and 891G of the Taxes Act (and any regulations made thereunder).

(D) A Lender that is an Irish Qualifying Lender solely on account of being an Irish Treaty Lender and the Irish Borrower which makes a payment to which that Irish Treaty Lender is entitled, shall co-operate in completing any procedural formalities necessary for that Lender obtain authorization to make that payment without any deduction or withholding of any Tax imposed by Ireland.

As used herein, the following capitalized terms shall have the meanings set forth below:

" **Irish Qualifying Lender** " means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under an Agreement or any Credit Document and is:

(a) a bank within the meaning of section 246 of the Irish Taxes Act which is carrying on a bona fide banking business in Ireland for the purposes of section 246(3)(a) of the Irish Taxes Act and whose Lending Office is located in Ireland; or

(b) (i) a body corporate that is resident for the purposes of tax in a member state of the European Communities (other than Ireland) or in a territory with which Ireland has an Irish Treaty that is in effect by virtue of section 826(1) of the Irish Taxes Act or in a territory with which Ireland has signed an Irish Treaty which will come into effect once all the ratification procedures set out in section 826(1) of the Irish Taxes

Act have been completed (residence for these purposes to be determined in accordance with the laws of the territory of which the Lender claims to be resident) where that member state or territory imposes a tax that generally applies to interest receivable in that member state or territory by companies from sources outside that member state or territory; or (ii) a company where interest payable in respect of an advance: (A) is exempted from the charge to income tax under a double taxation agreement having force of law under the procedures set out in section 826(1) of the Irish Taxes Act; or (B) would be exempted from the charge to Irish income tax under a an Irish Treaty entered into on or before the payment date of that interest if that Irish Treaty had the force of law under the provisions set out in section 826(1) of the Irish Taxes Act at that date; (iii) a United States of America (" **U.S.** ") company, provided the U.S. company is incorporated in the U.S. and taxed in the U.S. on its worldwide income; or (iv) or a U.S. Limited Liability Company (" **LLC** "), provided the ultimate recipients of the interest would, if they were themselves lenders, be Irish Qualifying Lenders within paragraph (b)(i) or (b)(ii) or (b)(iii) of this definition and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes; provided in each case at (i), (ii), (iii) or (iv) the Lender is not carrying on a trade or business in Ireland through an agency or branch with which the interest payment is connected; or

(c) an Irish Treaty Lender; or

(d) a body corporate: (a) which advances money in the ordinary course of a trade which includes the lending of money; and (b) in whose hands any interest payable in respect of monies so advanced is taken into account in computing the trading income of that company; and (c) which has complied with all of the provisions of section 246(5)(a) of the Irish Taxes Act, including making the appropriate notifications thereunder and (d) whose Lending Office is located in Ireland; or

(e) a qualifying company within the meaning of section 110 of the Taxes Act and whose Lending Office is located in Ireland; or

(f) an investment undertaking within the meaning of section 739B of the Taxes Act and whose Lending Office is located in Ireland.

" **Irish Qualifying Lender Confirmation** " means a certificate in the form set out in Exhibit G (*Form of Irish Qualifying Lender Confirmation*).

" **Irish Taxes Act** " means the Taxes Consolidation Act 1997 of Ireland (as amended).

" **Irish Treaty Lender** " means, subject to the completion of procedural formalities, a Lender which is treated as a resident of an Irish Treaty State for the purposes of a double taxation agreement and does not carry on a business in Ireland through a permanent establishment with which that Lender's participation in the Agreement or a Credit Document is effectively connected and fulfils any other conditions which must be fulfilled under an Irish Tax Treaty by residents of that Irish Treaty State for such residents to obtain full exemption from Tax imposed by Ireland on interest payable under an Agreement or any Credit Document except for this purpose it is assumed that there are fulfilled:

(i) any condition contained in the Irish Treaty which relates to the amount or terms of the Loan/or to there being or not being a special relationship between the Irish Borrower and a Lender or between both of them and another person by reason of which the amount of interest paid exceeds the amount which would have been paid in the absence of such relationship or to any other matter that is outside the control of the Lender; and

(ii) any necessary procedural formalities.

" **Irish Treaty State** " means a jurisdiction which has a double taxation agreement with Ireland (an "Irish Treaty") which is in effect and makes provision for full exemption from tax imposed by Ireland on interest.

(c) Additional Agreements

(i) For the purposes of the Insolvency Regulation, except as set forth on Schedule 14.1, (i) the centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) of each Irish Credit Party is situated in Ireland, and it has no "establishment" (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction and (ii) no Foreign Credit Party (to the extent such Foreign Credit Party is subject to the Insolvency Regulation) has a centre of main interest other than as situated in its jurisdiction of incorporation.

14.4 U.K. Credit Parties

(a) Additional Representations. The U.K. Borrower makes the following representations and warranties:

(i) Each U.K. Credit Party (a) is a duly incorporated and validly existing corporation or other entity in good standing (as applicable) under the laws of the jurisdiction of its incorporation and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged, except as would not reasonably be expected to result in a Material Adverse Effect, (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required to be so qualified, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect and (c) is in compliance with all Applicable Laws, except to the extent that the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

(ii) Each U.K. Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each U.K. Credit Party has duly executed and

delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such U.K. Credit Party enforceable in accordance with its terms, subject to the applicable Foreign Legal Reservations and Foreign Perfection Requirements and the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(iii) Neither the execution, delivery or performance by any U.K. Credit Party of the Credit Documents to which it is a party nor the compliance with the terms and provisions thereof nor the consummation of the financing transactions contemplated hereby and thereby will violate any provision of the Organizational Documents of such U.K. Credit Party.

(iv) For the purposes of the Insolvency Regulation, except as set forth on Schedule 14.1, the centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) of each U.K. Credit Party is situated in England and Wales, and it has no "establishment" (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction.

(v) No U.K. Credit Party is: (A) an employer (for the purposes of sections 38 to 51 of the *Pensions Act 2004* (UK)) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the *Pensions Schemes Act 1993* (UK)); or (B)"connected" with or an "associate" (as those terms are used in sections 38 and 43 of the *Pensions Act 2004* (UK)) of such an employer. No U.K. Borrower or U.K. Guarantor has been issued with Financial Support Direction or Contribution Notice in respect of any pension scheme.

(vi) Subject to Liens permitted under Section 10.2 and the applicable Foreign Legal Reservations and Foreign Perfection Requirements, each Foreign Security Document entered into by a U.K. Credit Party has or will have the ranking in priority which it is expressed to have in such Foreign Security Document and it is not subject to any prior ranking or pari passu ranking Liens.

(vii) As used herein, the following capitalized terms shall have the meanings set forth below:

" **Contribution Notice** " means a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004 (UK).

" **Financial Support Direction** " shall mean a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act 2004 (UK).

" **Pensions Regulator** " means the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004 (UK).

(b) Additional Agreements.

(i) With respect to any U.K. Credit Party, all pension schemes operated by or maintained for its benefit and/or any of its employees are fully funded based on the statutory funding objective under sections 221 and 222 of the *Pensions Act 2004 (UK)* where those requirements apply and that no action or omission is taken by any U.K. Credit Party in relation to such pension scheme which has or is reasonably likely to have a Material Adverse Effect (including the termination or commencement of winding-up proceedings of any such pension scheme or a U.K. Credit Party ceasing to employ any member of such a pension scheme).

(ii) Other than (i) by virtue of the acquisition of a Person or interest in a Person (the "Acquired Person/Interest") that is an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004 (UK)) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993 (UK)) or "connected" with or an "associate" of (as those terms are used in sections 38 or 43 of the Pensions Act 2004 (UK)) such an employer, in each case if such acquisition would not be expected to result in a Material Adverse Effect or (ii) by way of causing or allowing any such Acquired Person/Interest to become, or to merge, amalgamate, or consolidate with, a Credit Party provided that such action is consented to by the Administrative Agent (such consent not to be unreasonably withheld or delayed), each U.K. Credit Party shall ensure that it will not become an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004 (UK)) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993 (UK)) or "connected" with or an "associate" of (as those terms are defined in sections 38 or 43 of the Pensions Act 2004 (UK)) such an employer.

(iii) U.K. "Know Your Customer" Checks. If (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Closing Date; (ii) any change in the status of a U.K. Credit Party after the Closing Date; or (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, obliges the Administrative Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each U.K. Credit Party shall promptly upon the request of the Administrative Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Administrative Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Credit Documents. Each Lender shall promptly upon the request of the supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself) in order for the Administrative Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Credit Documents.

(c) Net Payments in Respect of Credit Extensions to the U.K. Borrower

(i) Definitions:

(A) " **CTA** " means the United Kingdom Corporation Tax Act 2009 (UK).

(B) **"Non-Bank Lender** " means:

(i) a Lender that falls within clause (i)2 of the definition of U.K. Qualifying Lender that is a party to this Agreement on the Closing Date (and has given a Tax Confirmation by entering into this Agreement on such date); and

(ii) a Lender which becomes a Lender after the date of this Agreement that gives a Tax Confirmation in the Assignment and Assumption which it executes on becoming a Lender.

(C) " **Tax Confirmation** " means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance to the U.K. Borrower is either:

i. a company resident in the United Kingdom for United Kingdom tax purposes; or

ii. a partnership each member of which is:

a) a company so resident in the United Kingdom; or

b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

(D) " **Tax Credit** " means a credit against, relief or remission for, or repayment of, any Taxes.

(E) " **Tax Deduction** " means a deduction or withholding from a payment under any Credit Document for and on account of any Taxes imposed by any taxing authority of the United Kingdom or any political subdivision thereof, other than any deduction or withholding pursuant to FATCA.

(F) " **Tax Payment** " means, in relation to the U.K. Borrower, either the increase in a payment made by the U.K. Borrower to a Lender under Section 14.4(c).

(G) " **U.K. Borrower DTTP Filing** " means an HM Revenue & Customs' Form DTTP2 duly completed and filed by the relevant U.K. Credit Party, which (a) where it relates to a U.K. Treaty Lender that is a Lender on the Closing Date, contains the scheme reference number and the jurisdiction of tax residence which is provided pursuant to Section 14.4(c)(ii)(B)(viii) and is filed with HM Revenue & Customs within thirty (30) days after the Closing Date; or (b) relates to a U.K. Treaty Lender that becomes a Lender after the Closing Date, contains the scheme reference number and the jurisdiction of tax residence in the Assignment and Assumption which that Lender executes, and is filed with HM Revenue & Customs within thirty (30) days after the date on which that Lender becomes a party to this Agreement.

(H) " **U.K. ITA** " means the United Kingdom Income Tax Act 2007 (UK).

(I) " **U.K. Qualifying Lender** " means:

i. a Lender (other than a Lender within clause (b) below) which is beneficially entitled to interest payable to that Lender in respect of an advance to the U.K. Borrower and is:

1) a Lender:

a) that is a bank (as defined for the purpose of section 879 of the U.K. ITA) making an advance; or

b) in respect of an advance by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that such advance was made,

and, in each case, which is within the charge to United Kingdom corporation tax with respect to any payments of interest made in respect of that advance; or

2) a Lender which is:

a) company resident in the United Kingdom for United Kingdom tax purposes;

b) a partnership, each member of which is:

c) a company so resident in the United Kingdom; or

d) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

e) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or

f) a U.K. Treaty Lender; or

ii. a building society (as defined for the purposes of section 880 of the ITA) making an advance.

(J) " **U.K. Treaty Lender** " means a Lender which:

i. is treated as a resident of a U.K. Treaty State for the purposes of the relevant U.K. Treaty;

ii. does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in any advance is effectively connected; and

iii. fulfills any conditions which must be fulfilled under the U.K. Treaty for residents of that U.K. Treaty State to obtain a full exemption from United Kingdom taxation on interest payable to that Lender by the Relevant Borrower subject to the completion of any necessary procedural formalities.

(K) " **U.K. Treaty State** " means a jurisdiction having a double taxation agreement (a " **U.K. Treaty** ") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

(ii) United Kingdom Tax Matters

(A) The provisions of this Section 14.4(c) shall only apply in respect of the U.K. Borrower under any Credit Document (a " **Relevant Borrower** ") to any Lender.

(B) Tax gross-up

i. Each Relevant Borrower shall make all payments to be made by it under any Credit Extension without any Tax Deduction unless a Tax Deduction is required by law.

ii. A Relevant Borrower shall, promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Administrative Agent accordingly. Similarly, a Lender shall promptly notify the Administrative Agent on becoming so aware in respect of a payment payable to that Lender. If the Administrative Agent receives such notification from a Lender it shall notify the Relevant Borrower.

iii. If a Tax Deduction is required by law to be made by a Relevant Borrower, the amount of the payment due from that Relevant Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

iv. A payment shall not be increased under clause (iii) above by reason of a Tax Deduction on account of Taxes imposed by the United Kingdom if, on the date on which the payment falls due:

1) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a U.K. Qualifying Lender, but on that date that Lender is not or has ceased to be a U.K. Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority;

2) the relevant Lender is a U.K. Qualifying Lender solely by virtue of clause (i)2 of the definition of the U.K. Qualifying Lender, and an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a " **Direction** ") under section 931 of the U.K. ITA which relates to the payment and that Lender has received from the Relevant Borrower making the payment a certified copy of that Direction; or

3) the relevant Lender is a U.K. Qualifying Lender solely by virtue of clause (i)2 of the definition of U.K. Qualifying Lender and the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Relevant Borrower, on the basis that the Tax Confirmation would have enabled the Relevant Borrower to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA.

v. If a Relevant Borrower is required to make a Tax Deduction, that Relevant Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

vi. Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Relevant Borrower making that Tax Deduction shall deliver to Administrative Agent for the benefit of the Lender entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

vii. Subject to clause (c)viii below, a U.K. Treaty Lender and the U.K. Borrower which makes a payment to which that U.K. Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that U.K. Borrower to obtain authorization to make that payment without a Tax Deduction.

viii.

1) A U.K. Treaty Lender which becomes a party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Administrative Agent and without liability to any Relevant Borrower) by notifying the U.K. Borrower of its scheme reference number and its jurisdiction of tax residence; and

2) a Lender which acquires an interest in a Credit Extension to the U.K. Borrower after the Closing Date which is a U.K. Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the Assignment and Assumption which it executes or otherwise notify the U.K. Borrower thereof,

and having done so, that Lender shall be under no obligation pursuant to this clause (c)viii.

ix. Nothing in clause (c)viii above shall require a U.K. Treaty Lender to: (A) register under the HMRC DT Treaty Passport scheme; or (B) apply the HMRC DT Treaty Passport scheme to any Credit Extension if it has so registered,

x. Where a Lender notifies the U.K. Borrower as described in clause (c)viii above and

1) the U.K. Borrower making a payment to that Lender has not made a U.K. Borrower DTTP Filing in respect of that Lender; or

2) the U.K. Borrower making a payment to that Lender has made a U.K. Borrower DTTP Filing in respect of that Lender but:

a) that U.K. Borrower DTTP Filing has been rejected by H.M. Revenue & Customs; or

b) H.M. Revenue & Customs has not given the U.K. Borrower authority to make payments to that Lender without a U.K. Tax Deduction within sixty (60) days after the date of the U.K. Borrower DTTP Filing,

c) H.M. Revenue & Customs gave but subsequently withdrew authority for the U.K. Borrower to make payments to that Lender without a U.K. Tax Deduction or such authority has otherwise terminated or expired or is due to otherwise terminate or expire within the next three months,

and in each case, the U.K. Borrower has notified the Lender in writing, that Lender and the U.K. Borrower shall co-operate in completing any additional procedural formalities necessary for the U.K. Borrower to obtain authorization to make that payment without a U.K. Tax Deduction.

xi. If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with Section (c)viii above, no U.K. Borrower shall make a U.K. Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment or its participation in any Credit Extension unless the Lender otherwise agrees.

xii. A U.K. Borrower shall, promptly on making a U.K. Borrower DTTP Filing, deliver a copy of the U.K. Borrower DTTP Filing to the Administrative Agent for delivery to the relevant Lender.

xiii. A U.K. Non-Bank Lender which becomes a Lender on the date of this Agreement is entered into gives a U.K. Tax Confirmation to the U.K. Borrower by entering into this Agreement.

xiv. A U.K. Non-Bank Lender shall promptly notify any relevant U.K. Borrower and the Administrative Agent if there is any change in the position from that set out in the Tax Confirmation.

xv. Each Lender which is a party to this Agreement as of the Closing Date confirms that it is a U.K. Qualifying Lender. Each Lender which acquires an interest in a Credit Extension to the U.K. Borrower after the Closing Date shall indicate, in the Assignment and Assumption which it executes on becoming a party, or otherwise notify the Administrative Borrower, and for the benefit of the Administrative Agent and without liability to the U.K. Borrower, which of the following categories it falls in:

1) not a Qualifying Lender;

2) a Qualifying Lender (other than a U.K. Treaty Lender); or

3) a U.K. Treaty Lender.

If a Lender which acquires an interest in a Credit Extension to the U.K. Borrower after the Closing Date fails to indicate its status in accordance with this (c)xv then such Lender shall be treated for the purposes of this Agreement (including by the U.K. Borrower) as if it is not a U.K. Qualifying Lender until such time as it notifies the Administrative Agent which category applies (and the Administrative Agent, upon receipt of such notification, shall inform the U.K. Borrower). For the avoidance of doubt, an Assignment and Assumption shall not be invalidated by any failure of a Lender to comply with this clause (c)xv.

xvi. Nothing in this clause (B) shall require a U.K. Treaty Lender to:

1) register under the HMRC DT Treaty Passport scheme; or

2) apply the HMRC DT Treaty Passport scheme to any advance if it has so registered.

(C) Tax indemnity

i. The Parent Borrower or any U.K. Credit Party shall indemnify and hold harmless the Administrative Agent, the Collateral Agent and each Lender within fifteen Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on the Administrative Agent, the Collateral Agent or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of any U.K. Credit Party party hereunder or under any other Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 14.4 payable or paid by such Agent or Lender and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth reasonable detail as to the amount of such payment or liability delivered to the Parent Borrower or any U.K. Credit Party by a Lender (with a copy to the Administrative Agent), the Administrative Agent or the Collateral Agent (as applicable) on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(D) Tax Credit. If a Relevant Borrower makes a Tax Payment and the relevant Lender determines that:

i. a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and

ii. such Lender has obtained and utilized that Tax Credit,

the relevant Lender shall pay an amount to the Relevant Borrower which that Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Relevant Borrower.

(E) Lender Status Confirmation. Each Lender which becomes a party to this Agreement after the date of this Agreement (" **New Lender** ") shall indicate, in the Assignment and Acceptance Agreement which it executes on becoming a party, and for the benefit of the Administrative Agent and without liability to any Relevant Borrower, which of the following categories it falls within:

i. not a U.K. Qualifying Lender;

ii. a U.K. Qualifying Lender (other than a U.K. Treaty Lender); or

iii. a U.K. Treaty Lender.

If a New Lender fails to indicate its status in accordance with this Section 14.4(c)(ii)(E), then such New Lender or Lenders (as appropriate) shall be treated for the purposes of this Agreement (including by each Relevant Borrower) as if it is not a U.K. Qualifying Lender until such time as it notifies the Administrative Agent which category of Qualifying Lender applies (and the Administrative Agent, upon receipt of such notification, shall inform the Relevant Borrower). For the avoidance of doubt, an Assignment and Acceptance shall not be invalidated by any failure of a New Lender to comply with this Section 14.4(c)(ii)(E).

(F) Value Added Tax

i. All amounts set out or expressed in a Credit Document to be payable by any party to any Lender which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to clause ii below, if VAT is or becomes chargeable on any supply made by any Lender to any party under a Credit Document, and the Lender or an Agent is required to account to the relevant authority for the VAT that party shall pay to that Agent or the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and the Agent or the Lender concerned shall promptly provide an appropriate VAT invoice to such party). If VAT is or becomes chargeable on any supply made by any Agent or a Lender (the " **Supplier** ") to any Agent or any other Lender (the " **Recipient** ") under a Credit Document, and any party other than the Recipient (the " **Subject Party** ") is required by the terms of any Credit Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of such VAT.

ii. Where a Credit Document requires any party to reimburse or indemnify an Agent or a Lender for any cost or expense, that party shall reimburse or indemnify (as the case may be) that Agent or such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Agent or such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

iii. Any reference in this Section 14.4(c)(ii)(F) to any party shall, at any time when such party is treated as a member of a group (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group or unity of which that party is a member for VAT purposes at the relevant time (the term "representative member" to have the same meaning as in the United Kingdom Value Added Tax Act 1994 or any other similar concept in any other jurisdiction).

iv. Except as otherwise expressly provided in Section 14.4(c)(ii)(F), a reference to "determines" or "determined" in connection with tax provisions contained in Section 1.2(h) means a determination made in the absolute discretion of the person making the determination.

(d) Appointment of Collateral Agent as Security Trustee.

(i) For the purposes of any Liens or Collateral created under any Foreign Security Documents governed by English law or by Irish law (the " **Relevant Security Documents** "), the following additional provisions shall apply.

(ii) The following expressions have the following meanings:

a. " **Appointee** " means any receiver, receiver and manager, administrator or other insolvency officer appointed in respect of any Foreign Credit Party or its assets.

b. " **Charged Property** " means the assets of the Foreign Credit Parties subject to a security interest under the Relevant Security Documents.

c. " **Delegate** " means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent (in its capacity as security trustee).

(iii) The Foreign Secured Parties appoint the Collateral Agent to hold the security interests constituted by the Relevant Security Documents on trust for the Foreign Secured Parties on the terms of the Credit Documents and the Collateral Agent accepts that appointment.

(iv) The Collateral Agent, its subsidiaries and associated companies may each retain for its own account and benefit any fee, remuneration and profits paid to it in connection with (i) its activities under the Credit Documents; and (ii) its engagement in any kind of banking or other business with any Foreign Credit Party.

(v) Nothing in this Agreement constitutes the Collateral Agent as a trustee or fiduciary of, nor shall the Collateral Agent have any duty or responsibility to, any Foreign Credit Party.

(vi) The Collateral Agent shall have no duties or obligations to any other person except for those which are expressly specified in the Credit Documents or mandatorily required by applicable law.

(vii) The Collateral Agent may, so long as an Event of Default has occurred and is continuing, appoint one or more Delegates on such terms (which may include the power to sub-delegate) and subject to such conditions as it thinks fit, to exercise and perform all or any of the duties, rights, powers and discretions vested in it by the Relevant Security Documents and shall not be obliged to supervise any Delegate or be responsible to any person for any loss incurred by reason of any act, omission, misconduct or default on the part of any Delegate, other than any loss arising from its gross negligence, willful misconduct or its breach of any Credit Document.

(viii) The Collateral Agent may (whether for the purpose of complying with any law or regulation of any overseas jurisdiction, or for any other reason) appoint (and subsequently remove) any person to act jointly with the Collateral Agent either as a separate trustee or as a co-trustee on such terms and subject to such conditions as the Collateral Agent thinks fit and with such of the duties, rights, powers and discretions vested in the Collateral Agent by the Relevant Security Documents as may be conferred by the instrument of appointment of that person.

(ix) The Collateral Agent shall notify the Lenders of the appointment of each Appointee (other than a Delegate).

(x) The Collateral Agent may pay reasonable remuneration to any Delegate or Appointee, together with any costs and expenses (including legal fees) reasonably incurred by the Delegate or Appointee in connection with its appointment. All such remuneration, costs and expenses shall be treated, for the purposes of this Agreement, as paid or incurred by the Collateral Agent.

(xi) Each Delegate and each Appointee shall have every benefit, right, power and discretion and the benefit of every exculpation (together " **Rights** ") of the Collateral Agent (in its capacity as security trustee) under the Relevant Security Documents, and each reference to the Collateral Agent (where the context requires that such reference is to the Collateral Agent in its capacity as security trustee) in the provisions of the Relevant Security Documents which confer Rights shall be deemed to include a reference to each Delegate and each Appointee.

(xii) Each Foreign Secured Party confirms its approval of the Relevant Security Documents and authorizes and instructs the Collateral Agent: (i) to execute and deliver the Relevant Security Documents; (ii) to exercise the rights, powers and discretions given to the Collateral Agent (in its capacity as security trustee) under or in connection with the Relevant Security Documents together with any other incidental rights, powers and discretions; and (iii) to give any authorizations and confirmations to be given by the Collateral Agent (in its capacity as security trustee) on behalf of the Foreign Secured Parties under the Relevant Security Documents.

(xiii) The Collateral Agent may accept without inquiry the title (if any) which any person may have to the Charged Property.

(xiv) Each other Foreign Secured Party confirms that it does not wish to be registered as a joint proprietor of any security interest constituted by a Relevant Security Document and accordingly authorizes: (a) the Collateral Agent to hold such security interest in its sole name (or in the name of any Delegate) as trustee for the Foreign Secured Parties; and (b) the Land Registry (or other relevant registry) to register the Collateral Agent (or any Delegate or Appointee) as a sole proprietor of such security interest.

(xv) Except to the extent that a Relevant Security Document otherwise requires, any moneys which the Collateral Agent receives under or pursuant to a Relevant Security Document may be: (a) invested in any investments which the Collateral Agent selects and which are authorized by applicable law; or (b) placed on deposit at any bank or institution (including the Collateral Agent) on terms that the Collateral Agent thinks fit, in each case in the name or under the control of the Collateral Agent, and the Collateral Agent shall hold those moneys, together with any accrued income (net of any applicable Tax) to the order of the Lenders, and shall pay them to the Lenders on demand.

(xvi) On a disposal of any of the Charged Property which is permitted under the Credit Documents, the Collateral Agent shall (at the cost of the Foreign Credit Parties) execute any release of the Relevant Security Documents or other claim over that Charged Property and issue any certificates of non-crystallization of floating charges that may be required or take any other action that the Collateral Agent considers desirable.

(xvii) The Collateral Agent shall not be liable for:

a. any defect in or failure of the title (if any) which any person may have to any assets over which security is intended to be created by a Relevant Security Document;

b. any loss resulting from the investment or deposit at any bank of moneys which it invests or deposits in a manner permitted by a Relevant Security Document;

c. the exercise of, or the failure to exercise, any right, power or discretion given to it by or in connection with any Credit Document or any other agreement, arrangement or document entered into, or executed in anticipation of, under or in connection with, any Credit Document; or

d. any shortfall which arises on enforcing a Relevant Security Document.

(xviii) The Collateral Agent shall not be obligated to:

a. obtain any authorization or environmental permit in respect of any of the Charged Property or a Relevant Security Document;

b. hold in its own possession a Relevant Security Document, title deed or other document relating to the Charged Property or a Relevant Security Document;

c. perfect, protect, register, make any filing or give any notice in respect of a Relevant Security Document (or the order of ranking of a Relevant Security Document), unless that failure arises directly from its own gross negligence or willful misconduct; or

d. require any further assurances in relation to a Relevant Security Document.

(xix) In respect of any Relevant Security Document, the Collateral Agent shall not be obligated to: (i) insure, or require any other person to insure, the Charged Property; or (ii) make any enquiry or conduct any investigation into the legality, validity, effectiveness, adequacy or enforceability of any insurance existing over such Charged Property.

(xx) In respect of any Relevant Security Document, the Collateral Agent shall not have any obligation or duty to any person for any loss suffered as a result of: (i) the lack or inadequacy of any insurance; or (ii) the failure of the Collateral Agent to notify the insurers of any material fact relating to the risk assumed by them, or of any other information of any kind, unless Required Lenders have requested it to do so in writing and the Collateral Agent has failed to do so within fourteen (14) days after receipt of that request.

(xxi) Every appointment of a successor Collateral Agent under a Relevant Security Document shall be by deed.

(xxii) Section 1 of the Trustee Act 2000 (UK) shall not apply to the duty of the Collateral Agent in relation to the trusts constituted by this Agreement.

(xxiii) In the case of any conflict between the provisions of this Agreement and those of the Trustee Act 1925 (UK) or the Trustee Act 2000 (UK), the provisions of this Agreement shall prevail to the extent allowed by law, and shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000 (UK).

(xxiv) The perpetuity period under the rule against perpetuities if applicable to this Agreement and any Relevant Security Document shall be 80 years from the Closing Date.

14.5 Parallel Debt

As used herein, (i) the term " **Corresponding Debt** " shall mean all Foreign Obligations, to the extent concerning an obligation to pay a sum of money, which any Foreign Credit Party owes to any Foreign Secured Party under the Credit Documents, the Secured Cash Management Agreements and the Secured Hedging Agreements and (ii) the term " **Parallel Debt** " shall mean any amount which a Foreign Credit Party owes to the Collateral Agent as a creditor in its own right and not as a representative of the other Foreign Secured Parties under this Section 14.5.

(a) Each Foreign Credit Party irrevocably and unconditionally undertakes to pay to the Collateral Agent amounts equal to, and in the currency or currencies of, its Corresponding Debt.

(b) The Parallel Debt of each Foreign Credit Party (i) shall become due and payable at the same time as its Corresponding Debt and (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.

(c) For purposes of this Section 14.5, the Collateral Agent: (i) is the sole, independent and separate creditor of each Parallel Debt, (ii) acts in its own name and not as agent, representative or trustee of the Foreign Secured Parties and its claims in respect of each Parallel Debt shall not be held in trust and (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(d) The Parallel Debt of a Foreign Credit Party shall be (i) decreased to the extent that its Corresponding Debt has been decreased in accordance with this Agreement, and (ii) increased to the extent that its Corresponding Debt has been increased in accordance with this Agreement, and the Corresponding Debt of a Foreign Credit Party shall be (i) decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged, and (ii) increased to the extent that its Parallel Debt has increased, in each case provided that the Parallel Debt of a Foreign Credit Party shall never exceed its Corresponding Debt.

(e) Without limiting or affecting the Collateral Agent's rights against any Foreign Borrower (whether under this Agreement or any other Credit Document, Secured Cash Management Agreement or a Secured Hedging Agreement), each Foreign Borrower acknowledges that (i) nothing in the Agreement or any Credit Document, Secured Cash Management Agreement or a Secured Hedging

Agreement shall impose any obligation of the Collateral Agent (other than in its capacity as a Lender) to advance any sum to any Foreign Borrower and (ii) for the purpose of any vote taken under any Credit Document, the Collateral Agent shall not be regarded as having any participation or commitment other than those which it has in its capacity as a Lender.

(f) Without limiting the generality of any provision of this Agreement, this Section 14.5 shall be binding on the successors and assigns of each Foreign Credit Party.

(g) This Section 14.5 applies for the purpose of determining the secured obligations under the Dutch Security Documents and the German Security Documents and shall, without prejudice to Section 13.12, be governed by Dutch law in relation to the Dutch Security Documents and German law in relation to the German Security Documents.

[*Signature Page Follows*]

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.

AVAYA HOLDINGS CORP. , as Holdings

By: /s/ John P. Sullivan
Name: John P. Sullivan
Title: Vice President - Finance and Corporate Treasurer

AVAYA INC. , as Parent Borrower

By: /s/ John P. Sullivan
Name: John P. Sullivan
Title: Vice President - Finance and Corporate Treasurer

AVAYA CANADA CORP. , as Canadian Borrower

By: /s/ John P. Sullivan
Name: John P. Sullivan
Title: Vice President and Treasurer

AVAYA UK , as U.K. Borrower

By: /s/ Ena Hunter
Name: Ena Hunter
Title: Director

AVAYA INTERNATIONAL SALES LIMITED , as the Irish Borrower

By: /s/ Michael Murphy
Name: Michael Murphy
Title: Director

CITIBANK, N.A., as Administrative Agent

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

[Signature Page to Avaya ABL Credit Agreement]

CITIBANK, N.A., as Lender, L/C Issuer and Swing Line Lender

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

[Signature Page to Avaya ABL Credit Agreement]

CITIBANK, N.A., CANADIAN BRANCH, as Canadian Swing Line Lender

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

[Signature Page to Avaya ABL Credit Agreement]

CITIBANK, N.A., LONDON BRANCH, as European Swing Line Lender

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

[Signature Page to Avaya ABL Credit Agreement]

GOLDMAN SACHS BANK USA, as Lender, and L/C Issuer

By: /s/ Robert Ehudin
Name: Robert Ehudin
Title: Authorized Signatory

[Signature Page to Avaya ABL Credit Agreement]

JPMORGAN CHASE BANK, N.A., as Lender and L/C Issuer

By: /s/ Nicolas Gitron-Beer
Name: Nicolas Gitron-Beer
Title: Vice President

[Signature Page to Avaya ABL Credit Agreement]

JPMORGAN CHASE BANK N.A., LONDON BRANCH, as Lender and Foreign L/C Issuer

By: /s/ Matthew Sparkes
Name: Matthew Sparkes
Title: Authorised Officer

[Signature Page to Avaya ABL Credit Agreement]

BARCLAYS BANK PLC, as Lender,

By: /s/ Chris Walter
Name: Chris Walter
Title: Director

[Signature Page to Avaya ABL Credit Agreement]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Lender

By: /s/ Vipul Dhadda
Name: Vipul Dhadda
Title: Authorized Signatory

By: /s/ Karim Rahimtoola
Name: Karim Rahimtoola
Title: Authorized Signatory

[Signature Page to Avaya ABL Credit Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH, as Lender

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

[Signature Page to Avaya ABL Credit Agreement]

HSBC BANK, National Association, as Lender,

By: /s/ Robert Mello
Name: Robert Mello
Title: Senior Vice President

[Signature Page to Avaya ABL Credit Agreement]

BANK OF AMERICA, N.A., as Lender, and Swing Line Lender

By: /s/ Phuong Nguyen
Name: Phuong Nguyen
Title: Vice President

[Signature Page to Avaya ABL Credit Agreement]

BANK OF AMERICA, N.A., CANADA BRANCH, as Lender

By: /s/ Sylwia Durkiewicz
Name: Sylwia Durkiewicz
Title: Vice President

[Signature Page to Avaya ABL Credit Agreement]

EXHIBIT A
TO THE CREDIT AGREEMENT

FORM OF NOTICE OF [BORROWING][CONVERSION][CONTINUATION]

To: Citibank, N.A., as Administrative Agent
[_____]
[_____]

Attention: [_____]

[ ], 201[___] [1]

Reference is hereby made to the ABL Credit Agreement dated as of December [•], 2017 (as the same may be amended, restated, amended and restated, supplemented, refinanced or otherwise modified from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the Lenders party thereto from time to time, the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent. Terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

[Avaya Inc.][Avaya International Sales Limited] (the " Borrower ") hereby gives revocable notice to the Administrative Agent, pursuant to Section 2.3 of the Credit Agreement, that the undersigned hereby requests a [Borrowing][conversion][continuation] under the Credit Agreement and sets forth below the information relating to such [Borrowing][conversion][continuation] (the " Proposed [Borrowing][conversion][continuation] "):

(i) The Business Day of the Proposed [Borrowing][conversion][continuation] is _____, 20 ___.

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1 Each Borrowing, each conversion of Revolving Credit Loans from one Type to the other, and each continuation of LIBOR Loans, EURIBOR Loans or CDOR Loans must be received by the Administrative Agent (i) not later than 12:00 noon (New York, New York time) (A) three (3) Business Days prior to the requested date of any Borrowing or continuation of LIBOR Loans denominated in Dollars or any conversion of ABR Loans to LIBOR Loans, (B) three (3) Business Days prior to the requested date of any Borrowing or continuation of CDOR Loans or any conversion of Canadian Prime Rate Loans to CDOR Loans, and (C) four (4) Business Days prior to the requested date of any Borrowing or continuation of LIBOR Loans denominated in Sterling or EURIBOR Loans, and (ii) not later than 11:00 a.m. (New York, New York time) on the requested date of any Borrowing of ABR Loans or Canadian Prime Rate Loans.

(ii) The Type of Loans comprising the Proposed [Borrowing][conversion][continuation] is [ABR Loans][LIBOR Loans][EURIBOR Loans][Canadian Prime Rate Loans][CDOR Loans].

(iii) The aggregate amount of the Proposed [Borrowing][conversion][continuation] is [$][C$][€][£] _____. [2]

[(iv) The location and number of the Borrower's account to which funds are to be disbursed is:

Bank: _____

ABA #: _____

Account #: _____

Account Name: _____] [3]

(v) [The initial Interest Period for each [LIBOR Loan][CDOR Loan][EURIBOR Loan] made as part of the Proposed Borrowing is _____month[s].] [4]

[At the time of each Borrowing and also after giving effect thereto (a) no Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by any Credit Party contained in any Credit Document shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of each such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).] [5]

Delivery of an executed counterpart of this Notice of [Borrowing][Conversion][Continuation] by telecopier shall be effective as delivery of an original executed counterpart of this Committed Loan Notice.

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2 Must be a minimum of $1,000,000 or a whole multiple of $500,000 in excess thereof for LIBOR Loans, CDOR Loans or EURIBOR Loan or a minimum of $500,000 or a whole multiple of $100,000 in excess thereof for ABR Loans or Canadian Prime Rate Loans.

3 To include for Borrowings after the Closing Date only.

4 To include for LIBOR Loans, CDOR Loans and EURIBOR Loans only. Interest Period shall, at the option of the Borrower, be a one, two, three or six or (if available to all Appropriate Lenders) a twelve month period or a period of less than one month.

5 To include for Borrowings after the Closing Date only.

[AVAYA INC.]
[AVAYA INTERNATIONAL SALES LIMITED]

By: _____
Name:
Title:

[Signature Page to Notice of [Borrowing][Conversion][Continuation]]

FORM OF SWING LINE LOAN NOTICE

To: Citibank, N.A., as Administrative Agent
[_____]
[_____]

Attention: [_____]

[ ], 201[___] [6]

Reference is hereby made to the ABL Credit Agreement dated as of December [•], 2017 (as the same may be amended, restated, amended and restated, supplemented, refinanced or otherwise modified from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the Lenders party thereto from time to time, the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent. Terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement.

[Avaya Inc.][Avaya International Sales Limited] (the " Borrower ") hereby gives irrevocable notice to the Administrative Agent, pursuant to Section 3.2(b) of the Credit Agreement, that the undersigned hereby requests a Swing Line Borrowing under the Credit Agreement and sets forth below the information relating to such Swing Line Borrowing (the " Proposed Swing Line Borrowing "):

(i) The Business Day of the Proposed Swing Line Borrowing is _____, 20 ___.

(ii) The aggregate amount of the Proposed Swing Line Borrowing is [$][C$][€][£] _____. [7]

---

6 Each Swing Line Loan Notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than (A) in the case of a U.S. Swing Line Loan, 1:00 p.m. (New York time), on the requested borrowing date, (B) in the case of a Canadian Swing Line Loan denominated in Dollars, 1:00 p.m. (New York time), on the requested borrowing date, (C) in the case of a Canadian Swing Line Loan denominated in Canadian Dollars, 11:00 a.m. (New York time), on the requested borrowing date, and (D) in the case of a European Swing Line Loan, 10:00 a.m. (London time), on the requested borrowing date.

7 Must be a minimum Dollar Amount of $100,000 or a whole multiple of $25,000 in excess thereof.

At the time of each Borrowing and also after giving effect thereto (a) no Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by any Credit Party contained in any Credit Document shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of each such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).

Delivery of an executed counterpart of this Swing Line Loan Notice by telecopier shall be effective as delivery of an original executed counterpart of this Swing Line Loan Notice.

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[AVAYA INC.]
[AVAYA INTERNATIONAL SALES LIMITED]

By: _____
Name:
Title:

[Signature Page to Swing Line Loan Notice]

EXHIBIT B
TO THE CREDIT AGREEMENT

FORM OF PROMISSORY NOTE

$ _____ New York, New York
[_____, 20 ___]

FOR VALUE RECEIVED, the undersigned, [Avaya Inc., a Delaware corporation][Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia][Avaya UK, a company incorporated in England and Wales with company number 03049861][Avaya International Sales Limited, a][Avaya Deutschland GmbH, a][Avaya GmbH & Co. KG, a limited partnership] (the " Borrower "), hereby unconditionally promises to pay to [Lender] or its registered assigns (the " Lender "), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of (a) [AMOUNT] [($[ ])], or, if less, (b) the aggregate unpaid principal amount, if any, of Loans made by the Lender to the Borrower under that certain ABL Credit Agreement, dated as of December [___], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "; capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement), among Avaya Holdings Corp., a Delaware corporation, the Parent Borrower, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the Lenders party thereto from time to time, the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent.

The Borrower hereby further promises to pay interest on the unpaid principal amount of the Loan made by the Lender from the date of such Revolving Credit Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's office or such other place as the Administrative Agent shall have specified. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) at the Default Rate. The Loans evidenced hereby are subject to prepayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

This promissory note (this " Promissory Note ") is one of the promissory notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. The Loans evidenced hereby are guaranteed and secured as provided therein and in the other Credit Documents.

The Borrower, for itself, its successors and assigns, hereby waives presentment, protest, demand and notice of any kind whatsoever in connection with of this Promissory Note.

All payments in respect of the principal of and interest on this Promissory Note shall be made to the Person recorded in the Register as the holder of this Promissory Note, as described more fully in Section 2.5(e) of the Credit Agreement, and such Person shall be treated as the Lender hereunder for all purposes of the Credit Agreement.

THIS PROMISSORY NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[*Signature page follows*]

[AVAYA INC.]
[AVAYA CANADA CORP.]
[AVAYA UK]
[AVAYA INTERNATIONAL SALES LIMITED]
[AVAYA DEUTSCHLAND GMBH]
[AVAYA GMBH & CO. KG]

By: _____
Name:
Title:

[Signature Page to Promissory Note]

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C
TO THE CREDIT AGREEMENT

FORM OF U.S. GUARANTEE

[See attached]

GUARANTEE

U.S. GUARANTEE dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, this " **Guarantee** "), is made by each of the signatories listed on the signature pages hereto and each of the other entities that becomes a party hereto pursuant to Section 19 (the " **Guarantors** " and each, individually, a " **Guarantor** "), in favor of Citibank, N.A., as the Administrative Agent (as defined below) for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, the Company (as defined herein) is party to the ABL Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " **Credit Agreement** ") among AVAYA HOLDINGS CORP., a Delaware corporation (" **Avaya Holdings** "), in its capacity as Holdings, AVAYA INC., a Delaware corporation (the " **Parent Borrower** ", or the " **Company** "), AVAYA CANADA CORP., an unlimited liability company organized under the laws of the province of Nova Scotia (the " **Canadian Borrower** "), AVAYA UK, a company incorporated in England and Wales with company number 03049861 (the " **U.K. Borrower** "), AVAYA INTERNATIONAL SALES LIMITED, a private company limited by shares incorporated under the laws of Ireland with registered number 342279 (the " **Irish Borrower** "), AVAYA DEUTSCHLAND GMBH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany (" **Avaya Deutschland** "), AVAYA GMBH & CO. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany (" **Avaya KG** ", and together with Avaya Deutschland, the " **German Borrowers** "), the lending institutions from time to time parties thereto (the " **Lenders** "), Citibank, N.A., as Administrative Agent (in such capacity, the " **Administrative Agent** ") and as Collateral Agent (in such capacity, the " **Collateral Agent** "), the lending institutions named therein as L/C Issuers and Swing Line Lenders, and the other agents and entities party thereto, pursuant to which, among other things, the Lenders have severally agreed to make Revolving Credit Loans to the Borrowers and the L/C Issuers have agreed to issue Letters of Credit for the account of the Borrowers (collectively, the " **Extensions of Credit** ") upon the terms and subject to the conditions set forth therein and Cash Management Banks or Hedge Banks may from time to time enter into Secured Cash Management Agreements and Secured Hedging Agreements;

WHEREAS, the Company is a wholly-owned Subsidiary of Holdings and each Guarantor (other than Holdings or the Company) (each, a " **Subsidiary Guarantor** ") is a direct or indirect Wholly Owned Domestic Subsidiary of the Company;

WHEREAS, each Guarantor acknowledges that it has derived or will derive substantial direct and indirect benefit from the making of the Extensions of Credit and the provision of the Secured Cash Management Agreements and Secured Hedge Agreements; and

WHEREAS, it is a condition precedent to the Closing Date under the Credit Agreement that the Guarantors shall have executed and delivered this Guarantee to the Administrative Agent;

NOW, THEREFORE, in consideration of the premises and agreements set forth herein and to induce (i) the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the respective Lenders to make their respective Extensions of Credit to the Company under the Credit Agreement, (ii) each Cash Management Bank to enter into Secured Cash Management Agreements and (iii) each Hedge Bank to enter into Secured Hedging Agreements, the Guarantors hereby agree with the Administrative Agent, for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following terms have the following meanings:

" **Qualified ECP Guarantor** " shall mean, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

" **Termination Date** " shall mean the earliest date on which all Obligations are repaid in full (except for Hedging Obligations in respect of any Secured Hedging Agreement, Cash Management Obligations in respect of Secured Cash Management Agreements and Contingent Obligations) and all Commitments are terminated.

(c) Sections 1.2, 1.3, 1.4, 1.5, 1.6 and 1.7 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis* .

2. Guarantee.

(a) Subject to the provisions of Section 2(b), each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Secured Parties, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations of anyone other than such Guarantor (including amounts that would become due but for operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)).

(b) Anything herein or in any other Credit Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Credit Documents shall in no event exceed the amount that can be guaranteed by such Guarantor under the Bankruptcy Code or any Applicable Laws relating to fraudulent conveyances, fraudulent transfers or the insolvency of debtors.

(c) Each Guarantor further agrees to pay any and all reasonable and documented out-of-pocket costs and expenses (including all reasonable and documented out-of-pocket fees, disbursements and other charges) of Advisors that may be paid or incurred by the Administrative Agent or the Collateral Agent or any other Secured Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, such Guarantor under this Guarantee, in each case within thirty (30) days after written demand therefor and in accordance with, and subject to the limitations on reimbursement of costs and expenses set forth in Section 13.5 of the Credit Agreement.

(d) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any other Secured Party hereunder.

(e) No payment or payments made by the Company, any of the other Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any other Secured Party from the Company, any of the other Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, which shall, notwithstanding any such payment or payments, other than payments made by such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations, remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the occurrence of the Termination Date.

(f) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any other Secured Party on account of its liability hereunder, it will notify the Administrative Agent in writing that such payment is made under this Guarantee for such purpose, but the failure to notify the Administrative Agent of any such payment will not create a breach or default hereunder or result in any liability to such Guarantor.

3. Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder (including by way of set-off rights being exercised against it), such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who 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 5 hereof. The provisions of this Section 3 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent and the other Secured Parties, and each Subsidiary Guarantor shall remain liable to the Administrative Agent and the other Secured Parties up to the maximum liability of such Guarantor hereunder.

4. Right of Set-off. In addition to any rights and remedies of the Secured Parties provided by law, each Guarantor hereby irrevocably authorizes each Secured Party at any time

and from time to time following the occurrence and during the continuance of an Event of Default, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to the extent permitted by Applicable Law, upon any amount becoming due and payable by such Guarantor hereunder (whether at stated maturity, by acceleration or otherwise) to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Guarantor. Each Secured Party shall notify such Guarantor promptly of any such set-off and the appropriation and application made by such Secured Party, provided that the failure to give such notice shall not affect the validity of such set-off and application.

5. No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or appropriation and application of funds of any of the Guarantors by the Administrative Agent or any other Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights (or if subrogated by operation of law, such Guarantor hereby waives such rights to the extent permitted by Applicable Law) of the Administrative Agent or any other Secured Party against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any other Secured Party for the payment of any of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, in each case, until the Termination Date. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to the Termination Date, such amount shall be held by such Guarantor for the Administrative Agent and the other Secured Parties and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in accordance with Section 11.11 of the Credit Agreement.

6. Amendments, etc. with Respect to the Obligations; Waiver of Rights. Unless and until the Termination Date has occurred or, with respect to any Guarantor, such Guarantor shall be released in accordance with Section 7(c), each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, (a) any demand for payment of any of the Obligations made by the Administrative Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Secured Party, (c) the Credit Agreement, the other Credit Documents and any other documents executed and delivered in connection therewith, the Secured Cash Management Agreements and Secured Hedging Agreements, and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, as the case may be, or, in the case of any Secured Cash Management Agreement or Secured Hedging Agreement, the party thereto)

may deem advisable from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of any of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any Guarantor, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on the Company or any Guarantor or any other Person, and any failure by the Administrative Agent or any other Secured Party to make any such demand or to collect any payments from the Company or any Guarantor or any other Person or any release of the Company or any Guarantor or any other Person shall not relieve any Guarantor in respect of which a demand or collection is not made or any Guarantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any other Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. Guarantee Absolute and Unconditional.

(a) To the fullest extent permitted by Applicable Law, each Guarantor waives any and all notice of the creation, contraction, incurrence, renewal, extension, amendment, waiver or accrual of any of the Obligations, and notice of or proof of reliance by the Administrative Agent or any other Secured Party upon this Guarantee or acceptance of this Guarantee. All Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended, waived or accrued, in reliance upon this Guarantee, and all dealings between the Company and any of the other Guarantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. To the fullest extent permitted by Applicable Law, each Guarantor waives diligence, promptness, presentment, protest and notice of protest, demand for payment or performance, notice of default or nonpayment, notice of acceptance and any other notice in respect of the Obligations or any part of them, and any defense arising by reason of any disability or other defense of the Company or any of the other Guarantors with respect to the Obligations (other than the defense that the Termination Date has occurred or release of such Guarantor in accordance with Section 12.13 of the Credit Agreement). Each Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Credit Agreement, any other Credit Document, any Secured Cash Management Agreement, or Secured Hedging Agreement, any of the Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any other Secured Party, (b) any defense, set-off or counterclaim (other than the defense that the Termination Date has occurred or release of such Guarantor in accordance with Section 12.13 of the Credit Agreement) that may at any time be available to or be asserted by the Company against the Administrative Agent or any other Secured Party or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of the Company for the Obligations, or of such Guarantor under this Guarantee, in bankruptcy or in any other instance (in each case,

other than the occurrence of the Termination Date). When pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent and any other Secured Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Company or any Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any other Secured Party to pursue such other rights or remedies or to collect any payments from the Company or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the other Secured Parties against such Guarantor.

(b) This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof and shall inure to the benefit of the Administrative Agent and the other Secured Parties and their respective successors, indorsees, transferees and assigns until the Termination Date.

(c) A Guarantor shall automatically be released from its obligations hereunder, and the Guarantee of such Guarantor shall be automatically released, under the circumstances described in Section 12.13 of the Credit Agreement.

8. Reinstatement. Notwithstanding anything to the contrary contained herein, this Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

9. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim. Each Guarantor agrees that the provisions of Sections 5.4 and 13.19 of the Credit Agreement shall apply to such Guarantor's obligations under this Guarantee.

10. Representations and Warranties; Covenants.

(a) Each Guarantor hereby represents and warrants that the representations and warranties set forth in Section 8 of the Credit Agreement as they relate to such Guarantor and in the other Credit Documents to which such Guarantor is a party, all of which are hereby incorporated herein by reference, are true and correct in all material respects as of the Closing Date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date), and the Administrative Agent and each other Secured Party shall be entitled to rely on each of them as if they were fully set forth herein.

(b) Each Guarantor hereby covenants and agrees with the Administrative Agent and each other Secured Party that, from and after the date of this Guarantee until the Termination Date, such Guarantor shall take, or shall refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Section 9 or Section 10 of the Credit Agreement and so that no Default or Event of Default, is caused by any act or failure to act of such Guarantor or any of its Restricted Subsidiaries.

11. Authority of the Administrative Agent.

(a) The Administrative Agent enters into this Guarantee in its capacity as agent for the Secured Parties from time to time. The rights and obligations of the Administrative Agent under this Guarantee at any time are the rights and obligations of the Secured Parties at that time. Each of the Secured Parties has (subject to the terms of the Credit Documents) a several entitlement to each such right, and a several liability in respect of each such obligation, in the proportions described in the Credit Documents. The rights, remedies and discretions of the Secured Parties, or any of them, under this Guarantee may be exercised by the Administrative Agent. No party to this Guarantee is obliged to inquire whether an exercise by the Administrative Agent of any such right, remedy or discretion is within the Administrative Agent's authority as agent for the Secured Parties.

(b) Each party to this Guarantee acknowledges and agrees that any changes (in accordance with the provisions of the Credit Documents) in the identity of the Persons from time to time comprising the Secured Parties gives rise to an equivalent change in the Secured Parties, without any further act. Upon such an occurrence, the Persons then comprising the Secured Parties are vested with the rights, remedies and discretions and assume the obligations of the Secured Parties under this Guarantee. Each party to this Guarantee irrevocably authorizes the Administrative Agent to give effect to the change in Lenders contemplated in this Section 11(b) by countersigning an Assignment and Acceptance.

(c) Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be liable to any party for any action taken or omitted to be taken by any of them under or in connection with this Guarantee or any other Credit Document (except for its or such other Person's own gross negligence, willful misconduct, bad faith or material breach of any Credit Document, each as determined in the final non-appealable judgment of a court of competent jurisdiction).

12. Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to any Guarantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

13. Counterparts. This Guarantee may be executed by one or more of the parties to this Guarantee on any number of separate counterparts (including by facsimile or other electronic transmission (e.g. a "pdf" or "tif" file)), and all of said counterparts taken together shall be deemed to be originals and shall constitute one and the same instrument.

14. Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

15. Integration. This Guarantee, together with the Credit Agreement and the other Credit Documents, represents the agreement of each Guarantor, the Administrative Agent and the other Secured Parties with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Guarantors, the Administrative Agent or any other Secured Party relative to the subject matter hereof not expressly set forth or referred to herein, in the Credit Agreement or in the other Credit Documents.

16. Amendments in Writing; No Waiver; Cumulative Remedies.

(a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except in accordance with Section 13.1 of the Credit Agreement.

(b) Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 16(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or any Secured Party would otherwise have on any future occasion.

(c) The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

17. Section Headings. The Section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

18. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Administrative Agent or as otherwise permitted by the Credit Agreement.

19. Additional Guarantors. Each Subsidiary of the Company that is required to become a party to this Guarantee pursuant to Section 9.11 of the Credit Agreement shall become a Guarantor, with the same force and effect as if originally named as a Guarantor herein, for all purposes of this Guarantee upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex A hereto or in such other form reasonably satisfactory to the Administrative Agent. The execution and delivery of any instrument adding an additional Guarantor as a party to this Guarantee shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guarantee.

20. WAIVER OF JURY TRIAL. EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

21. Submission to Jurisdiction; Waivers; Service of Process. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Guarantee and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by Applicable Law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to (i) the Administrative Agent at its address set forth in Section 13.2 of the Credit Agreement or (ii) any Guarantor in care of the Company at the Company's address set forth in the Credit Agreement, and each Guarantor hereby irrevocably authorizes and directs the Company to accept such service on its behalf;

(d) agrees that nothing herein shall affect the right of any party hereto or any Secured Party to effect service of process in any other manner permitted by law or shall limit the right of any party hereto or any Secured Party to sue in any other jurisdiction;

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 21 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final judgment in any 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 Applicable Law.

Each Guarantor hereby irrevocably and unconditionally appoints the Company as its agent for service of process in any suit, action or proceeding with respect to this Guarantee and agrees that service of process in any such suit, action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Guarantor in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

22. GOVERNING LAW. THIS GUARANTEE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

23. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honor all of its obligations under this Guarantee in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable for the maximum amount of such liability that can be hereby incurred without rendering its obligations hereunder voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Each Qualified ECP Guarantor intends that this Section 23 constitute, and this Section 23 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

24. Swap Obligations. Notwithstanding anything to the contrary contained herein or in the other Credit Documents, if a Swap Obligation arises under a Master Agreement governing more than one "swap", the exclusion set forth in the definition of Excluded Swap Obligation in the Credit Agreement with respect to such Swap Obligation shall apply only to the portion of such Swap Obligation that is attributable to swaps for which this Guarantee or a security interest is or becomes illegal.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer or other representative as of the day and year first above written.

AVAYA HOLDINGS, CORP., as a Guarantor

By: _____
Name:
Title:

AVAYA INC., as a Guarantor

By: _____
Name:
Title:

[SUBSIDIARY GUARANTORS]

By: _____
Name:
Title:

CITIBANK, N.A., as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signature Page to Guarantee]

SUPPLEMENT (this " **Supplement** "), dated as of [ ], to the GUARANTEE dated as of [ ], among each of the Persons listed on the signature pages thereto (each such Person individually, a " **Guarantor** " and, collectively, the " **Guarantors** "), and Citibank, N.A., as Administrative Agent for the benefit of the Secured Parties.

A. Reference is made to the Credit Agreement, dated as of December [ ], 2017 (as the same may be amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " **Credit Agreement** ") among Avaya Inc., a Delaware corporation (the " **Company** "), Avaya Holdings, Corp., a Delaware corporation (" **Holdings** "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated in England and Wales with company number 03049861, Avaya International Sales Limited, a private company limited by shares incorporated under the laws of Ireland with registered number 342279, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the lending institutions from time to time parties thereto (the " **Lenders** "), Citibank, N.A., as Administrative Agent and as Collateral Agent, and the other agents and entities from time to time party thereto.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Guarantee.

C. The Guarantors have entered into the Guarantee in order to induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Company under the Credit Agreement and to induce one or more Cash Management Banks or Hedge Banks to enter into Secured Cash Management Agreements and Secured Hedging Agreements.

D. Section 9.11 of the Credit Agreement and Section 19 of the Guarantee provide that additional Subsidiaries may become Guarantors under the Guarantee by execution and delivery of an instrument in the form of this Supplement. Each undersigned Subsidiary (each a " **New Guarantor** ") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Guarantor under the Guarantee in order to induce the Lenders to make additional Extensions of Credit, and to induce one or more Cash Management Banks or Hedge Banks to enter into Secured Cash Management Agreements and Secured Hedging Agreements, and as consideration for Extensions of Credit previously made.

Accordingly, the Administrative Agent and each New Guarantor agree as follows:

SECTION 1. In accordance with Section 19 of the Guarantee, each New Guarantor by its signature below becomes a Guarantor under the Guarantee with the same force and effect as if originally named therein as a Guarantor and each New Guarantor hereby (a) agrees to all the terms and provisions of the Guarantee applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof (except where

such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date). Each reference to a Guarantor in the Guarantee shall be deemed to include each New Guarantor. The Guarantee is hereby incorporated herein by reference.

SECTION 2. Each New Guarantor represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to be an original and shall constitute one and the same instrument.

SECTION 4. Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Guarantee, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to each New Guarantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Guarantor and the Administrative Agent have duly executed this Supplement to the Guarantee as of the day and year first above written.

_____,
as a Guarantor

By: _____
Name: _____
Title: _____

CITIBANK, N.A., as Administrative Agent

By: _____
Name: _____
Title: _____

[Signature Page to Supplement to Guarantee]

EXHIBIT D
TO THE CREDIT AGREEMENT

FORM OF U.S. SECURITY AGREEMENT

[See attached]

ABL SECURITY AGREEMENT

among

AVAYA HOLDINGS CORP.,

AVAYA INC.,

the other Grantors from time to time party hereto

and

CITIBANK, N.A.,

as Collateral Agent

Dated as of December 15, 2017

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ABL SECURITY AGREEMENT

THIS ABL SECURITY AGREEMENT dated as of December 15, 2017, among Avaya, Inc., a Delaware corporation (the " **Company** "), Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), each of the Subsidiaries of the Company listed on the signature pages hereto or that becomes a party hereto pursuant to Section 8.13 (each such entity being a " **Subsidiary Grantor** " and, collectively, the " **Subsidiary Grantors** "; the Subsidiary Grantors, the Company and Holdings are referred to collectively as the " **Grantors** "), and Citibank, N.A., as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " **Collateral Agent** ") for the benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, Holdings, the Company and the other Grantors have entered into that certain ABL Credit Agreement, dated as of the date hereof (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " **Credit Agreement** "), among the Company, Holdings, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership existing under the laws of Germany, the lending institutions from time to time parties thereto, the lending institutions named therein as L/C Issuers and Swing Line Lenders and the Collateral Agent;

WHEREAS, Holdings, the Company (other than with respect to its own Obligations) and each Subsidiary Grantor is a Guarantor;

WHEREAS, each Grantor acknowledges that it has or will derive substantial direct and indirect benefit from entering into the Credit Documents to which it is a party; and

WHEREAS, it is a condition precedent to the effectiveness of the transactions contemplated by the Credit Agreement that the Grantors shall have executed and delivered this Security Agreement to the Collateral Agent;

NOW, THEREFORE, in consideration of the premises and to induce (i) the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the respective Lenders to make their respective extensions of credit to the Company and the other Borrowers under the Credit Agreement, (ii) each Cash Management Bank to enter into Secured Cash Management Agreements, (iii) each Hedge Bank to enter into Secured Hedging Agreements with the Company and/or its Subsidiaries and (iv) the L/C Issuers to issue Letters of Credit on behalf of the Borrowers, the Grantors hereby agree with the Collateral Agent, for the benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement (if in effect as of any date of determination).

(b) Terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC, including the following terms (which are capitalized herein): Account, Certificated Securities, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Money and Supporting Obligations.

(c) The following terms shall have the following meanings:

" **Collateral** " shall have the meaning provided in Section 3.

" **Collateral Account** " shall mean any collateral account established by the Collateral Agent as provided in Section 6.1(b) or Section 6.4.

" **Collateral Agent** " shall have the meaning provided in the preamble to this Security Agreement.

" **Copyright License** " shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by any Grantor (including all Copyrights) or that any Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

" **Copyrights** " shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all copyrights, whether as author, assignee, transferee or otherwise, including copyrights in Software, and (ii) all registrations and applications for registration of any such copyright, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office or similar offices in any other jurisdiction, including those U.S. registered copyrights owned by any Grantor and listed on Schedule 1.

" **Credit Agreement** " shall have the meaning provided in the preamble to this Security Agreement.

" **Grantor** " shall have the meaning assigned to such term in the recitals hereto.

" **Intellectual Property** " shall mean all intellectual property, including all (i) (a) Patents, inventions, processes, developments, technology and know-how; (b) Copyrights; (c) Trademarks; (d) Trade Secrets; (e) Licenses; (f) proprietary rights in Software, data, databases and proprietary rights in confidential or non-public information; and (g) all other intellectual property rights, and (ii) all rights, priorities and privileges related thereto and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all Proceeds therefrom.

" **Lenders** " shall mean the lending institutions from time to time parties to the Credit Agreement.

" **License** " shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which any Grantor is a party.

" **Patent License** " shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Grantor (including all Patents) or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

" **Patents** " shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all patents, all registrations and recordings thereof, and all applications for patents, including issuances, recordings and pending applications in the United States Patent and Trademark Office or similar offices in any other jurisdiction, and (b) all reissues, reexaminations, continuations, divisions, continuations-in-part, or extensions thereof, and the inventions, discoveries or designs disclosed or claimed therein, including, those U.S. patents and applications therefor owned by any Grantor and listed on Schedule 2.

" **Pledged Debt** " shall have the meaning provided in Section 2.

" **Pledged Collateral** " shall have the meaning provided in Section 2.

" **Pledged Interest** " shall have the meaning provided in Section 2.

" **Pledged Shares** " shall have the meaning provided in Section 2.

" **Proceeds** " shall mean all "proceeds" as such term is defined in Article 9 of the UCC and, in any event, shall include with respect to any Grantor, any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include (a) all cash and negotiable instruments received by or held on behalf of the Collateral Agent, (b) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor included in the Collateral, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Grantor included in the Collateral or injury to the goodwill associated with or symbolized thereby, (iii) past, present or future infringement of any Copyright included in the Collateral now or hereafter owned by any Grantor, (iv) past, present or future misappropriation or violation of any other Intellectual Property included in the Collateral now or hereafter owned by any Grantor, or (v) past, present or future breach of any License included in the Collateral now or hereafter to which any Grantor is a party, and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

" **Security Agreement** " shall mean this ABL Security Agreement, as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time.

" **Security Interest** " shall have the meaning provided in Section 3.

" **Software** " shall mean computer programs, object code, source code and supporting documentation, including, without limitation, "software" as such term is defined in UCC and computer programs that may construed as included in the definition of "goods" in the UCC, together with all media upon which it is located.

" **Termination Date** " shall mean the earliest date on which all Obligations are repaid in full (except for Hedging Obligations in respect of any Secured Hedging Agreement, Cash Management Obligations in respect of Secured Cash Management Agreements and Contingent Obligations) and all Commitments are terminated.

" **Trade Secrets** " shall mean any trade secrets or other proprietary and confidential information, including unpatented inventions, invention disclosures, engineering or other technical data, financial data, procedures, know-how, designs personal information, supplier lists, customer lists, business, production or marketing plans, formulae, methods (whether or not patentable), processes, compositions, schematics, ideas, algorithms, techniques, analyses, proposals, source code, object code and data collections.

" **Trademark License** " shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by any Grantor (including any Trademark) or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

" **Trademarks** " shall mean, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (i) all trademarks, service marks, trade names, brand names, domain names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, logos, other source or business identifiers and designs, now existing or hereafter adopted or acquired, all registrations and recordings thereof (if any), and all registration and applications filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other jurisdiction, and all extensions or renewals thereof, and (ii) all goodwill associated therewith or symbolized thereby, including those U.S. registered trademarks and applications therefor owned by any Grantor and listed on Schedule 3 hereto.

" **ULC** " shall have the meaning provided in Section 2(c).

" **ULC Interests** " shall have the meaning provided in Section 2(c).

" **Uniform Commercial Code** " or " **UCC** " shall mean the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

(d) Sections 1.2, 1.3, 1.4, 1.5, 1.6, 1.7 and 1.9 of the Credit Agreement (as in effect on the date hereof) are incorporated herein by reference, *mutatis mutandis* .

2. Pledge of Debt and Equity.

(a) Each Grantor hereby collaterally assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties a lien on and security interest in (the " **Pledged Interest** "), all of its right, title and interest in, to and under all of the following, whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations:

(i) the Stock and Stock Equivalents described in Schedule 4 hereto and issued by the entities named therein (such Stock and Stock Equivalents are, together with any Stock and Stock Equivalents of the issuer thereof or any other Subsidiary directly held or acquired by any Grantor in the future, in each case subject to the terms herein, referred to collectively herein as the " **Pledged Shares** ") held by such Grantor and the certificates or instruments, if any, representing such Pledged Shares and any interest of such Grantor in the entries on the books of the issuer of the Pledged Shares or any financial intermediary pertaining to the Pledged Shares and all dividends, cash, warrants, rights, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(ii) the Indebtedness described in Schedule 5 hereto (together with any other Indebtedness owed to any Grantor in the future and required to be pledged pursuant to the applicable provisions of the Credit Agreement, the " **Pledged Debt** ") and the debt securities, promissory notes or any other instruments evidencing the Pledged Debt owed to such Grantor, and all principal, interest, cash, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Debt; and

(iii) to the extent not covered by clauses (i) and (ii) above, respectively, all Proceeds of any or all of the items set forth in clauses (i) and (ii) above (collectively, the " **Pledged Collateral** ").

Notwithstanding the foregoing or anything else to the contrary herein, the Collateral shall not include any U.S. Excluded Stock and Stock Equivalents or any other U.S. Excluded Collateral;

provided, however, that the Collateral shall include any Proceeds, substitutions or replacements of any U.S. Excluded Stock and Stock Equivalents or any U.S. Excluded Collateral to the extent they would otherwise constitute Collateral. The Grantors shall not be required to take any action intended to cause U.S. Excluded Collateral to constitute Collateral and none of the covenants or representations and warranties herein shall be deemed to apply to any property constituting U.S. Excluded Collateral.

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, subject to the terms and conditions set forth herein.

(b) Subject to any applicable limitations in the Credit Agreement, Guarantee or any Applicable Intercreditor Agreement:

(i) Each Grantor agrees promptly (but in any event with respect to Pledged Shares owned on the Closing Date, within the time period and subject to the conditions set forth in Section 6.2 of the Credit Agreement and in the case of Pledged Shares obtained after the date hereof, within 60 days after receipt by such Grantor or such longer period as the Collateral Agent may agree in its reasonable discretion) to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, any and all (A) certificates or instruments representing the Pledged Shares and (B) to the extent required to be delivered pursuant to paragraph (ii) below, the debt securities, promissory notes or any other instruments evidencing the Pledged Debt.

(ii) Each Grantor will cause any Indebtedness for borrowed money having an aggregate principal amount in excess of (i) $10,000,000 individually or (ii) when aggregated with all other such Instruments for which this clause has not been satisfied, $50,000,000 in the aggregate owed to such Grantor by any Person to be evidenced by a duly executed promissory note that is pledged and delivered to the Collateral Agent (except to the extent already represented by any note previously delivered to the Collateral Agent), for the benefit of the Secured Parties, pursuant to the terms hereof.

All certificates, documents or other instruments, if any, representing or evidencing the Pledged Collateral shall be delivered (i) to and held by or on behalf of the Collateral Agent pursuant hereto and (ii) in suitable form for transfer or assignment by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. Upon reasonable written request by a Grantor, the Collateral Agent shall promptly return any instruments evidencing Pledged Debt to such Grantor from time to time (x) to the extent necessary for collection of the debt evidenced thereby in the ordinary course of such Grantor's business, or (y) in connection with the cancellation or the payment in full of the amounts due or performance of the obligations evidenced by such instrument. Each delivery of Pledged Collateral shall be accompanied by a schedule describing the Pledged Collateral, which schedule shall be deemed to supplement Schedule 4 or Schedule 5, as applicable, and made a part hereof; *provided* that failure to supplement such Schedules shall not affect the validity of such pledge of such Pledged Collateral. Each schedule so delivered shall supplement any prior schedules so delivered.

(c) Notwithstanding the foregoing, any Grantor that controls any interest (for the purposes of this Section, " **ULC Interests** ") in any unlimited liability company (for the purposes of this Section, a " **ULC** ") pledged hereunder shall remain registered as the sole registered and beneficial owner of the ULC Interests and will remain as registered and beneficial owner until such time as the ULC Interests are effectively transferred into the name of the Collateral Agent or any other person on the books and records of the ULC. Nothing in this Agreement is intended to or shall constitute the Collateral Agent or any person other than the ULC a shareholder or member of such ULC until such time as notice is given to the ULC and further steps are taken thereunder so as to register the Collateral Agent or any other person as the holder of such ULC Interests. To the extent any provision hereof would have the effect of constituting the Collateral Agent or any other person as a shareholder or member of an unlimited liability company prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC Interests without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Pledged Collateral which are not ULC Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC Interests following the occurrence and during the continuance of an Event of Default hereunder, each Grantor shall not cause or permit, or enable any ULC in which it holds ULC Interests to cause or permit, the Collateral Agent to: (i) be registered as shareholders or members of such ULC; (ii) have any notation entered in their favor in the share register of such ULC; (iii) be held out as shareholders or members of such ULC; (iv) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Collateral Agent holding a security interest in such ULC; or (v) to act as a shareholder or member of such ULC, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, such ULC.

3. Grant of Security Interest.

(a) Each Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a lien on and security interest in (together with the Pledged Interest, the " **Security Interest** ") in all of its right, title and interest in, to and under all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively and together with the Pledged Collateral, the " **Collateral** "), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the Obligations:

(i) all Accounts;

(ii) all cash and Cash Equivalents;

(iii) all Chattel Paper;

(iv) all Deposit Accounts;

(v) all Documents;

(vi) all Equipment and Fixtures;

(vii) all General Intangibles;

(viii) all Instruments;

(ix) all Intellectual Property;

(x) all Inventory;

(xi) all Investment Property;

(xii) all Supporting Obligations;

(xiii) all Collateral Accounts;

(xiv) all Goods;

(xv) all Money;

(xvi) all Receivables and Receivable records;

(xvii) all Securities Accounts;

(xviii) all Commercial Tort Claims;

(xix) all Letter of Credit Rights;

(xx) all books and records pertaining to any and all of the foregoing; and

(xxi) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

Notwithstanding the foregoing or anything else to the contrary herein, the Collateral (and any defined term used in the definition thereof) shall not include any Excluded Accounts or any U.S. Excluded Collateral; provided, however, that the Collateral shall include any Proceeds, substitutions or replacements of Excluded Accounts and U.S. Excluded Collateral to the extent they would otherwise constitute Collateral. The Grantors shall not be required to take any action intended to cause either Excluded Accounts or U.S. Excluded Collateral to constitute Collateral, and none of the covenants or representations and warranties herein shall be deemed to apply to any property constituting Excluded Accounts or U.S. Excluded Collateral.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Collateral Agent reasonably determines appropriate to (subject to the limitations described in Section 4.2(c)) perfect the Security Interests of the Collateral Agent under this Security Agreement, and such financing statements and amendments may describe the Collateral covered thereby as “all assets”, “all personal property” or words of similar effect. Each Grantor hereby

also authorizes the Collateral Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements.

Subject to the limitations contained herein and in the Credit Agreement, each Grantor hereby agrees to provide to the Collateral Agent, promptly upon request, any information reasonably necessary to effectuate the filings or recordings authorized by this Section 3(b).

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office (or any successor office) or United States Copyright Office (or any successor office), as applicable, with the signature of each applicable Grantor (not to be unreasonably withheld, conditioned or delayed), such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted hereunder by each Grantor and naming any Grantor or the Grantors as debtors and the Collateral Agent (for the benefit of the Secured Parties), as the case may be, as secured party.

The Security Interests are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral, unless the Collateral Agent has, in each case in writing, expressly (i) assumed such obligations or liabilities and (ii) released the Grantors from such obligations and liabilities.

4. Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each Secured Party that:

4.1 Title; No Other Liens; Authority.

(a) Except for (a) the Security Interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement and (b) the other Liens permitted under the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. To the knowledge of such Grantor, no security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any material Indebtedness is on file or of record in any public office, except such as (i) have been filed in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to this Security Agreement, or (ii) are permitted by the Credit Agreement.

(b) Each of the Grantors has the power and authority to grant and pledge the Security Interest in the Collateral granted and pledged by it hereunder in the manner hereby done or contemplated.

4.2 Perfected Liens.

(a) Subject to the qualifications set forth in Section 6.2 of the Credit Agreement, with respect to each Grantor, this Security Agreement is effective to create in favor of the Collateral Agent, for its benefit and for the benefit of the Secured Parties, legal, valid and enforceable Security Interests in the Collateral, to the extent required under this Security Agreement, the

enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and principles of good faith and fair dealing.

(b) Subject to the limitations set forth in clause (c) of this Section 4.2, the Security Interests granted pursuant to this Security Agreement (i) will constitute valid and perfected Security Interests in the Collateral (to the extent perfection may be obtained by the filings or other actions described in clause (A), (B), (C) or (D) of this paragraph) in favor of the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the Obligations, as a result of (A) the completion of the filing in the applicable filing offices of all financing statements, in each case, naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral, (B) with respect to Instruments, Chattel Paper, Investment Property, Certificated Securities and negotiable Documents in each case that constitute Collateral, delivery to the Collateral Agent (or its bailee) of all Instruments, Chattel Paper, Investment Property, Certificated Securities and negotiable Documents in each case, properly endorsed for transfer to the Collateral Agent or in blank, (C) with respect to Deposit Accounts and Securities Accounts, execution of account control agreements in favor of the Collateral Agent (or in favor of any other Person acting as gratuitous bailee on behalf of the Secured Parties pursuant to the terms of the Applicable Intercreditor Agreements) and (D) with respect to registered Intellectual Property, completion or recordation of the filing, registration and recording of a fully executed agreement substantially in the form hereof (or a supplement hereto) and containing a description of all Collateral constituting registered Patents and Trademarks in the United States Patent and Trademark Office (or any successor office) within a three month period (commencing as of the date hereof) or, with respect to Collateral constituting United States Patents and United States registered Trademarks acquired after the date hereof, within three months thereafter, and all Collateral constituting registered Copyrights in the United States Copyright Office (or any successor office) within a one month period (commencing as of the date hereof) or, with respect to Collateral constituting registered United States Copyrights acquired after the date hereof, within one month thereafter pursuant to 35 USC § 261, 15 USC § 1060 or 17 USC § 205 and the regulations thereunder, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction to the extent that a security interest may be perfected by such filings, registrations and recordings, and (ii) are prior to all other Liens on the Collateral other than Liens permitted under Section 10.2 of the Credit Agreement.

(c) Notwithstanding anything to the contrary herein, no Grantor shall be required to, nor shall the Collateral Agent be authorized (i) to perfect the Security Interests granted hereunder by any means other than by (A) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar central filing office) of the relevant State(s) or as required pursuant to Section 3(b), (B) filings in United States government offices with respect to Intellectual Property as expressly required herein and under the Credit Agreement or (C) delivery to the Collateral Agent, for its possession, of all Pledged Collateral as required pursuant to Section 2, (ii) to enter into any control agreement with respect to any deposit account, securities account or commodities account or contract (other than for which control agreements are required to be obtained or for which the Collateral Agent has obtained control, in each case, to the extent required by the Credit Agreement and the other U.S. Security Documents), (iii) except as otherwise provided for in the Credit Agreement, to take any action in any non-U.S.

jurisdiction or pursuant to the requirements of the laws of any non-U.S. jurisdiction in order to create any security interests or to perfect any security interests, including with respect to any Intellectual Property registered outside of the United States (it being understood that there shall be no security agreements or pledge agreements governed by the laws of any non-U.S. jurisdiction), (iv) except as expressly set forth above, to take any other action with respect to any Collateral to perfect through control agreements or to otherwise perfect by "control" or (v) to provide any notice to obtain the consent of governmental authorities under the Federal Assignment of Claims Act (or any state equivalent thereof).

(d) It is understood and agreed that the Security Interests in cash and Investment Property created hereunder shall not prevent the Grantors from using such assets in the ordinary course of their respective businesses.

4.3 Pledged Collateral.

(a) Schedule 4 and Schedule 5, as applicable, hereto (i) correctly represent as of the date hereof (A) the issuer, the certificate number, if applicable, the Grantor and the record and beneficial owner, the number and class and the percentage of the issued and outstanding Stock and Stock Equivalents of such class of all Pledged Shares and (B) the issuer, the initial principal amount, the Grantor and holder, date of issuance and the maturity date of all Pledged Debt and (ii) together with the comparable schedule to each supplement hereto, include all (x) Stock and Stock Equivalents and (y) debt securities, promissory notes and other debt instruments required to be pledged hereunder. Except as set forth on Schedule 4 and except for U.S. Excluded Stock and Stock Equivalents, the Pledged Shares represent all of the issued and outstanding Stock and Stock Equivalents in the issuer owned by a Grantor on the date hereof.

(b) The Pledged Shares pledged by such Grantor hereunder have been duly authorized and validly issued and, in the case of Pledged Shares issued by a corporation, are fully paid and non-assessable, in each case, to the extent such concepts are applicable in the jurisdiction of organization of the respective issuer. Each of the Grantors is, subject to any transfers made in compliance with the Credit Agreement, the direct owner, beneficially and of record, of the Pledged Shares indicated on Schedule 4 as owned by such Grantor. The Pledged Debt (solely with respect to Pledged Debt issued by a Person other than a Grantor or a Subsidiary of any Grantors, to such Grantor's knowledge) are legal and binding obligations of the issuers thereof and, (solely with respect to Pledged Debt issued by a Person other than a Grantor or a Subsidiary of any Grantors, to such Grantor's knowledge) are legal and binding obligations of the issuers thereof, except to the extent that enforceability of such obligations may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

(c) Except for restrictions and limitations (i) imposed or expressly permitted by the Credit Documents or Applicable Laws generally and (ii) in the case of Pledged Shares of Persons that are not Subsidiaries, transfer restrictions that exist at the time of acquisition of the Pledged Shares in such Persons, the Pledged Collateral is or will not be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect it in any manner material and adverse to the Secured Parties the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder.

5. Covenants.

Each Grantor hereby covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Security Agreement until the earlier of (i) the Termination Date and (ii) with respect to any Grantor released in accordance with Section 7.4(b), the release of such Grantor in accordance with Section 7.4(b):

5.1 Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the Security Interest created by this Security Agreement as a perfected Security Interest having at least the priority described in the Credit Agreement (subject to each Applicable Intercreditor Agreement) and shall use commercially reasonable efforts to defend such Security Interest against the material claims and demands of all Persons (except to the extent that the Collateral Agent and the Company reasonably agree that the cost of such defense is excessive in relation to the benefit to the Secured Parties of the Security Interest and priority), in each case other than a Security Interest in assets of such Grantor subject to a Disposition permitted by the Credit Agreement to a Person that is not a Credit Party, and except for Liens permitted under Section 10.2 of the Credit Agreement, and in each case subject to Section 4.2(c).

(b) Such Grantor will furnish to the Collateral Agent and any other Secured Party from time to time statements and schedules further identifying and describing the Collateral of such Grantor and such other reports in connection therewith as the Collateral Agent may reasonably request.

(c) Subject to clause (d) below and Section 4.2(c), each Grantor agrees that at any time and from time to time, at the expense of such Grantor, it will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), which may be required under any Applicable Law, or which, subject to the terms of the Credit Agreement or any Applicable Intercreditor Agreement, the Collateral Agent or the Secured Parties may reasonably request, in order (i) to grant, preserve, protect and perfect (with respect to the Intellectual Property included in the Collateral, if and to the extent perfection may be achieved by the filings contemplated in Section 4.2), the validity and priority of the Security Interests created or intended to be created hereby or (ii) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, including the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Security Interests created hereby and all applicable documents required under Section 4.2(b)(i)(C), all at the expense of such Grantor.

(d) Notwithstanding anything in this Section 5.1 to the contrary, (i) with respect to any assets acquired by such Grantor after the date hereof that are required by the Credit Agreement to be subject to the Lien created hereby or (ii) with respect to any Person that, subsequent to the date hereof, becomes a Domestic Subsidiary that is required by the Credit Agreement to become a party hereto, the relevant Grantor after the acquisition or creation thereof shall promptly take all actions required by the Credit Agreement and this Section 5.1.

5.2 Changes in Locations, Name, etc. Each Grantor will furnish to the Collateral Agent promptly (and in any event within 30 days of such change (or such longer period as the Collateral Agent may agree)) a written notice of any change (i) in its legal name, (ii) in its jurisdiction of organization or, if not a registered organization, location for purposes of the UCC (iii) in its type of organization or corporate structure that would impair the perfection and priority of the Security Interest granted hereby and (iv) in the location of its chief executive office. Each Grantor agrees promptly to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph.

5.3 Notices. Each Grantor will advise the Collateral Agent promptly, in reasonable detail, of any Lien of which any Authorized Officer thereof has actual knowledge (other than the Security Interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect, in any material respect, the ability of the Collateral Agent to exercise any of its remedies hereunder.

5.4 Delivery of Instruments. If any amount payable under or in connection with any of the Collateral that is in excess of (i) $10,000,000 individually or (ii) when aggregated with all other such Instruments for which this clause has not been satisfied, $50,000,000 in the aggregate shall be or become evidenced by any promissory note, other instrument or debt security, such note, instrument or debt security shall be promptly (and in any event within 60 days of its acquisition or such longer period as the Collateral Agent may agree in its reasonable discretion) pledged and delivered to the Collateral Agent, for the benefit of the Secured Parties, duly endorsed in a manner reasonably satisfactory to the Collateral Agent.

5.5 Additional Intellectual Property. Concurrently with the delivery of the officer's certificate required to be delivered under Section 9.1(c) of the Credit Agreement with the financial statements delivered pursuant to Section 9.1(a) or (b) of the Credit Agreement, such Grantor shall notify the Collateral Agent of (i) any Trademarks, Patents and Copyrights that are registered, or subject to applications for issuance or registration that have been acquired, filed or registered by such Grantor and that were not included in the Intellectual Property previously set forth on Schedules 1-3 for such Grantor or any other previously delivered officer's certificate, and (ii) any intent-to-use Trademark applications of such Grantor for which a statement of use or amendment to allege use has been filed, and which, as a result, is no longer U.S. Excluded Collateral, and such Grantor shall also concurrently execute and deliver to the Collateral Agent applicable short-form intellectual property security agreements in the form attached hereto as Annex A and all other documents, instruments and other items as may be reasonably necessary for the Collateral Agent to file such agreements with the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

5.6 Notice of Commercial Tort Claims. Such Grantor agrees that, (a) after the occurrence and during the continuance of an Event of Default, if it shall acquire any interest in any commercial tort claim with a value equal to or greater than $10,000,000 individually or in the aggregate (whether from another Person or because such commercial tort claim shall have come into existence), such Grantor shall, within a reasonable time following such acquisition

(but in no event to exceed 30 days), notify the Collateral Agent thereof and deliver to the Collateral Agent, in each case in form and substance reasonably satisfactory to the Collateral Agent, a supplement to this Security Agreement containing a specific description of such commercial tort claim and (b) at all other times, concurrently with the delivery of the officer's certificate required to be delivered under Section 9.1(c) of the Credit Agreement concurrent with the financial statements delivered pursuant to Section 9.1(a) or (b) of the Credit Agreement, such Grantor shall deliver a schedule setting forth any commercial tort claims acquired by such Grantor with a value equal to or greater than $10,000,000 individually or in the aggregate after the most recent schedule.

5.7 Article 8. No interest in any limited liability company or limited partnership controlled by any Grantor that constitutes Pledged Shares shall be represented by a certificate unless (i) the limited liability company agreement or partnership agreement expressly provides that such interests shall be a "security" within the meaning of Article 8 of the UCC of the applicable jurisdiction, and (ii) such certificate shall be delivered to the Collateral Agent in accordance with Section 2(b)(i). Any limited liability company and any limited partnership controlled by any Grantor shall either (a) not include in its operative documents any provision that any Stock and Stock Equivalent in such limited liability company or such limited partnership be a "security" as defined under Article 8 of the UCC or (b) certificate any Stock and Stock Equivalents in any such limited liability company or such limited partnership. To the extent an interest in any limited liability company or limited partnership controlled by any Grantor and pledged under Section 2 is certificated or becomes certificated, (i) each such certificate shall be delivered to the Collateral Agent, pursuant to Section 2(b)(i) and (ii) such Grantor shall fulfill all other requirements under Section 2 applicable in respect thereof.

6. Remedial Provisions.

6.1 Certain Matters Relating to Accounts.

(a) At any time after the occurrence and during the continuance of an Event of Default and after giving three (3) Business Days' prior written notice to the Company and any other relevant Grantor, the Collateral Agent shall have the right, but not the obligation, to make test verifications of the Accounts that are Collateral (the " **Subject Accounts** ") in any manner and through any medium that the Collateral Agent reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may reasonably require in connection with such test verifications. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any other Secured Party.

(b) If required in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Subject Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of and on terms and conditions reasonably satisfactory to the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 6.6, and (ii) until so turned over, shall be held by such Grantor for the Collateral Agent and the Secured Parties. Each such deposit of Proceeds of Subject Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Collateral Agent's prior written request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Collateral Agent all other documents evidencing, and relating to, the agreements and transactions that gave rise to the Accounts constituting Collateral, including all orders, invoices and shipping receipts.

(d) Upon the occurrence and during the continuance of an Event of Default, a Grantor shall not unreasonably grant any extension of the time of payment of any of the Subject Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon if the Collateral Agent shall have instructed the such Grantor in writing not to grant or make any such extension, credit, discount, compromise or settlement under any circumstances during the continuance of such Event of Default.

(e) At the direction of the Collateral Agent, solely upon the occurrence and during the continuance of an Event of Default, each Grantor shall grant to the Collateral Agent, solely to the extent such grant does not constitute or result in the abandonment, termination, acceleration, invalidation of or rendering unenforceable any right, title or interest therein or result in a breach of the terms of, or constitute a breach or default under such Intellectual Property, a non-exclusive, fully paid-up, royalty-free, worldwide license to use, license or sublicense (on a non-exclusive basis) any of the Intellectual Property now owned or hereafter acquired by such Grantor. Any license granted pursuant to this Section 6.1(e) shall be exercisable solely during the continuance of an Event of Default.

6.2 Voting Rights; Dividends and Distributions; Etc.

(a) So long as no Event of Default shall have occurred and be continuing and the Collateral Agent has not provided the notice contemplated in Section 6.2(c) below:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not prohibited by the terms of this Security Agreement or the other Credit Documents.

(ii) The Collateral Agent shall execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above.

(b) Subject to Section 6.2(c) below, each Grantor shall be entitled to receive and retain and use any and all dividends, distributions, principal and interest made or paid in respect of the Collateral to the extent permitted by the Credit Documents; *provided* , *however* , that any and all noncash dividends, interest, principal or other distributions that would constitute Pledged Shares or Pledged Debt, whether resulting from a subdivision, combination or reclassification of the outstanding Stock and Stock Equivalents of the issuer of any Pledged Shares or received in exchange for Pledged Shares or Pledged Debt or any part thereof, or in redemption thereof, or as

a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be, and shall be forthwith delivered to the Collateral Agent to hold as, Collateral and shall, if received by such Grantor, be received for the benefit of the Collateral Agent, be segregated from the other property or funds of such Grantor and if certificated, be forthwith delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement). So long as no Event of Default has occurred and is continuing, the Collateral Agent shall, at the applicable Grantor's sole expense, promptly (upon receipt of a written request) deliver to such Grantor any Collateral in its possession if requested to be delivered to the issuer thereof in connection with any exchange or redemption of such Collateral permitted by the Credit Documents.

(c) Upon two (2) Business Days' prior written notice to a Grantor by the Collateral Agent that the Collateral Agent is exercising its rights under this Section 6.2(c), following the occurrence and during the continuance of an Event of Default, subject to the terms of any Applicable Intercreditor Agreement:

(i) all rights of such Grantor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 6.2(a)(i) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights during the continuance of such Event of Default; *provided* that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following the occurrence and during the continuance of an Event of Default to permit the Grantors to exercise such rights. After all Event of Defaults have been cured or waived, each Grantor will have the right to exercise the voting and consensual rights that such Grantor would otherwise be entitled to exercise pursuant to the terms of Section 6.2(a)(i) (and the obligations of the Collateral Agent under Section 6.2(a)(ii) shall be reinstated);

(ii) all rights of such Grantor to receive the dividends, distributions and principal and interest payments that such Grantor would otherwise be authorized to receive and retain pursuant to Section 6.2(b) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Collateral such dividends, distributions and principal and interest payments during the continuance of such Event of Default. After all Event of Defaults have been cured or waived, the Collateral Agent shall repay to each Grantor (without interest) and each Grantor shall be entitled to receive, retain and use all dividends, distributions and principal and interest payments that such Grantor would otherwise be permitted to receive, retain and use pursuant to the terms of Section 6.2(b);

(iii) all dividends, distributions and principal and interest payments that are received by such Grantor contrary to the provisions of Section 6.2(b) shall be received for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor and shall forthwith be delivered to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsements); and

(iv) in order to permit the Collateral Agent to receive all dividends, distributions and principal and interest payments to which it may be entitled under Section 6.2(b) above, to exercise the voting and other consensual rights that it may be entitled to exercise pursuant to

Section 6.2(c)(i) above, and to receive all dividends, distributions and principal and interest payments that it may be entitled to under Sections 6.2(c)(ii) and 6.2(c)(iii) above, such Grantor shall, if necessary, upon prior written notice from the Collateral Agent, from time to time execute and deliver to the Collateral Agent, appropriate proxies, dividend payment orders and other instruments as the Collateral Agent may reasonably request.

(d) Notwithstanding anything herein to the contrary, and subject to each Applicable Intercreditor Agreement, if any Event of Default shall occur and be continuing (a) the Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Collateral in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent, and each Grantor will promptly give to the Collateral Agent copies of any notices or other communications received by it within respect such Pledged Collateral registered in the name of such Grantor and (b) the Collateral Agent shall have the right to exchange the certificates, documents or other instruments representing Pledged Collateral for certificates, documents or other instruments of small or larger denominations of any purpose consistent with this Security Agreement or the Credit Agreement; provided that the Collateral Agent shall give the Grantors prior notice of intent to exercise such rights; provided further, that the Collateral Agent's failure to provide such notice shall not in any way limit or impede the Collateral Agent's rights hereunder.

6.3 Communications with Credit Parties; Grantors Remain Liable.

(a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Credit Agreement and any Applicable Intercreditor Agreement, after giving three (3) Business Days' prior written notice to the relevant Grantor of its intent to do so, communicate with obligors under the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Subject Accounts. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(b) Upon the written request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, subject to the terms of the Credit Agreement and any Applicable Intercreditor Agreement, each Grantor shall notify obligors on the Accounts that the Subject Accounts have been assigned to the Collateral Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Subject Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Subject Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to

any Subject Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

6.4 Proceeds to be Turned Over to Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 6.1 with respect to payments of Subject Accounts, if an Event of Default shall occur and be continuing and the Collateral Agent, subject to the terms of the Credit Agreement or any Applicable Intercreditor Agreement, so requires by notice in writing to the relevant Grantor, all Proceeds received by any Grantor consisting of cash, checks and other near cash items shall be held by such Grantor for the Collateral Agent and the Secured Parties, and shall, promptly upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its dominion and control and on terms and conditions reasonably satisfactory to the Collateral Agent. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5 Application of Proceeds. The Collateral Agent shall apply the Proceeds of any collection or sale of the Collateral as well as any Collateral consisting of cash, at any time after receipt in and in accordance with the order set forth in Section 11.11 of the Credit Agreement.

If, despite the provisions of this Security Agreement, any Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the Obligations to which it is then entitled in accordance with this Security Agreement, such Secured Party shall hold such payment or other recover for the benefit of all Secured Parties hereunder for distribution in accordance with Section 11.11 of the Credit Agreement.

6.6 Code and Other Remedies. Subject to the terms of the Credit Agreement or any Applicable Intercreditor Agreement, if an Event of Default shall occur and be continuing, and after giving prior written notice to the Company and any applicable Grantor, the Collateral Agent may (i) exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC or any other Applicable Law and also upon prior written notice to the relevant Grantor, sell the Collateral or any part thereof in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere for cash or on credit or for future delivery at such price or prices and upon such other terms as are commercially reasonable irrespective of the impact of any such sales on the market price of the Collateral, (ii) occupy any premises owned or, to the extent lawful and permitted, leased by any of the Grantors where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation and (iii) exercise any and all rights and remedies of any of the Grantors under or in connection with the Collateral, or otherwise in

respect of the Collateral. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers of such Collateral to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and, upon consummation of any such sale, the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent and any Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, and the Collateral Agent or such Secured Party may pay the purchase price by crediting the amount thereof against the Obligations. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior written notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, each Grantor hereby waives any claim against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent, at places that the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall apply the net Proceeds of any action taken by it pursuant to this Section 6.6 in accordance with the provisions of Section 6.5.

6.7 Deficiency. Each Grantor shall remain liable for any deficiency if the Proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable and documented out-of-pocket fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency (in each case subject to the limitations set forth in Section 13.5 of the Credit Agreement).

6.8 Amendments, etc. with Respect to the Obligations; Waiver of Rights. Unless and until the Termination Date has occurred or, with respect to any Grantor, such Grantor shall be released in accordance with Section 7.4(b), to the extent permitted by law, each Grantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, (a) any demand for payment of any of the Obligations made by the Collateral Agent or any other Secured Party may be rescinded by such party and any of the Obligations continued, (b) the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Collateral Agent or any other Secured Party, (c) the Credit Agreement may, in accordance with the applicable provisions thereof, be amended, modified, supplemented or terminated, in whole

or in part from time to time and (d) any collateral security, guarantee or right of offset at any time held by the Collateral Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Except as provided in Section 7.2, neither the Collateral Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Security Agreement or any property subject thereto. When making any demand hereunder against any Grantor, the Collateral Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Grantor or any other Person, and any failure by the Collateral Agent or any other Secured Party to make any such demand or to collect any payments from any Grantor or any other Person or any release of any Grantor or any other Person shall not relieve any Grantor in respect of which a demand or collection is not made or any Grantor not so released of its several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Collateral Agent or any other Secured Party against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7. The Collateral Agent.

7.1 Collateral Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby appoints, which appointment is irrevocable and coupled with an interest, and shall automatically terminate on the Termination Date or, if sooner, upon the termination or release of such Grantor hereunder pursuant to Section 7.4, effective upon the occurrence and during the continuance of an Event of Default, the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or advisable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, either in the Collateral Agent's name or in the name of such Grantor or otherwise, without assent by such Grantor, to do any or all of the following, in each case after the occurrence and during the continuance of an Event of Default and after prior written notice by the Collateral Agent to the Company and any applicable Grantor of its intent to do so:

(i) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Subject Account constituting Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Subject Account constituting Collateral or with respect to any other Collateral whenever payable;

(ii) subject to Section 4.2(c), in the case of any Intellectual Property included in the Collateral, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's and the Secured Parties' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) upon three (3) Business Days' prior written notice, pay or discharge taxes and Liens levied or placed on or threatened against the Collateral (other than taxes not required to be discharged under the Credit Agreement) other than Liens permitted under Section 10.2 of the Credit Agreement;

(iv) execute, in connection with any sale provided for in Section 6.6, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(v) obtain and adjust insurance required to be maintained by such Grantor pursuant to the Credit Agreement;

(vi) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(vii) ask or demand for, collect and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral;

(viii) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral;

(ix) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral;

(x) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its Affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xi) settle, compromise or adjust any such suit, action or proceeding with respect to the Collateral and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate (with such Grantor's consent to the extent such action or its resolution could materially affect such Grantor or any of its affiliates in any manner other than with respect to its continuing rights in such Collateral);

(xii) assign any Intellectual Property (along with the goodwill of the business to which any such Intellectual Property pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its reasonable business discretion determine; and

(xiii) subject to Section 6.1(e) and Section 6.6, generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' Security Interests therein and to effect the intent of this Security Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing and after the expiration of any notice periods otherwise required hereunder or under any other Credit Document.

(b) Subject to any limitations of the Collateral Agent to take actions as set forth in Section 7.1(a), if any Grantor fails to perform or comply with any of its agreements contained herein within a reasonable period of time after the Collateral Agent has requested in writing for it to do so, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The reasonable and documented out of pocket expenses of the Collateral Agent, in each case subject to the limitations on reimbursements of costs and expenses set forth in Section 13.5 of the Credit Agreement, incurred in connection with actions undertook as provided in this Section 6.1 shall be payable by such Grantor to the Collateral Agent to the extent required by, and in accordance with Section 13.5 of the Credit Agreement to the extent required thereby, and in accordance therewith.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof. All powers, authorizations and agencies contained in this Security Agreement are coupled with an interest and are irrevocable until this Security Agreement is terminated (or, with respect to any Grantor, until such Grantor is released in accordance with Section 7.4(b)) and the Security Interests created hereby are released.

7.2 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any

duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for the Collateral Agent's or any Secured Party's or any of their officers', directors', employees' or agents' own respective gross negligence, bad faith or willful misconduct, or material breach of this Security Agreement or any other Credit Document, in each case, as finally determined in a non-appealable decision of a court of competent jurisdiction.

7.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Credit Agreement, and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

7.4 Continuing Security Interest; Release.

(a) This Security Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Grantor and the successors and assigns thereof and shall inure to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns permitted under the Credit Agreement until the Termination Date.

(b) A Subsidiary Grantor shall be released from its obligations hereunder if it ceases to be a Guarantor and the Security Interest in any assets of any such Subsidiary Guarantor shall be released, in each case, pursuant to the Credit Agreement.

(c) In connection with any termination or release pursuant to paragraph (a) or (b) or pursuant to Section 12.13 of the Credit Agreement, the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request in writing to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.4 shall be without recourse to or warranty by the Collateral Agent.

7.5 Reinstatement. Notwithstanding anything to the contrary contained herein, each Grantor further agrees that, if any payment made by any Credit Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the Proceeds of Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment,

any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

7.6 Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional.

7.7 Collateral Agent as Representative. Each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of the applicable Secured Parties in accordance with the terms hereunder. Each Secured Party, by its acceptance of the benefits hereof, agrees that any action taken by the Collateral Agent in accordance with the provisions of the Credit Documents, and the exercise by the Collateral Agent of any rights or remedies set forth therein, together with all other powers reasonably incidental thereto, shall be authorized and binding upon all Secured Parties.

8. Miscellaneous.

8.1 Amendments in Writing. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the affected Grantor and the Collateral Agent in accordance with Section 13.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands pursuant hereto shall be made in accordance with Section 13.2 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Grantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent or such other Secured Party would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay any and all reasonable and documented out-of-pocket expenses (including all reasonable and documented fees and disbursements of counsel) that may be paid or incurred by the Collateral Agent, in each case in accordance with, and subject to the limitations on reimbursement of costs and expenses set forth in, Section 13.5 of the Credit Agreement.

(b) Each Grantor agrees to pay, and to indemnify and save the Collateral Agent and the Secured Parties harmless from, all actual losses, damages, claims, expenses or liabilities of any kind or nature whatsoever related to the execution, delivery, enforcement, performance, and administration of this Security Agreement, in each case, to the extent the Grantors would be required to do so pursuant to Section 13.5 of the Credit Agreement.

(c) Each Grantor agrees, within thirty (30) days after written demand therefor (including documentation reasonably supporting such request), to pay, and to save the Collateral Agent and the Secured Parties harmless from actual losses, damages, claims or reasonable and documented out-of-pocket costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Security Agreement to the extent the Company would be required to do so pursuant to Section 13.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment or other satisfaction of the Obligations and all other amounts payable under the Credit Documents.

8.5 Successors and Assigns. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Grantor may assign, transfer or delegate any of its rights or obligations under this Security Agreement without the prior written consent of the Collateral Agent or as otherwise permitted by the Credit Agreement.

8.6 Counterparts. This Security Agreement may be executed by one or more of the parties to this Security Agreement on any number of separate counterparts (including by facsimile or other electronic transmission (e.g., a “pdf” or “tif” file)), and all of said counterparts taken together shall be deemed to be originals and shall constitute one and the same instrument.

8.7 Severability. Any provision of this Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

8.8 Section Headings. The Section headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.9 [Reserved].

8.10 **GOVERNING LAW** . THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.11 Submission to Jurisdiction Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Security Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives (to the extent permitted by Applicable Law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by delivering or by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 8.2 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right of any other party hereto (or any Secured Party) to effect service of process in any other manner permitted by law or shall limit the right of any party hereto (or any Secured Party) to sue in any other jurisdiction;

(e) subject to the applicable provisions of the Credit Agreement, waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.11 any special, exemplary, punitive or consequential damages; and

(f) agrees that a final judgment in any 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 Applicable Law.

8.12 Acknowledgments. Each party hereto hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Security Agreement and the other Credit Documents to which it is a party;

(b) neither the Collateral Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Security Agreement or any of the other Credit Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

8.13 Additional Grantors. Each Subsidiary of the Company that is required to become a party to this Security Agreement pursuant to the Credit Agreement shall become a Grantor, with the same force and effect as if originally named as a Grantor herein, for all purposes of this Security Agreement upon execution and delivery by such Subsidiary of a written supplement substantially in the form of Annex B hereto or in such other form reasonably satisfactory to the Collateral Agent. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

8.14 **WAIVER OF JURY TRIAL . EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT, ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

8.15 Credit Agreement and Intercreditor Agreements. Notwithstanding anything herein to the contrary, this Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, and the rights and duties of the Collateral Agent hereunder, are subject to the provisions of the Credit Agreement and any Applicable Intercreditor Agreement, in each case, solely to the extent then in effect. In the event of any conflict between the terms of the Credit Agreement and the terms of this Security Agreement, the terms of the Credit Agreement shall govern and control. In the event of any conflict between the terms of any Applicable Intercreditor Agreement and the terms of this Security Agreement, the terms of such Applicable Intercreditor Agreement shall govern and control. No right, power or remedy granted to the Collateral Agent hereunder shall be exercised by the Collateral Agent, and no direction shall be given by the Collateral Agent, in contravention of the Credit Agreement or any such Applicable Intercreditor Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

AVAYA INC.

By: _____
Name:
Title:

AVAYA HOLDINGS CORP.

By: _____
Name:
Title:

SUBSIDIARY GRANTORS:

AVAYA CALA INC.
AVAYA EMEA LTD.
AVAYA FEDERAL SOLUTIONS, INC.
AVAYA HOLDINGS LLC
AVAYA HOLDINGS TWO, LLC
AVAYA INTEGRATED CABINET SOLUTIONS INC.
AVAYA MANAGEMENT SERVICES INC.
AVAYA SERVICES INC.
AVAYA WORLD SERVICES INC.
OCTEL COMMUNICATIONS LLC
SIERRA ASIA PACIFIC INC.
TECHNOLOGY CORPORATION OF AMERICA, INC.
UBIQUITY SOFTWARE CORPORATION
VPNET TECHNOLOGIES, INC.
ZANG, INC.

By: _____
Name:
Title:

CITIBANK,N.A., as Collateral Agent

By: _____

Name:
Title:

[Signature Page to Security Agreement]

SCHEDULE 1

Copyrights

SCHEDULE 2

Patents

SCHEDULE 3

Trademarks

SCHEDULE 4

Pledged Shares

SCHEDULE 5

Pledged Debt

SUPPLEMENT (this " **Supplement** "), dated as of [ ], to the ABL SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time the " **Security Agreement** ") dated as of December 15, 2017, among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a " **Grantor** " and, collectively, the " **Grantors** "), Citibank, N.A., as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " **Collateral Agent** ") for the benefit of the Secured Parties.

A. Reference is made to the ABL Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " **Credit Agreement** "), among Avaya Inc., a Delaware corporation (the " **Company** "), Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership existing under the laws of Germany, the lending institutions from time to time parties thereto, the lending institutions named therein as L/C Issuers and Swing Line Lenders and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

C. The Grantors have identified on Schedule I, II and III hereto the additional Copyrights, Patents and Trademarks registered or applied for with the United States Patent and Trademark Office or the United States Copyright Office acquired by such Grantors after the date of the Credit Agreement. The undersigned Grantors are executing this Supplement in order to facilitate supplemental filings to be made by the Collateral Agent with the United States Copyright Office and the United States Patent and Trademark Office.

Accordingly, the Collateral Agent and the Grantors agree as follows:

SECTION 1. (a) Schedule 1 of the Security Agreement is hereby supplemented, as applicable, by the information (if any) set forth in the Schedule I hereto, (b) Schedule 2 of the Security Agreement is hereby supplemented, as applicable, by the information (if any) set forth in the Schedule II hereto and (c) Schedule 3 of the Security Agreement is hereby supplemented, as applicable, by the information (if any) set forth in the Schedule III hereto.

SECTION 2. Each Grantor hereby grants to the Collateral Agent for the benefit of the Secured Parties a security interest in the Intellectual Property set forth in Schedules I, II and III hereto. Each Grantor hereby represents and warrants that the information set forth on Schedules I, II and III hereto is true and correct in all material respects as of the date hereof.

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission (e.g., a “pdf” or “tif” file)), and all of said counterparts taken together shall be

deemed to be originals and constitute one and the same instrument. This Supplement shall become effective as to each Grantor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such Grantor and the Collateral Agent.

SECTION 4. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 5. **THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

SECTION 6. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Security Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement.

SECTION 8. Each Grantor agrees to reimburse the Collateral Agent for its respective reasonable and documented out-of-pocket costs and expenses in connection with this Supplement, including the reasonable and documented fees, other charges and disbursements of one firm of counsel, and, if necessary, one firm of regulatory counsel and/or one firm of local counsel in each appropriate jurisdiction, in each case to the Administrative Agent and the Collateral Agent (and, in the case of an actual or perceived conflict of interest where the Person affected by such conflict informs the Company of such conflict and thereafter, after receipt of the consent of the Company (which consent shall not be unreasonably withheld or delayed), retains its own counsel, of another firm of counsel for such affected Person).

[Signature Pages Follow]

IN WITNESS WHEREOF, each Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

_____, as a Grantor

By:
Name:
Title:

_____, as Collateral Agent

By:
Name:
Title:

[SIGNATURE PAGE TO SUPPLEMENT NO. [ ] TO SECURITY AGREEMENT]

Copyrights

UNITED STATES COPYRIGHTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule II

Patents

UNITED STATES PATENTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Trademarks

UNITED STATES TRADEMARKS:

Registrations:

OWNER	TRADEMARK	REGISTRATION NUMBER

Applications:

OWNER	TRADEMARK	APPLICATION NUMBER

SUPPLEMENT (this " **Supplement** "), dated as of [ ], to the ABL SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time the " **Security Agreement** ") dated as of December 15, 2017, among each of the Grantors listed on the signature pages thereto (each such subsidiary individually, a " **Grantor** " and, collectively, the " **Grantors** "), Citibank, N.A., as Collateral Agent under the Credit Agreement (as defined below) (in such capacity, the " **Collateral Agent** ") for the benefit of the Secured Parties.

A. Reference is made to the ABL Credit Agreement, dated as of December 15, 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the " **Credit Agreement** "), among Avaya Inc., a Delaware corporation (the " **Company** "), Avaya Holdings Corp., a Delaware corporation (" **Holdings** "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership existing under the laws of Germany, the lending institutions from time to time parties thereto, the lending institutions named therein as L/C Issuers and Swing Line Lenders and the Collateral Agent

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

C. Section 8.13 of the Security Agreement provides that additional Subsidiaries may become Grantors under the Security Agreement by execution and delivery of this Supplement. Each undersigned Domestic Subsidiary (each a " **New Grantor** ") is executing this Supplement in accordance with the requirements of the Security Agreement to become a Subsidiary Grantor under the Security Agreement.

Accordingly, the Collateral Agent and the New Grantors agree as follows:

SECTION 1. In accordance with subsection 8.13 of the Security Agreement, each New Grantor by its signature below becomes a Grantor under the Security Agreement with the same force and effect as if originally named therein as a Grantor and each New Grantor hereby (a) agrees to all the terms and provisions of the Security Agreement applicable to it as a Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct in all material respects on and as of the date hereof (except where such representations and warranties expressly related to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date). In furtherance of the foregoing, each New Grantor, as security for the payment and performance in full of the Obligations, does hereby bargain, sell, convey, assign, set over, mortgage, pledge, hypothecate and transfer to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a Security Interest in all of the Collateral of such New Grantor, in each case whether now or hereafter existing or in which it now has or hereafter acquires an interest. Each reference to a " **Grantor** " in the Security Agreement shall be deemed to include each New Grantor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. Each New Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or law).

SECTION 3. This Supplement may be executed by one or more of the parties to this Supplement on any number of separate counterparts (including by facsimile or other electronic transmission (e.g. a "pdf" or "tif" file)), and all of said counterparts taken together shall be deemed to be originals and constitute one and the same instrument. A set of the copies of this Supplement signed by all the parties shall be lodged with the Collateral Agent and the Company. This Supplement shall become effective as to each New Grantor when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of such New Grantor and the Collateral Agent.

SECTION 4. Each New Grantor hereby represents and warrants that (a) set forth on Schedule I hereto is (i) the legal name of such New Grantor, (ii) the jurisdiction of incorporation or organization of such New Grantor, (iii) the type of organization or corporate structure of such New Grantor (iv) the Federal Taxpayer Identification Number and organizational number of such New Grantor and (v) the true and correct location of the chief executive office and principal place of business and any office in which it maintains books of records relating to Collateral owned by it and (b) as of the date hereof (i) Schedule II hereto sets forth, in proper form for filing with the United States Copyright Office, all of each New Grantor's Copyrights registered or applied for with the United States Copyright Office, (ii) Schedule III hereto sets forth, in proper form for filing with the United States Patent and Trademark Office, all of each New Grantor's Patents registered or applied for with the United States Patent and Trademark Office, (iii) Schedule IV hereto sets forth, in proper form for filing with the United States Patent and Trademark Office, all of each New Grantor's Trademarks (and all applications therefor).

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 6. **THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7. Any provision of this Supplement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and in the Security Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All notices, requests and demands pursuant hereto shall be made in accordance with Section 8.2 of the Security Agreement. All communications and notices hereunder to each New Grantor shall be given to it in care of the Company at the Company's address set forth in Section 13.2 of the Credit Agreement.

SECTION 9. Each New Grantor agrees to reimburse the Collateral Agent for its respective reasonable and documented out-of-pocket costs and expenses in connection with this Supplement to the extent set forth in the Credit Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each New Grantor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

_____, as a Grantor

By:
Name:
Title:

_____, as Collateral Agent

By:
Name:
Title:

[SIGNATURE PAGE TO SUPPLEMENT NO. [ ] TO SECURITY AGREEMENT]

Schedule I

COLLATERAL

Legal Name	Jurisdiction of Incorporation or Organization	Type of Organization of Corporate Structure	Federal Taxpayer Identification Number and Organizational Identification Number	Chief Executive Office and Principal Place of Business

Schedule II

Copyrights

UNITED STATES COPYRIGHTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule III

Patents

UNITED STATES PATENTS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

Schedule IV

Trademarks

UNITED STATES TRADEMARKS:

Registrations:

OWNER	TITLE	REGISTRATION NUMBER

Applications:

OWNER	DESCRIPTION	APPLICATION NUMBER

EXHIBIT E
TO THE CREDIT AGREEMENT

FORM OF PERFECTION CERTIFICATE

[See attached]

PERFECTION CERTIFICATE

December 15, 2017

Reference is hereby made to (i) that certain Term Loan Security Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " Term Loan Security Agreement ") dated as of the date hereof, among Avaya Inc., a Delaware corporation (" Avaya "), Avaya Holdings Corp., a Delaware corporation (" Holdings "), the Subsidiaries of Avaya from time to time party thereto as Grantors (the " Subsidiary Grantors " and, together with Holdings, the " Grantors ") and Goldman Sachs Banks USA as collateral agent (in such capacity, the " Term Loan Collateral Agent "), (ii) that certain Term Loan Credit Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " Term Loan Credit Agreement " and, together with the Term Loan Security Agreement, the " Term Loan Documents ") dated as of the date hereof, among Avaya, Holdings, the Term Loan Collateral Agent and each lender from time to time party thereto, (iii) that certain ABL Security Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " ABL Security Agreement ") dated as of the date hereof, among Avaya, the Grantors and Citibank, N.A., as collateral agent (in such capacity, the " ABL Collateral Agent "), and (ii) that certain ABL Credit Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " ABL Credit Agreement " and, together with the ABL Security Agreement, the " ABL Documents "; together with the Term Loan Documents, the " Credit Documents ") dated as of the date hereof, among Avaya, Holdings, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (GmbH & Co. KG) existing under the laws of Germany, the ABL Collateral Agent, the lending institutions from time to time party thereto and the lending instructions named therein as L/C Issuers and Swing Line Lenders. Capitalized terms used but not defined herein have the meanings assigned in the Credit Documents. As used herein, the term " Company " means either Avaya or one of the Grantors under the Credit Documents, and " Companies " means Avaya and each Grantor under the Credit Documents.

I. Names. The exact legal name of each Company, as such name appears in its respective certificate of incorporation or any other organizational document, is set forth in **Schedule 1** . Each Company is (i) the type of entity disclosed next to its name in **Schedule 1** and (ii) a registered organization except to the extent disclosed in **Schedule 1** . Also set forth in **Schedule 1** hereto is the jurisdiction of formation of each Company.

II. Current Locations . The chief executive office of each Company is located at the address set forth in **Schedule 2** hereto.

III. UCC Filings . Financing statements (duly authorized by each Company constituting the debtor therein), including the indications of the collateral, attached as **Schedule 3** have been prepared for filing in the proper Uniform Commercial Code filing offices in the jurisdictions identified in **Schedule 4** hereof.

IV. Schedule of Filings . Attached hereto as **Schedule 4** is a schedule of the appropriate filing offices for the financing statements attached hereto as **Schedule 3** .

V. Real Property . No Company owns any parcels of Real Estate located in the United States and the improvements thereto owned in fee with a fair market value of more than $10,000,000 as of the date hereof.

VI. Stock Ownership and Other Equity Interests . Attached hereto as **Schedule 6(a)** is a true and correct list of each of all of the authorized, and the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interest of each Company, its U.S. Subsidiaries, and its first-tier foreign Subsidiaries, and the record and beneficial owners of such stock, partnership interests, membership interests or other equity interests. Also set forth on **Schedule 6(b)** is each equity investment of each Company that represents 50% or less of the equity of the entity in which such investment was made.

VII. Intellectual Property . Attached hereto as **Schedule 7(a)** is a schedule setting forth all of each Company's Patents and Trademarks (each as defined in the Security Agreement) registered with the United States Patent and Trademark Office, including the name of the registered owner and the registration number of each such Patent and Trademark owned by each Company, as of the date set forth on such schedule (in all cases excluding Trademarks that constitute Excluded Assets (as defined in the Security Agreement)). Attached hereto as **Schedule 7(b)** is a schedule setting forth all of each Company's United States Copyrights (each as defined in the Security Agreement) registered with the United States Copyright Office, including the name of the registered owner and the registration number of each such Copyright owned by each Company, as of the date set forth on such schedule.

VIII. Deposit Accounts, Securities Accounts and Commodity Accounts . Attached hereto as **Schedule 8** is a true and complete list of all Deposit Accounts, Securities Accounts and Commodity Accounts (each as defined in the Security Agreement) maintained by each Company as of the date set forth on such schedule, including the name of each institution where each such account is held, the name of each such account and the name of each entity that holds each account.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF , we have hereunto signed this Perfection Certificate as of the date first set forth above.

AVAYA INC.

By: _____ .
Name:
Title:

AVAYA HOLDINGS CORP.

By: _____
Name:
Title:

AVAYA CALA INC.
AVAYA EMEA LTD.
AVAYA FEDERAL SOLUTIONS, INC.
AVAYA HOLDINGS LLC
AVAYA HOLDINGS TWO, LLC
AVAYA INTEGRATED CABINET SOLUTIONS LLC
AVAYA MANAGEMENT SERVICES INC.
AVAYA SERVICES INC.
AVAYA WORLD SERVICES INC.
OCTEL COMMUNICATIONS LLC
SIERRA ASIA PACIFIC INC.
TECHNOLOGY CORPORATION OF AMERICA, INC.
UBIQUITY SOFTWARE CORPORATION
VPNET TECHNOLOGIES, INC.
ZANG, INC.

By: _____
Name:
Title:

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EXHIBIT F
TO THE CREDIT AGREEMENT

FORM OF ABL INTERCREDITOR AGREEMENT

[See attached]

ABL INTERCREDITOR AGREEMENT

dated as of December 15, 2017

among

CITIBANK, N.A.,

as ABL Representative for the

ABL Credit Agreement Secured Parties,

GOLDMAN SACHS BANK USA,

as the Term Priority Representative for the

First Lien Term Credit Agreement Secured Parties,

and

each additional Representative from time to time party hereto,

and acknowledged and agreed to by

AVAYA HOLDINGS CORP.,

as Holdings,

AVAYA INC.,

as Borrower

and

the other Grantors party hereto

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ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " Effective Date ") (as amended, restated, supplemented or otherwise modified from time to time, this " Agreement "), among CITIBANK, N.A., as Representative for the ABL Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " ABL Representative "), GOLDMAN SACHS BANK USA, as Representative for the First Lien Term Credit Agreement Secured Parties (in such capacity and together with its successors in such capacity, the " First Lien Term Collateral Representative ") and as First Lien Term Credit Agreement Administrative Agent and each additional Term Priority Representative that from time to time becomes a party hereto pursuant to Section 8.09, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation, in its capacity as Holdings and the other Grantors (as defined below) from time to time party hereto.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the ABL Representative (for itself and on behalf of the ABL Credit Agreement Secured Parties), the First Lien Term Collateral Representative (for itself and on behalf of the First Lien Term Credit Agreement Secured Parties) and each additional Term Priority Representative (for itself and on behalf of the Term Priority Debt Parties under the applicable Term Priority Debt Facility) agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms . Capitalized terms used but not otherwise defined herein have the meanings specified in the New York UCC (including, without limitation, the following terms: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Financial Assets, Fixtures, General Intangibles, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Money, Payment Intangibles, Promissory Notes, Records, Securities Accounts, Security Entitlements, Supporting Obligations and Tangible Chattel Paper). As used in this Agreement, the following terms have the meanings specified below:

" ABL Cash Management Obligations " means obligations owed by the Borrower or any Subsidiary to any ABL Secured Party in respect of or in connection with any "Secured Cash Management Agreement" (as defined in the ABL Credit Agreement).

" ABL Collateral Documents " means the "U.S. Security Documents" as defined in the ABL Credit Agreement and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any other Grantor for purposes of providing collateral security for any ABL Obligation, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" ABL Credit Agreement " means that certain ABL Credit Agreement, dated as of the Effective Date, among, *inter alios* , the Borrower, the lenders and other financial institutions party thereto, Citibank, N.A., as collateral agent and as administrative agent, as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

" ABL Credit Agreement Administrative Agent " means Citibank, N.A., as administrative agent under the ABL Credit Agreement and any successor thereto in such capacity.

" ABL Credit Agreement Secured Parties " means the "Secured Parties" as defined in the ABL Credit Agreement.

" ABL Debt Documents " means the ABL Credit Agreement and the other "U.S. Credit Documents" as defined in the ABL Credit Agreement, in each case, as may be amended, restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" ABL Facility " means the credit facilities provided under the ABL Credit Agreement.

" ABL Hedging Agreement Obligations " means obligations owed by the Borrower or any Subsidiary to any ABL Secured Party in respect of or in connection with any "Secured Hedging Agreement" (as defined in the ABL Credit Agreement).

" ABL Obligations " means the "Obligations" as defined in the ABL Credit Agreement.

" ABL Priority Collateral " means any "U.S. Collateral" (or similar term) as defined in any ABL Collateral Document or any other ABL Debt Document, in each case, owned by the Borrower or any Grantor, or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to an ABL Collateral Document as security for any ABL Obligations consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Bankruptcy Law), would be ABL Priority Collateral):

(1) all Accounts, other than Accounts which constitute identifiable proceeds of Term Priority Collateral;

(2) all Chattel Paper (including Tangible Chattel Paper and Electronic Chattel Paper), other than Chattel Paper which constitutes identifiable proceeds of Term Priority Collateral;

(3) (x) all Deposit Accounts (other than Term Priority Accounts) and money and all cash, checks, other negotiable instruments, funds and other evidences of payments held therein, and (y) all Securities Accounts (other than Term Priority Accounts), Security Entitlements and Securities credited to such Securities Accounts, and, in each case, all cash, checks and other property held therein or credited thereto; provided, however , that during the continuance of an Event of Default, to the extent that identifiable proceeds of Term Priority Collateral are deposited in any such Deposit Accounts or Securities Accounts, such identifiable proceeds shall be treated as Term Priority Collateral;

(4) all Inventory;

(5) to the extent relating to, evidencing or governing any of the items referred to in the preceding clauses (1) through (4) constituting ABL Priority Collateral, all Documents, General Intangibles (other than any Intellectual Property), Instruments (including Promissory Notes) and Commercial Tort Claims; provided that to the extent any of the foregoing also relates to Collateral of a type not referred to in clauses (1) through (4), only that portion related to the items referred to in the preceding clauses (1) through (4) shall be included in the ABL Priority Collateral;

(6) to the extent relating to any of the items referred to in the preceding clauses (1)

through (5) constituting ABL Priority Collateral, all Supporting Obligations and Letter-of-Credit Rights; provided that to the extent any of the foregoing also relates to Term Priority Collateral only that portion related to the items referred to in the preceding clauses (1) through (5) shall be included in the ABL Priority Collateral;

(7) all books and Records relating to the items referred to in the preceding clauses (1) through (6) constituting ABL Priority Collateral (including all books, databases, customer lists, engineer drawings, and Records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (1) through (6)); and

(8) all collateral security and guarantees with respect to any of the foregoing and all cash, Money, insurance proceeds, Instruments, Securities, Financial Assets and Deposit Accounts received as proceeds of any of the foregoing (such proceeds, " ABL Priority Proceeds "); *provided* , *however* , that no proceeds of ABL Priority Proceeds will constitute ABL Priority Collateral unless such proceeds of ABL Priority Proceeds would otherwise constitute ABL Priority Collateral.

" ABL Priority DIP Financing " has the meaning assigned to such term in Section 6.01(a).

" ABL Priority Proceeds " has the meaning assigned to such term in the definition of "ABL Priority Collateral".

" ABL Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor collateral agent under the ABL Credit Agreement.

" ABL Secured Parties " means the ABL Credit Agreement Secured Parties.

" Additional First Priority Term Debt " means any Indebtedness that is issued or guaranteed by the Borrower and/or any other Grantor (other than Indebtedness constituting First Lien Term Credit Agreement Obligations), which Indebtedness and guarantees thereof are secured by the Term Priority Collateral (or any portion thereof) on a pari passu basis (but without regard to control of remedies, other than as provided by the terms of the applicable Additional Term Priority Debt Documents) or a junior priority basis with the First Lien Term Credit Agreement Obligations (but in either case on a senior priority basis to any Additional Junior Priority Term Debt) and which the applicable Additional Term Priority Debt Documents provide that such Indebtedness and guarantees are to be secured by the ABL Priority Collateral on a subordinate basis to the ABL Obligations; provided , however , that (i) such Indebtedness is expressly permitted to be incurred, secured and guaranteed on such basis by each then extant ABL Debt Document and Term Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have (A) become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) become a party to each applicable First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement pursuant to, and by satisfying the conditions set forth in the applicable Sections thereof providing for the joinder of additional Indebtedness thereto; provided further that, if such Indebtedness will be the initial Additional First Priority Term Debt incurred by the Borrower or any other Grantor, then the Grantors, the First Lien Term Collateral Representative and the Representative for such Indebtedness shall have executed and delivered each applicable First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement. Additional First Priority Term Debt shall include any Registered Equivalent Notes and guarantees thereof by the Guarantors issued in exchange therefor.

" Additional Junior Priority Term Debt " means any Indebtedness that is issued or guaranteed by the Borrower and/or any other Grantor, which Indebtedness and guarantees thereof are secured by the Term Priority Collateral (or any portion thereof) on a junior priority basis with the First Priority Term Debt and which the applicable Additional Term Priority Debt Documents provide that such Indebtedness and guarantees are to be secured by the ABL Priority Collateral on a subordinate basis to the ABL Obligations; provided, however , that (i) such Indebtedness is expressly permitted to be incurred, secured and guaranteed on such basis by each then extant ABL Debt Document and Term Priority Debt Document and (ii) the Representative for the holders of such Indebtedness shall have (A) become party to this Agreement pursuant to, and by satisfying the conditions set forth in, Section 8.09 hereof and (B) become a party to each applicable Junior Lien Intercreditor Agreement, and by satisfying the conditions set forth in the applicable Sections thereof providing for the joinder of additional Indebtedness thereto; provided further that, if such Indebtedness will be the initial Additional Junior Priority Term Debt incurred by the Borrower or any other Grantor, then the Grantors, the then-existing Term Priority Representatives and the Representative for such Indebtedness shall have executed and delivered each applicable Junior Lien Intercreditor Agreement. Additional Junior Priority Term Debt shall include any Registered Equivalent Notes and guarantees thereof by the Guarantors issued in exchange therefor.

" Additional Term Priority Debt " means any Additional First Priority Term Debt and any Additional Junior Priority Term Debt, as applicable.

" Additional Term Priority Debt Documents " means, with respect to any series, issue or class of Additional Term Priority Debt, the promissory notes, loan agreements, indentures, the Term Collateral Documents or other operative agreements evidencing or governing such Indebtedness, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" Additional Term Priority Debt Facility " means, with respect to any series, issue or class of Additional Term Priority Debt, each indenture, loan agreement or other governing agreement with respect to such Additional Term Priority Debt.

" Additional Term Priority Debt Obligations " means, with respect to any series, issue or class of Additional Term Priority Debt, all amounts owing pursuant to the terms of such Additional Term Priority Debt, including, without limitation, the obligation (including guarantee obligations) to pay principal, interest (including interest, fees, and expenses that accrue after the commencement of an Insolvency or Liquidation Proceeding, regardless of whether such interest is an allowed or allowable claim under such Insolvency or Liquidation Proceeding), letter of credit commissions, reimbursement obligations, charges, expenses, fees, attorneys costs, indemnities and other amounts payable by a Grantor under any Additional Term Priority Debt Document.

" Additional Term Priority Debt Parties " means, with respect to any series, issue or class of Additional Term Priority Debt, the holders of such Indebtedness, the Representative with respect thereto, any trustee or agent therefor under any related Additional Term Priority Debt Documents and the beneficiaries of each indemnification obligation undertaken by the Borrower or any other Grantor under any related Additional Term Priority Debt Documents.

" Agreement " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Applicable Laws " shall mean, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority, in each case applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

" Authorized Officer " means "Authorized Officer" as defined in the ABL Credit Agreement.

" Bankruptcy Code " means title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor statute.

" Bankruptcy Law " means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar federal, state or foreign law for the relief of debtors.

" Borrower " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Business Day " means any day other than a Saturday, Sunday and any other day on which banking institutions in New York City are authorized by law or other governmental actions to close.

" Capital Lease " means "Capital Lease" as defined in the ABL Credit Agreement as in effect on the date hereof.

" Class Debt " has the meaning assigned to such term in Section 8.09.

" Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Class Debt Representatives " has the meaning assigned to such term in Section 8.09.

" Collateral " means all Property now owned or hereafter acquired by the Borrower or any Guarantor in or upon which a Lien is granted or purported to be granted to the ABL Representative or any Term Priority Representative under any of the ABL Collateral Documents or the Term Collateral Documents, as applicable.

" Collateral Documents " means the ABL Collateral Documents and the Term Collateral Documents.

" Debt Documents " means the ABL Debt Documents and the Term Priority Debt Documents.

" Debt Facility " means the ABL Facility and any Term Priority Debt Facility.

" Designated Junior Priority Representative " means (i) with respect to the ABL Priority Collateral, the Designated Term Priority Representative and (ii) with respect to the Term Priority Collateral, the ABL Representative.

" Designated Senior Representative " means (i) with respect to the ABL Priority Collateral, the ABL Representative and (ii) with respect to the Term Priority Collateral, the Designated Term Priority Representative.

" Designated Term Priority Representative " means (i) prior to the Discharge of First Lien Term Obligations, (x) prior to the initial incurrence of Additional First Priority Term Debt, the First Lien Term Collateral Representative and (y) thereafter, the agent designated as the controlling agent under the

First Lien Intercreditor Agreements at such time and (ii) on or after the Discharge of First Lien Term Obligations, the agent designated as the controlling agent under the applicable Junior Lien Intercreditor Agreements at such time; it being understood that as of the date of this Agreement, the Designated Term Priority Representative shall be the First Lien Term Collateral Representative. When any Designated Term Priority Representative other than the First Lien Term Collateral Representative becomes the Designated Term Priority Representative it shall send a written notice thereof to the ABL Representative and the Borrower.

" DIP Financing " means any ABL Priority DIP Financing or any Term Priority DIP Financing, as applicable.

" Discharge " means, with respect to any Shared Collateral and any Debt Facility, the date on which such Debt Facility and the ABL Obligations or Term Priority Debt Obligations thereunder, as the case may be, are no longer secured by, and are no longer required to be secured by, any such Shared Collateral pursuant to the terms of the documentation governing such Debt Facility. The term " Discharged " shall have a corresponding meaning.

" Discharge of ABL Obligations " means, with respect to any Shared Collateral, the Discharge of the ABL Obligations with respect to such Shared Collateral; provided that the Discharge of ABL Obligations shall not be deemed to have occurred in connection with a Refinancing of such ABL Obligations with any Indebtedness secured by such Shared Collateral which has been designated in writing by the ABL Representative (under the ABL Credit Agreement so Refinanced) to the Designated Term Priority Representative and each other Representative party hereto as the "ABL Credit Agreement" and constituting "ABL Obligations" for purposes of this Agreement.

" Discharge of Additional First Priority Term Debt " means, with respect to any Shared Collateral, the Discharge of all Additional First Priority Term Debt with respect to such Shared Collateral.

" Discharge of Additional Junior Priority Term Debt " means, with respect to any Shared Collateral, the Discharge of all Additional Junior Priority Term Debt with respect to such Shared Collateral.

" Discharge of First Lien Term Credit Agreement Obligations " means, with respect to any Shared Collateral, the Discharge of the First Lien Term Credit Agreement Obligations with respect to such Shared Collateral; provided that the Discharge of First Lien Term Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such First Lien Term Credit Agreement Obligations with Additional First Priority Term Debt secured by such Shared Collateral under one or more Additional Term Priority Debt Documents which has been designated in writing by the Term Priority Representative (under the First Lien Term Credit Agreement so Refinanced) to the ABL Representative and each other Representative party hereto as the "First Lien Term Credit Agreement" and constituting "First Lien Term Credit Agreement Obligations" for purposes of this Agreement.

" Discharge of First Lien Term Obligations " means, with respect to any Shared Collateral, the date on which the Discharge of First Lien Term Credit Agreement Obligations and the Discharge of Additional First Priority Term Debt have occurred.

" Discharge of Senior Obligations " means, with respect to any series of Senior Obligations secured by any Senior Collateral, the date on which the Discharge of such Senior Obligations in respect of such Senior Collateral has occurred.

" Discharge of Term Priority Debt Obligations " means, with respect to any Shared Collateral, the date on which the Discharge of First Lien Term Obligations and the Discharge of Additional Junior Priority Term Debt have occurred.

" Domestic Subsidiary " means each Subsidiary of the Borrower that is organized under the laws of the United States of America, or any state thereof, or the District of Columbia.

" Effective Date " has the meaning assigned to such term in the introductory paragraph of this Agreement.

" Enforcement Notice " shall have the meaning set forth in Section 3.01(a).

" Equipment " shall mean (x) any "equipment" as such term is defined in Article 9 of the New York UCC, and in any event, shall include, but shall not be limited to, all machinery, equipment, furnishings, appliances, furniture, fixtures, tools, and vehicles now or hereafter owned by any Grantor in each case, regardless of whether characterized as equipment under the Uniform Commercial Code (but excluding any such items which constitute Inventory), and (y) and any and all additions, substitutions and replacements of any of the foregoing and all accessions thereto, wherever located, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefore, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

" Event of Default " shall mean an Event of Default as defined in the ABL Credit Agreement, the First Lien Term Credit Agreement, any other ABL Debt Document relating to any ABL Obligations or any other Term Priority Debt Document relating to any Term Priority Debt Obligations, as applicable.

" First Lien Intercreditor Agreement " means one or more intercreditor agreements among, *inter alios* , the First Lien Term Credit Agreement Administrative Agent and/or the First Lien Term Collateral Representative, on the one hand, and one or more representatives for the holders of Additional First Priority Term Debt that are intended to be or are (i) senior to any Additional Junior Priority Term Debt with respect to the Term Priority Collateral, (ii) junior to the ABL Obligations with respect to the ABL Priority Collateral and (iii) senior to the ABL Obligations with respect to the Term Priority Collateral, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" First Lien Term Cash Management Obligations " means obligations owed by the Borrower or any Subsidiary to any First Lien Term Credit Agreement Secured Party in respect of or in connection with any "Secured Cash Management Agreement" (as defined in the First Lien Term Credit Agreement).

" First Lien Term Collateral Representative " has the meaning assigned to such term in the introductory paragraph of this Agreement and shall include any successor collateral agent under the First Lien Term Credit Agreement.

" First Lien Term Credit Agreement " means that certain Term Loan Credit Agreement, dated as of the Effective Date, among, *inter alios* , the Borrower, the lenders and other financial institutions party thereto, Goldman Sachs Bank USA, as collateral agent and as administrative agent, as amended, restated, amended and restated, replaced, extended, renewed, Refinanced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement; *provided* that to the extent any Indebtedness thereunder is expressly provided thereunder to be secured on a junior basis to

the Liens securing the First Lien Term Credit Agreement Obligations in existence on the Effective Date, such Indebtedness (a) shall not constitute First Priority Term Debt and (b) subject to satisfaction of the conditions set forth in Section 8.09 hereof, shall constitute Additional First Priority Term Debt or Additional Junior Priority Term Debt, as applicable.

" First Lien Term Credit Agreement Administrative Agent " means Goldman Sachs Bank USA, as administrative agent under the First Lien Term Credit Agreement and any successor thereto in such capacity.

" First Lien Term Credit Agreement Credit Documents " means the First Lien Term Credit Agreement and the other "Credit Documents" as defined in the First Lien Term Credit Agreement, in each case, as may be amended, restated, amended and restated, modified, supplemented, replaced, extended, renewed and/or Refinanced from time to time in accordance with the terms of this Agreement.

" First Lien Term Credit Agreement Obligations " means the "Obligations" as defined in the First Lien Term Credit Agreement, unless such "Obligations" are expressly provided under the First Lien Term Credit Agreement not to be secured on a pari passu basis with the First Lien Term Credit Agreement Obligations in existence on the Effective Date or unsecured.

" First Lien Term Credit Agreement Secured Parties " means the "Secured Parties" as defined in the First Lien Term Credit Agreement, other than any Secured Parties whose obligations are not secured on a pari passu basis with the First Lien Term Credit Agreement Obligations in existence on the Effective Date or unsecured.

" First Lien Term Hedging Agreement Obligations " means obligations owed by the Borrower or any Subsidiary to any First Lien Term Credit Agreement Secured Party in respect of or in connection with any "Secured Hedging Agreement" (as defined in the First Lien Term Credit Agreement).

" First Lien Term Security Agreement " means the "Security Agreement" as defined in the First Lien Term Credit Agreement as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" First Priority Term Class Debt " has the meaning assigned to such term in Section 8.09.

" First Priority Term Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" First Priority Term Class Debt Representative " has the meaning assigned to such term in Section 8.09.

" First Priority Term Debt " means the First Lien Term Credit Agreement Obligations and any Additional First Priority Term Debt.

" Governmental Authority " shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

" Grantors " means the Borrower, Holdings and each of the other Guarantors which has granted a security interest pursuant to any Collateral Document to secure any Secured Obligations. The Grantors existing on the date hereof are listed on the signature pages hereto as Grantors.

" Guarantors " means, collectively (a) Holdings, (b) each Domestic Subsidiary of the Borrower that provides a guarantee of any Secured Obligations pursuant to an ABL Debt Document or a Term Priority Debt Document, as applicable and (c) the Borrower (other than with respect to its own obligations under the ABL Debt Documents and the Term Priority Debt Documents).

" Holdings " means, initially, Avaya Holdings Corp., a Delaware corporation, and thereafter, any entity designated as "Holdings" pursuant to the terms of the First Lien Term Credit Agreement and the ABL Credit Agreement.

" Indebtedness " means "Indebtedness" as defined in the ABL Credit Agreement as in effect on the date hereof.

" Insolvency or Liquidation Proceeding " means:

(1) any case commenced by or against the Borrower or any other Grantor under any Bankruptcy Law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Borrower or any other Grantor, any receivership or assignment for the benefit of creditors relating to the Borrower or any other Grantor or any similar case or proceeding relative to the Borrower or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, reorganization, marshalling of assets or liabilities or other winding up of or relating to the Borrower or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Borrower or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

" Intellectual Property " means "Intellectual Property" as defined in the First Lien Term Security Agreement as in effect on the Effective Date.

" Joinder Agreement " means a supplement to this Agreement in substantially the form of Annex II or Annex III hereof.

" Junior Lien Intercreditor Agreement " means any intercreditor agreement among the First Lien Term Credit Agreement Administrative Agent and/or the First Lien Term Collateral Representative and any other Person party thereto from time to time (including, without limitation, any Grantor), that defines the relative rights and priorities of the Term Priority Debt Parties (but solely as between each other) with respect to the Shared Collateral, in each case, as the same may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Junior Priority Collateral " means (i) with respect to any ABL Obligations, the Term Priority Collateral securing such ABL Obligations and (ii) with respect to any Term Priority Debt Obligations, the ABL Priority Collateral securing such Term Priority Debt Obligations.

" Junior Priority Collateral Documents " means (i) with respect to any ABL Priority Collateral, the Term Collateral Documents and (ii) with respect to any Term Priority Collateral, the ABL Collateral Documents.

" Junior Priority Debt Documents " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Documents and (ii) with respect to any Term Priority Collateral, the ABL Debt Documents.

" Junior Priority Debt Facilities " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Facilities and (ii) with respect to any Term Priority Collateral, the ABL Facility.

" Junior Priority Debt Obligations " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Obligations secured by such ABL Priority Collateral and (ii) with respect to any Term Priority Collateral, the ABL Obligations secured by such Term Priority Collateral.

" Junior Priority Debt Parties " means (i) with respect to any ABL Priority Collateral, the Term Priority Debt Parties secured by such ABL Priority Collateral and (ii) with respect to any Term Priority Collateral, the ABL Secured Parties secured by such Term Priority Collateral.

" Junior Priority Lien " means (i) with respect to any ABL Priority Collateral, the Liens on such ABL Priority Collateral in favor of the Term Priority Debt Parties under the Term Collateral Documents and (ii) with respect to any Term Priority Collateral, the Liens on such Term Priority Collateral in favor of the ABL Secured Parties under the ABL Collateral Documents.

" Junior Priority Representative " means (i) with respect to any ABL Priority Collateral, the Designated Term Priority Representative and (ii) with respect to any Term Priority Collateral, the ABL Representative.

" Junior Priority Term Class Debt " has the meaning assigned to such term in Section 8.09.

" Junior Priority Term Class Debt Parties " has the meaning assigned to such term in Section 8.09.

" Junior Priority Term Class Debt Representative " has the meaning assigned to such term in Section 8.09.

" Lien " means any mortgage, pledge, security interest, hypothecation, collateral assignment, lien (statutory or other) or similar encumbrance (including any conditional sale or other title retention agreement or any Capital Lease).

" Letters of Credit " means "Letters of Credit" as defined in the ABL Credit Agreement.

" New York UCC " means the Uniform Commercial Code as from time to time in effect in the State of New York.

" Officer's Certificate " has the meaning assigned to such term in Section 8.09.

" Person " means any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

" Plan of Reorganization " means plan of reorganization, plan of liquidation, agreement for composition, or other type of plan of arrangement proposed in or in connection with any Insolvency or Liquidation Proceeding.

" Pledged or Controlled Collateral " has the meaning assigned to such term in Section 5.05(a).

" Proceeds " means the proceeds of any sale, collection or other liquidation of Shared Collateral and any payment or distribution made in respect of Shared Collateral in an Insolvency or Liquidation Proceeding and any amounts received by any Senior Representative or any Senior Secured Party from a Junior Priority Debt Party in respect of Shared Collateral pursuant to this Agreement and all other Proceeds (as defined in the New York UCC) of Shared Collateral.

" Property " shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

" Purchase Event " has the meaning assigned to such term in Section 5.07.

" Real Property " shall mean any right, title or interest in and to real property, including any fee interest, leasehold interest, easement, or license and any other right to use or occupy real property.

" Recovery " has the meaning assigned to such term in Section 6.04.

" Refinance " means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter into alternative financing arrangements, in exchange or replacement for such indebtedness (in whole or in part), including by adding or replacing lenders, creditors, agents, borrowers and/or guarantors, and including, in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated and including, in each case, through any credit agreement, indenture or other agreement. " Refinanced " and " Refinancing " have correlative meanings.

" Registered Equivalent Notes " means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" Replacement Senior Obligation " has the meaning assigned to such term in Section 8.10.

" Representatives " means the ABL Representative and the Term Priority Representatives.

" SEC " means the United States Securities and Exchange Commission and any successor agency thereto.

" Secured Creditor Remedies " shall mean, except as otherwise provided in the final sentence of this definition:

(a) the taking by any Secured Party of any action to enforce or realize upon any Lien, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code or other Applicable Law;

(b) the exercise by any Secured Party of any right or remedy provided to a secured creditor on account of a Lien under any of the Collateral Documents, under Applicable Law, in an Insolvency or Liquidation Proceeding or otherwise, including the election to retain any of the Shared Collateral in satisfaction of a Lien;

(c) the taking of any action by any Secured Party or the exercise of any right or remedy by any Secured Party in respect of the collection on, set off against, marshaling of, injunction respecting or foreclosure on the Shared Collateral or the Proceeds thereof;

(d) the appointment on the application of a Secured Party, of a receiver, receiver and manager or interim receiver of all or part of the Shared Collateral;

(e) the sale, lease, license, or other disposition of all or any portion of the Shared Collateral by private or public sale conducted by a Secured Party or any other means at the direction of a Secured Party permissible under Applicable Law;

(f) the exercise of any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code or under provisions of similar effect under other Applicable Law; and

(g) the exercise by a Secured Party of any voting rights relating to any Stock or Stock Equivalent included in the Shared Collateral.

For the avoidance of doubt, none of the following shall be deemed to constitute an exercise of Secured Creditor Remedies: (i) the filing of a proof of claim in any Insolvency or Liquidation Proceeding or seeking adequate protection by any Senior Secured Party, (ii) the exercise of rights by the ABL Representative upon the occurrence of a Cash Dominion Event (as defined in the ABL Credit Agreement) or an Event of Default, including, without limitation, the notification of account debtors, depository institutions or any other Person to deliver proceeds of Collateral to the ABL Representative, (iii) the reduction of advance rates or sub-limits pursuant to the ABL Credit Agreement, or (iv) the imposition of Reserves (as defined in the ABL Credit Agreement) by the ABL Representative.

" Secured Obligations " means the ABL Obligations and the Term Priority Debt Obligations.

" Secured Parties " means the ABL Secured Parties and the Term Priority Debt Parties.

" Senior Collateral " means (i) with respect to any ABL Obligations, the ABL Priority Collateral securing such ABL Obligations and (ii) with respect to any Term Priority Debt Obligations, the Term Priority Collateral securing such Term Priority Debt Obligations.

" Senior Collateral Documents " means (i) with respect to any ABL Priority Collateral, the ABL Collateral Documents and (ii) with respect to any Term Priority Collateral, the Term Collateral Documents.

" Senior Debt Documents " means (i) with respect to any ABL Priority Collateral, the ABL Debt Documents and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Documents.

" Senior Facilities " means (i) with respect to any ABL Priority Collateral, the ABL Facility and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Facilities.

" Senior Lien " means (i) with respect to any ABL Priority Collateral, the Liens on such ABL Priority Collateral in favor of the ABL Secured Parties under the ABL Collateral Documents and (ii) with respect to any Term Priority Collateral, the Liens on such Term Priority Collateral in favor of the Term Priority Debt Parties under the Term Collateral Documents.

" Senior Obligations " means (i) with respect to any ABL Priority Collateral, the ABL Obligations and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Obligations.

" Senior Representative " means (i) with respect to any ABL Priority Collateral, the ABL Representative and (ii) with respect to any Term Priority Collateral, the Designated Term Priority Representative.

" Senior Secured Parties " means (i) with respect to any ABL Priority Collateral, the ABL Secured Parties secured by such ABL Priority Collateral and (ii) with respect to any Term Priority Collateral, the Term Priority Debt Parties secured by such Term Priority Collateral.

" Shared Collateral " means, at any time, Collateral in which the holders of ABL Obligations and the holders of Term Priority Debt Obligations under at least one Term Priority Debt Facility (or, in each case, their Representatives) hold a security interest at such time (or, in each case, are deemed pursuant to Article II to hold a security interest). If, at any time, any portion of the Collateral under the ABL Facility does not constitute Collateral under one or more Term Priority Debt Facilities, then such portion of such Collateral shall constitute Shared Collateral only with respect to the Term Priority Debt Facilities for which it constitutes Collateral and shall not constitute Shared Collateral for any Term Priority Debt Facility which does not have a security interest in such Collateral at such time.

" Stock " means shares of capital stock or shares in the capital, as the case may be (whether denominated as common stock or preferred stock or ordinary shares or preferred shares, as the case may be), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

" Stock Equivalent " means all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable, *provided* that any instrument evidencing Indebtedness convertible or exchangeable for Stock Equivalents shall not be deemed to be Stock Equivalents unless and until such instrument is so converted or exchanged.

" Subsidiary " of any Person shall mean and include (a) any corporation more than 50% of whose Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time Stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any limited liability company, partnership, association, joint venture or other entity of which such Person directly or indirectly through Subsidiaries has more than a 50% voting equity interest at the time or is a controlling general partner. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

" Term Collateral Documents " means the First Lien Term Security Agreement, the First Lien Intercreditor Agreements (upon and after the initial execution and delivery thereof by the initial parties thereto), the Junior Lien Intercreditor Agreements (upon and after the initial execution and delivery thereof by the initial parties thereto) and each of the collateral agreements, security agreements and other instruments and documents executed and delivered by the Borrower or any other Grantor for purposes of providing collateral security for any Term Priority Debt Obligation, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Term Priority Accounts " means any Deposit Accounts or Securities Accounts that are intended to solely contain identifiable proceeds of the Term Priority Collateral (it being understood that any property in such Deposit Accounts or Securities Accounts which is not identifiable proceeds of Term Priority Collateral shall not be Term Priority Collateral solely by virtue of being on deposit in any such Deposit Account or Securities Account).

" Term Priority Collateral " means any "Collateral" (or similar term) as defined in any First Lien Term Credit Agreement Credit Document or any other Term Priority Debt Document or any other assets of the Borrower or any other Grantor with respect to which a Lien is granted or purported to be granted pursuant to a Term Collateral Document as security for any Term Priority Debt Obligation, in each case other than ABL Priority Collateral, consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Bankruptcy Law) would be Term Priority Collateral):

(1) all Equipment, Fixtures, Real Property, Intellectual Property and Investment Property (other than any Investment Property described in clauses 3(y) and 8 of the definition of ABL Priority Collateral),

(2) except to the extent constituting ABL Priority Collateral, all Instruments, Commercial Tort Claims, Documents and General Intangibles,

(3) all other Collateral, other than the ABL Priority Collateral (including ABL Priority Proceeds), and

(4) all collateral security and guarantees with respect to the foregoing, and all cash, Money, insurance proceeds, Instruments, Securities, Financial Assets, Chattel Paper, Securities Accounts and Deposit Accounts received as proceeds of any Collateral and the ABL Priority Collateral (including ABL Priority Proceeds).

" Term Priority Debt Documents " means the First Lien Term Credit Agreement Credit Documents and any Additional Term Priority Debt Documents, in each case, as may be amended, restated, amended and restated, modified, supplemented or replaced from time to time in accordance with the terms of this Agreement.

" Term Priority Debt Facilities " means the First Lien Term Credit Agreement and any Additional Term Priority Debt Facilities.

" Term Priority Debt Obligations " means the First Lien Term Credit Agreement Obligations and any Additional Term Priority Debt Obligations.

" Term Priority Debt Parties " means the First Lien Term Credit Agreement Secured Parties and any Additional Term Priority Debt Parties.

" Term Priority DIP Financing " has the meaning assigned to such term in Section 6.01(b).

" Term Priority Representative " means (i) in the case of the First Lien Term Credit Agreement Obligations, the First Lien Term Collateral Representative and (ii) in the case of any Additional Term Priority Debt Facility, the trustee, administrative agent, collateral agent, security agent or similar agent under such Additional Term Priority Debt Facility that is named as the Representative in respect of such Additional Term Priority Debt Facility in the applicable Joinder Agreement.

" Uniform Commercial Code " or " UCC " means, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York.

" Use Period " means the period commencing on the date that the ABL Representative (or a Grantor acting with the consent of the ABL Representative) commences the liquidation and sale of the ABL Priority Collateral in a manner as provided in Section 5.09 (having theretofore furnished the Designated Term Priority Representative with an Enforcement Notice) and ending 180 days thereafter (but in no event later than 270 days following the date the Designated Term Priority Representative provides an Enforcement Notice to the ABL Representative). If any stay or other order that prohibits any of the ABL Representative, the other ABL Secured Parties or any Grantor (with the consent of the ABL Representative) from commencing and continuing to exercise any Secured Creditor Remedies or to liquidate and sell the ABL Priority Collateral has been entered by a court of competent jurisdiction, such 180-day period and 270-day period shall be tolled during the pendency of any such stay or other order and the Use Period shall be so extended.

SECTION 1.02. 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 neutral 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, (i) any definition of or reference to any agreement, instrument, other document, statute or regulation herein shall be construed as referring to such agreement, instrument, other document, statute or regulation as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, but shall not be deemed to include the Subsidiaries of such Person unless express reference is made to such Subsidiaries, (iii) 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, (iv) all references herein to Articles, Sections and Annexes shall be construed to refer to Articles, Sections and Annexes of this Agreement, (v) unless otherwise expressly qualified herein, 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 (vi) the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or."

SECTION 1.03. Interpretation. The rules of interpretation specified in the ABL Credit Agreement (including, without limitation, Sections 1.2 through 1.8 thereof) shall be applicable to this Agreement.

ARTICLE II

Priorities and Agreements with Respect to Shared Collateral

SECTION 2.01. Subordination . Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any Junior Priority Representative or any other Junior Priority Debt Party on the Shared Collateral or of any Liens granted to any Senior Representative or any other Senior Secured Party on any Shared Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC of any applicable jurisdiction, any Applicable Law, any Junior Priority Debt Document or any Senior Debt Document or any other circumstance whatsoever, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby agrees that (x) any Lien on the Shared Collateral securing any Senior Obligations now or hereafter held by or on behalf of any Senior Representative or any other Senior Secured Party or other

agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to all Liens on the Shared Collateral securing any Junior Priority Debt Obligations and (y) any Lien on the Shared Collateral securing any Junior Priority Debt Obligations now or hereafter held by or on behalf of any Junior Priority Representative, any other Junior Priority Debt Party or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Shared Collateral securing any Senior Obligations, and without limitation of the foregoing:

(a) any Lien in respect of all or any portion of the ABL Priority Collateral now or hereafter held by or on behalf of the Term Priority Representatives or any Term Priority Debt Party that secures all or any portion of the Term Priority Debt Obligations shall in all respects be junior and subordinate to all Liens granted to the ABL Representative and the ABL Secured Parties in the ABL Priority Collateral to secure all or any portion of the ABL Obligations;

(b) any Lien in respect of all or any portion of the ABL Priority Collateral now or hereafter held by or on behalf of the ABL Representative or any ABL Secured Party that secures all or any portion of the ABL Obligations shall in all respects be senior and prior to all Liens granted to the Term Priority Representatives or any Term Priority Debt Party in the ABL Priority Collateral to secure all or any portion of the Term Priority Debt Obligations;

(c) any Lien in respect of all or any portion of the Term Priority Collateral now or hereafter held by or on behalf of the ABL Representative or any ABL Secured Party that secures all or any portion of the ABL Obligations shall in all respects be junior and subordinate to all Liens granted to the Term Priority Representatives and the Term Priority Debt Parties in the Term Priority Collateral to secure all or any portion of the Term Priority Debt Obligations; and

(d) any Lien in respect of all or any portion of the Term Priority Collateral now or hereafter held by or on behalf of the Term Priority Representatives or any Term Priority Debt Party that secures all or any portion of the Term Priority Debt Obligations shall in all respects be senior and prior to all Liens granted to the ABL Representative or any ABL Secured Party in the Term Priority Collateral to secure all or any portion of the ABL Obligations.

Without limitation of the foregoing, all Liens on the Shared Collateral securing any Senior Obligations shall be and remain senior in all respects and prior to all Liens on the Shared Collateral securing any Junior Priority Debt Obligations for all purposes, it being understood that (w) all Liens on the ABL Priority Collateral securing any ABL Obligations shall be and remain senior in all respects and prior to all Liens on the ABL Priority Collateral securing any Term Priority Debt Obligations, (x) all Liens on the Term Priority Collateral securing any Term Priority Debt Obligations shall be and remain senior in all respects and prior to all Liens on the Term Priority Collateral securing any ABL Obligations, (y) all Liens on the ABL Priority Collateral securing any Term Priority Debt Obligations shall be and remain junior and subordinate in all respects to all Liens on the ABL Priority Collateral securing any ABL Obligations and (z) all Liens on the Term Priority Collateral securing any ABL Obligations shall be and remain junior and subordinate in all respects to all Liens on the Term Priority Collateral securing any Term Priority Debt Obligations, in each case of the foregoing whether or not such Liens securing any Senior Obligations are junior and/or subordinated to any Lien securing any other obligation of the Borrower, any Grantor or any other Person or otherwise subordinated, voided, avoided, invalidated or lapsed.

SECTION 2.02. Nature of ABL Obligations . Each Term Priority Representative, on behalf of itself and each Term Priority Debt Party under its Term Priority Debt Facility, acknowledges

that (a) a portion of the ABL Obligations is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, (b) the terms of the ABL Debt Documents and the ABL Obligations may be amended, restated, amended and restated, supplemented or otherwise modified, and the ABL Obligations, or a portion thereof, may be Refinanced in whole or in part from time to time and (c) the aggregate amount of the ABL Obligations may be increased, in each case, without notice to or consent by any Term Priority Representative or Term Priority Debt Party and without affecting the provisions hereof. The Lien priorities provided for in Section 2.01 shall not be altered or otherwise affected by any amendment, restatement, amendment and restatement, supplement or other modification, or any Refinancing, of either the ABL Obligations or the Term Priority Debt Obligations, or any portion thereof. As between the Borrower and the other Grantors and the Term Priority Debt Parties, the foregoing provisions will not limit or otherwise affect the obligations of the Borrower and the Grantors contained in any Term Priority Debt Document with respect to the incurrence of additional ABL Obligations.

SECTION 2.03. Prohibition on Contesting Liens . Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Senior Obligations held (or purported to be held) by or on behalf of any Senior Representative or any of the other Senior Secured Parties or other agent or trustee therefor in any Senior Collateral. Each Senior Representative, for itself and on behalf of each Senior Secured Party under its Senior Facility, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Junior Priority Debt Obligations held (or purported to be held) by or on behalf of any of any Junior Priority Representative or any of the Junior Priority Debt Parties or other agent or trustee therefor in any Junior Priority Collateral. Notwithstanding the foregoing, no provision in this Agreement shall be construed to prevent or impair the rights of any Senior Representative to enforce this Agreement (including the priority of the Liens securing the Senior Obligations as provided in Section 2.01) or any of the Senior Debt Documents.

SECTION 2.04. No Other Liens . The parties hereto (including the Borrower, on behalf of the Grantors) agree that it is their intention that the Collateral securing the ABL Obligations and the Term Priority Debt Obligations be identical, except to the extent otherwise expressly set forth herein or to the extent the applicable Debt Document and each other then extant Debt Document does not require the applicable Debt Facility thereunder to be secured by such Collateral. The parties hereto further agree that, (I) so long as the Discharge of ABL Obligations has not occurred, (a) none of the Grantors shall, or shall permit any of its Subsidiaries to, grant or permit any Lien on any asset to secure any Term Priority Debt Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the ABL Obligations, and (b) if any Term Priority Representative or any Term Priority Debt Party shall hold any Lien on any assets or property of any Grantor securing any Term Priority Debt Obligations that are not also subject to the Liens securing all ABL Obligations under the ABL Collateral Documents, such Term Priority Representative or Term Priority Debt Party (i) shall notify the ABL Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the ABL Representative as security for the ABL Obligations, shall assign such Lien to the ABL Representative as security for all ABL Obligations for the benefit of the ABL Secured Parties (but may retain a Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to the ABL Representative, shall be deemed to hold and have held such Lien for the benefit of the ABL Representative and the other ABL Secured Parties as security for the ABL Obligations; and (II) so long as the Discharge of Term Priority Debt Obligations has not occurred, (a) none of the Grantors shall, or shall permit any of its Subsidiaries to, grant or permit any Lien

on any asset to secure any ABL Obligation unless it has granted, or concurrently therewith grants, a Lien on such asset to secure the Term Priority Debt Obligations, and (b) if the ABL Representative or any ABL Secured Party shall hold any Lien on any assets or property of any Grantor securing any ABL Obligations that are not also subject to the Liens securing all Term Priority Debt Obligations under the Term Collateral Documents, the ABL Representative or any ABL Secured Party (i) shall notify the Designated Term Priority Representative promptly upon becoming aware thereof and, unless such Grantor shall promptly grant a similar Lien on such assets or property to the Designated Term Priority Representative as security for the Term Priority Debt Obligations, shall assign such Lien to the Designated Term Priority Representative as security for all Term Priority Debt Obligations for the benefit of the Term Priority Debt Parties (but may retain a Lien on such assets or property subject to the terms hereof) and (ii) until such assignment or such grant of a similar Lien to the Designated Term Priority Representative, shall be deemed to hold and have held such Lien for the benefit of the Term Priority Representatives and the other Term Priority Debt Parties as security for the Term Priority Debt Obligations. To the extent that the provisions of the immediately preceding sentence are not complied with for any reason, (I) without limiting any other right or remedy available to the ABL Representative or any other ABL Secured Party, each Term Priority Representative agrees, for itself and on behalf of the other Term Priority Debt Parties, that any amounts received by or distributed to any Term Priority Debt Party pursuant to or as a result of any Lien granted in contravention of this Section 2.04 shall be subject to Sections 4.01 and 4.02 and (II) without limiting any other right or remedy available to any Term Priority Representative or any other Term Priority Debt Party, the ABL Representative agrees, for itself and on behalf of the other ABL Secured Parties, that any amounts received by or distributed to any ABL Secured Party pursuant to or as a result of any Lien granted in contravention of this Section 2.04 shall be subject to Sections 4.01 and 4.02.

SECTION 2.05. Perfection of Liens . Except for the limited agreements of the Senior Representatives pursuant to Section 5.05 hereof, none of the Senior Representatives or the Senior Secured Parties shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Shared Collateral for the benefit of the Junior Priority Representatives or the Junior Priority Debt Parties. The provisions of this Agreement are intended to govern the respective Lien priorities as between the ABL Secured Parties and the Term Priority Debt Parties and shall not impose on the ABL Representative, the ABL Secured Parties, the Term Priority Representatives, the Term Priority Debt Parties or any agent or trustee therefor any obligations in respect of the disposition of Proceeds of any Shared Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any Applicable Law.

SECTION 2.06. Certain Cash Collateral . Notwithstanding anything in this Agreement or any ABL Debt Document or Term Priority Debt Document to the contrary, (x) Collateral consisting of cash and Cash Equivalents (as defined in the ABL Credit Agreement) and the proceeds thereof (i) pledged to secure ABL Obligations consisting of reimbursement obligations in respect of Letters of Credit pursuant the ABL Credit Agreement and/or (ii) deposited in, or credited to, any account for the purpose of Cash Collateralizing (as defined in the ABL Credit Agreement) obligations in respect of Letters of Credit pursuant to the ABL Credit Agreement shall, in each case, be applied as specified in the ABL Credit Agreement and will not constitute Shared Collateral and, for the avoidance of doubt, no account containing any such cash and Cash Equivalents shall constitute Shared Collateral and (y)(i) funds deposited for the satisfaction, discharge, redemption or defeasance of any Secured Obligations in accordance with the terms of the applicable ABL Debt Documents or Term Priority Debt Document and (ii) cash collateral deposited with (or pledged to) the ABL Representative, Term Priority Representative or any other Secured Party in respect of any ABL Hedging Agreement Obligations, ABL Cash Management Obligations, First Lien Term Hedging Agreement Obligations or First Lien Term Cash Management Obligations which are secured under the applicable Collateral Documents shall, in each case, be applied as specified in the applicable ABL Debt Documents or Term Priority Debt Document, as applicable, and will not constitute Shared Collateral.

ARTICLE III

Enforcement

SECTION 3.01. Exercise of Remedies .

(a) With respect to any Senior Collateral, so long as the Discharge of Senior Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor, (i) neither any Junior Priority Representative nor any Junior Priority Debt Party will (x) exercise any Secured Creditor Remedies with respect to any such Senior Collateral in respect of any Junior Priority Debt Obligations secured by such Senior Collateral, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to (A) any foreclosure proceeding or action brought with respect to such Senior Collateral or any other Senior Collateral by any Senior Representative or any Senior Secured Party in respect of the Senior Obligations, (B) the exercise of any right by any Senior Representative or any Senior Secured Party (or any agent or sub-agent on their behalf) in respect of the Senior Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which any Senior Representative or any Senior Secured Party either is a party or may have rights as a third party beneficiary or (C) any other exercise by any such party of any rights and remedies relating to such Senior Collateral under the Senior Debt Documents or otherwise in respect of the Senior Collateral or the Senior Obligations, or (z) object to the forbearance by the Senior Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to such Senior Collateral in respect of Senior Obligations and (ii) the Senior Representatives and the Senior Secured Parties shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid their debt) and make determinations regarding the release, disposition or restrictions with respect to such Senior Collateral without any consultation with or the consent of any Junior Priority Representative or any other Junior Priority Debt Party; provided , however , that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Borrower or any other Grantor, any Junior Priority Representative may file a claim, proof of claim, or statement of interest with respect to the Junior Priority Debt Obligations under its Junior Priority Debt Facility, (B) any Junior Priority Representative may take any action (so long as such action is not adverse to the prior Liens on the Shared Collateral securing the Senior Obligations or the rights of the Senior Representatives or the other Senior Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the Shared Collateral, (C) any Junior Priority Representative and the Junior Priority Debt Parties may exercise their rights and remedies as unsecured creditors, to the extent provided in Section 5.04, (D) the Junior Priority Debt Parties may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Priority Debt Parties or the avoidance of any Junior Priority Lien to the extent not inconsistent with the terms of this Agreement and (E) the Junior Priority Debt Parties may vote with respect to any Plan of Reorganization in a manner that is consistent with and otherwise in accordance with this Agreement (in each case of (A) through (E) above, solely to the extent such action is not inconsistent with, or could not result in a resolution inconsistent with, the terms of this Agreement and it being understood and agreed that that the temporary deposit of Proceeds of Term Priority Collateral in a Deposit Account controlled by the ABL Representative shall not constitute a breach of this Agreement so long as such Proceeds are promptly (but in no event later than five Business Days after (i) receipt and (ii) the ABL Representative having actual knowledge that such amount

constitutes Proceeds of Term Priority Collateral) remitted to the Designated Term Priority Representative). In exercising rights and remedies with respect to the Senior Collateral, the Senior Representatives and the Senior Secured Parties may enforce the provisions of the Senior Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion; provided that each of the ABL Representative and the Term Priority Representative agrees to provide to the other (x) a written notice (an " Enforcement Notice ") prior to the commencement of an exercise of any Secured Creditor Remedies and (y) copies of any notices that it is required under Applicable Law to deliver to any Grantor promptly after delivery thereof; provided , further , however , that (I) the ABL Representative's failure to provide any such copies to the Term Priority Representatives (but not the Enforcement Notice) shall not impair any of the ABL Representative's rights hereunder or under any of the ABL Debt Documents and (II) the Term Priority Representative's failure to provide any such copies to the ABL Representative (but not the Enforcement Notice) shall not impair any Term Priority Representative's rights hereunder or under any of the Term Priority Debt Documents. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of Senior Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the UCC of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(b) With respect to any Senior Collateral, so long as the Discharge of Senior Obligations has not occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a) and in Article VI, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will not, in the context of its role as a secured creditor, take or receive any Senior Collateral or any Proceeds of Senior Collateral in connection with the exercise of any right or remedy (including setoff) with respect to any Senior Collateral in respect of Junior Priority Debt Obligations. Without limiting the generality of the foregoing, with respect to any Senior Collateral, unless and until the Discharge of Senior Obligations has occurred, except as expressly provided in the proviso in clause (ii) of Section 3.01(a) and in Article VI, the sole right of the Junior Priority Representatives and the Junior Priority Debt Parties with respect to the Senior Collateral is to hold a Lien on the Senior Collateral in respect of Junior Priority Debt Obligations pursuant to the Junior Priority Debt Documents for the period set forth, and to the extent granted, therein and to receive a share of the Proceeds thereof, if any, after the Discharge of Senior Obligations has occurred.

(c) Subject to the proviso in clause (ii) of Section 3.01(a), (i) each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that neither such Junior Priority Representative nor any such Junior Priority Debt Party will take any action that would hinder any exercise of remedies undertaken by any Senior Representative or any Senior Secured Party with respect to the Senior Collateral under the Senior Debt Documents, including any sale, lease, exchange, transfer or other disposition of the Senior Collateral, whether by foreclosure or otherwise, and (ii) each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby waives any and all rights it or any such Junior Priority Debt Party may have as a junior lien creditor or otherwise to object to the manner in which the Senior Representatives or the Senior Secured Parties seek to enforce or collect the Senior Obligations or the Liens granted on any of the Senior Collateral, regardless of whether any action or failure to act by or on behalf of any Senior Representative or any other Senior Secured Party is adverse to the interests of the Junior Priority Debt Parties.

(d) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby acknowledges and agrees that no covenant, agreement or restriction contained in any Junior Priority Debt Document shall be deemed to restrict in any way the rights and remedies of the Senior Representatives or the Senior Secured Parties with respect to the Senior Collateral as set forth in this Agreement and the Senior Debt Documents.

(e) Subject to Section 3.01(a), with respect to any Senior Collateral, the Designated Senior Representative shall have the exclusive right to exercise any right or remedy with respect to such Senior Collateral and shall have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto. Following the Discharge of Senior Obligations with respect to any Senior Collateral, the Designated Junior Priority Representative shall have the exclusive right to exercise any right or remedy with respect to such Senior Collateral, and the Designated Junior Priority Representative shall have the exclusive right to direct the time, method and place of exercising or conducting any proceeding for the exercise of any right or remedy available to the Junior Priority Debt Parties with respect to such Senior Collateral, or of exercising or directing the exercise of any trust or power conferred on the Junior Priority Representatives, or for the taking of any other action authorized by the Junior Priority Collateral Documents; provided , however , that nothing in this Section 3.01(e) shall impair the right of any Junior Priority Representative or other agent or trustee acting on behalf of the Junior Priority Debt Parties to take such actions with respect to the Senior Collateral after the Discharge of Senior Obligations in respect of such Senior Collateral as may be otherwise required or authorized pursuant to any intercreditor agreement governing the Term Priority Debt Parties or the Term Priority Debt Obligations (including the First Lien Intercreditor Agreements and Junior Lien Intercreditor Agreements).

SECTION 3.02. Cooperation. Subject to the proviso in clause (ii) of Section 3.01(a), each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that, unless and until the Discharge of Senior Obligations has occurred, it will not commence, or join with any Person (other than the Senior Secured Parties and the Senior Representatives upon the request of the Designated Senior Representative) in commencing, any enforcement, collection, execution, levy, foreclosure or other action or proceeding with respect to any Lien held by it in the Senior Collateral under any of the Junior Priority Debt Documents or otherwise in respect of the Junior Priority Debt Obligations.

SECTION 3.03. Actions upon Breach . Should any Junior Priority Representative or any Junior Priority Debt Party, contrary to this Agreement, in any way take, attempt to take or threaten to take any action with respect to the Senior Collateral (including any attempt to realize upon or enforce any remedy with respect to this Agreement) or fail to take any action required by this Agreement, any Senior Representative or other Senior Secured Party or the Borrower or any other Grantor may obtain relief against such Junior Priority Representative or such Junior Priority Debt Party by injunction, specific performance or other appropriate equitable relief. Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby (i) agrees that the Senior Secured Parties' damages from the actions of the Junior Priority Representatives or any Junior Priority Debt Party may at that time be difficult to ascertain and may be irreparable and waives any defense that the Borrower, any other Grantor or the Senior Secured Parties cannot demonstrate damage or be made whole by the awarding of damages and (ii) irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by any Senior Representative or any other Senior Secured Party.

ARTICLE IV

Payments

SECTION 4.01. Application of Proceeds .

(a) After an Event of Default under any ABL Debt Document has occurred and until such Event of Default is cured or waived, so long as the Discharge of ABL Obligations has not occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, the ABL Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such ABL Priority Collateral or upon the exercise of any other remedies shall be applied by the ABL Representative to the ABL Obligations in such order as specified in the relevant ABL Debt Documents until the Discharge of ABL Obligations has occurred. Following the Discharge of ABL Obligations, the ABL Representative shall deliver promptly to the Designated Term Priority Representative any ABL Priority Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the Designated Term Priority Representative to the Term Priority Debt Obligations in such order as specified in the relevant Term Priority Debt Documents (including the First Lien Intercreditor Agreements and the Junior Lien Intercreditor Agreements).

(b) After an Event of Default under any Term Priority Debt Document has occurred and until such Event of Default is cured or waived, so long as the Discharge of Term Priority Debt Obligations has not occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, the Term Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Term Priority Collateral or upon the exercise of any other remedies shall be applied by the Term Priority Representatives to the Term Priority Debt Obligations in such order as specified in the relevant Term Priority Debt Documents (including the First Lien Intercreditor Agreements and the Junior Lien Intercreditor Agreements) until the Discharge of Term Priority Debt Obligations has occurred. Following the Discharge of Term Priority Debt Obligations, the Designated Term Priority Representative and each other Term Priority Representative shall deliver promptly to the ABL Representative any Term Priority Collateral or Proceeds thereof held by it in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, to be applied by the ABL Representative to the ABL Obligations in such order as specified in the relevant ABL Debt Documents.

(c) In exercising remedies, whether as a secured creditor or otherwise, the ABL Representative shall have no obligation or liability to the Designated Term Priority Representative or to any other Term Priority Debt Party, and no Term Priority Representative shall have any obligation or liability to the ABL Representative or to any other ABL Secured Party, in each case regarding the adequacy of any Proceeds or for any action or omission, except solely for an action or omission that breaches the express obligations undertaken by such Person under the terms of this Agreement. Notwithstanding anything to the contrary herein contained, none of the parties hereto waives any claim that it may have against a Secured Party on the grounds that any sale, transfer or other disposition by the Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

(d) Following the Discharge of ABL Obligations, the ABL Representative shall deliver to the Designated Term Priority Representative or shall execute such documents as the Designated Term Priority Representative may reasonably request (at the expense of the Borrower) to enable the Designated Term Priority Representative to have control over any Pledged or Controlled Collateral still in the ABL Representative's possession, custody, or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. Following the Discharge of Term Priority Debt Obligations, the Designated Term Priority Representative shall deliver to the ABL Representative or shall execute such documents as the ABL Representative may reasonably request (at the expense of the Borrower) to enable the ABL Representative to have control over any Pledged or Controlled Collateral still in the Designated Term Priority Representative's possession, custody or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct.

SECTION 4.02. Payments Over .

(a) Unless and until the Discharge of ABL Obligations has occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, any ABL Priority Collateral or Proceeds thereof received by any Term Priority Representative or any Term Priority Debt Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral, whether or not in contravention of this Agreement or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the ABL Representative for the benefit of the ABL Secured Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The ABL Representative is hereby authorized to make any such endorsements as agent for each of the Term Priority Representatives or any such Term Priority Debt Party. This authorization is coupled with an interest and is irrevocable.

(b) Unless and until the Discharge of Term Priority Debt Obligations has occurred and regardless of whether an Insolvency or Liquidation Proceeding has been commenced, any Term Priority Collateral or Proceeds thereof received by the ABL Representative or any ABL Secured Party in connection with the exercise of any right or remedy (including setoff) relating to the Shared Collateral, whether or not in contravention of this Agreement or otherwise, shall be segregated and held in trust for the benefit of, and forthwith paid over to, the Designated Term Priority Representative for the benefit of the Term Priority Debt Parties in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Designated Term Priority Representative is hereby authorized to make any such endorsements as agent for the ABL Representative or any such ABL Secured Party. This authorization is coupled with an interest and is irrevocable.

SECTION 4.03. Specific Performance . Each of the ABL Representative, the First Lien Term Collateral Representative and each other Representative that becomes a party to this Agreement is hereby authorized to demand specific performance of this Agreement, whether or not the Borrower or any Guarantor shall have complied with any of the provisions of any of the Debt Documents, at any time when any other party hereto shall have failed to comply with any of the provisions of this Agreement applicable to it. Each of the ABL Representative, for and on behalf of itself and the ABL Secured Parties, and each Term Priority Representative, for and on behalf of itself and the Term Priority Debt Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

ARTICLE V

Other Agreements

SECTION 5.01. Releases .

(a) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that, in the event of a sale, transfer or other disposition of any specified item of Shared Collateral (including all or substantially all of the Stock and Stock Equivalent of any Subsidiary of the Borrower) (i) in connection with the exercise of Secured Creditor Remedies by the Designated Senior Representative in respect of such Shared Collateral following and during the continuation of an Event of Default under the Senior Debt Documents or (ii) if not in connection with the exercise of Secured Creditor Remedies by the Designated Senior Representative in respect of such Shared Collateral, so long as such sale, transfer or other disposition is

(x) permitted by the terms of the Junior Priority Debt Documents or (y) made with the consent of the Designated Senior Representative at a time when an Event of Default (as defined in the applicable Senior Debt Document) is continuing, the Liens granted to the Junior Priority Representatives and the Junior Priority Debt Parties upon such Shared Collateral to secure Junior Priority Debt Obligations shall (whether or not any Insolvency or Liquidation Proceeding is pending at such time) terminate and be released, immediately and automatically and without any further action by any Person, concurrently with the termination and release of all Liens granted upon such Shared Collateral to secure Senior Obligations. Upon delivery to a Junior Priority Representative of an Officer's Certificate stating that any such termination and release of Liens securing the Senior Obligations has become effective (or shall become effective concurrently with such termination and release of the Liens granted to the Junior Priority Debt Parties and the Junior Priority Representatives) and any necessary or proper instruments of termination or release prepared by the Borrower or any other Grantor, such Junior Priority Representative will promptly execute, deliver or acknowledge, at the Borrower's or the other Grantor's sole cost and expense, such instruments to evidence such termination and release of the Liens. Nothing in this Section 5.01(a) will be deemed to affect any agreement of a Junior Priority Representative, for itself and on behalf of the Junior Priority Debt Parties under its Junior Priority Debt Facility, to release the Liens on the Junior Priority Collateral as set forth in the relevant Junior Priority Debt Documents.

(b) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby irrevocably constitutes and appoints the Designated Senior Representative and any officer or agent of the Designated Senior Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Junior Priority Representative or such Junior Priority Debt Party or in the Designated Senior Representative's own name, from time to time in the Designated Senior Representative's discretion, for the purpose of carrying out the terms of Section 5.01(a), to take any and all appropriate action and to execute and/or authorize any and all documents and instruments that may be necessary or desirable to accomplish the purposes of Section 5.01(a), including any termination statements, notations of liens, endorsements or other instruments of transfer or release. The Designated Senior Representative hereby agrees to take action reasonably requested by the Grantors to carry out the terms of this Section 5.01(b) or to accomplish the purposes of Section 5.01(a).

(c) With respect to any Senior Collateral, unless and until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby consents to the application, whether prior to or after an Event of Default under any Senior Debt Document, of proceeds of such Senior Collateral to the repayment of Senior Obligations pursuant to the Senior Debt Documents, provided that nothing in this Section 5.01(c) shall be construed to prevent or impair the rights of the Junior Priority Representatives or the Junior Priority Debt Parties to receive proceeds in connection with the Junior Priority Debt Obligations not otherwise in contravention of this Agreement.

(d) Notwithstanding anything to the contrary in any Junior Priority Collateral Document, in the event the terms of a Senior Collateral Document and a Junior Priority Collateral Document each require any Grantor (i) to make any payments in respect of any item of Shared Collateral to, (ii) to deliver or afford control over any item of Shared Collateral to, or deposit any item of Shared Collateral with, (iii) to make notations of lien or register ownership of any item of Shared Collateral in the name of or make an assignment of ownership of any Shared Collateral or the rights thereunder to, (iv) cause any securities intermediary, commodity intermediary or other Person acting in a similar capacity to agree to comply, in respect of any item of Shared Collateral, with instructions or orders from, or to treat, in respect of any item of Shared Collateral, as the entitlement holder, (v) hold any item of Shared Collateral in trust for (to the extent such item of Shared Collateral cannot be held in trust for multiple parties under Applicable Law), (vi) obtain the agreement of a bailee or other third party to hold any item

of Shared Collateral for the benefit of or subject to the control of or, in respect of any item of Shared Collateral, to follow the instructions of or (vii) obtain the agreement of a landlord with respect to access to leased premises where any item of Shared Collateral is located or waivers or subordination of rights with respect to any item of Shared Collateral in favor of, in any case, both any Senior Representative and any Junior Priority Representative or Junior Priority Debt Party, such Grantor may, until the applicable Discharge of Senior Obligations has occurred, comply with such requirement under the Junior Priority Collateral Document as it relates to such Shared Collateral by taking any of the actions set forth above only with respect to, or in favor of, the Designated Senior Representative; provided that, notwithstanding anything to the contrary, any action or compliance with respect to the foregoing by any Grantor shall not cause a default or Event of Default to exist under any Senior Debt Document or any Junior Priority Debt Document.

SECTION 5.02. Insurance and Condemnation Awards . Proceeds of Shared Collateral include insurance proceeds and, therefore, the Lien priorities set forth herein shall govern the ultimate disposition of casualty insurance proceeds. The ABL Representative and the Designated Term Priority Representative shall each be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Shared Collateral. Unless and until the Discharge of ABL Obligations has occurred, the ABL Representative and the ABL Secured Parties shall have the sole and exclusive right, as against the Term Priority Representatives and the Term Priority Debt Parties, subject to the terms set forth in this Section 5.02 and the rights of the Grantors under the ABL Debt Documents, (a) to adjust settlement for any insurance policy covering the ABL Priority Collateral in the event of any loss, theft or destruction thereunder and (b) to approve any award granted in any condemnation or similar proceeding affecting the ABL Priority Collateral. Unless and until the Discharge of Term Priority Debt Obligations has occurred, the Designated Term Priority Representative and the Term Priority Debt Parties shall have the sole and exclusive right, as against the ABL Representative and the ABL Secured Parties, subject to the terms set forth in this Section 5.02 and the rights of the Grantors under the Term Priority Debt Documents, (a) to adjust settlement for any insurance policy covering the Term Priority Collateral in the event of any loss, theft or destruction thereunder and (b) to approve any award granted in any condemnation or similar proceeding affecting the Term Priority Collateral. If any insurance claim includes both ABL Priority Collateral and Term Priority Collateral, the insurer will not settle such claim separately with respect to ABL Priority Collateral and Term Priority Collateral, and if the ABL Representative and the Designated Term Priority Representative are unable after negotiating in good faith to agree on the settlement for such claim, either ABL Representative or the Designated Term Priority Representative may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the Secured Parties. All proceeds of such insurance shall be remitted to the ABL Representative or the Designated Term Priority Representative, as the case may be, and each of the Term Priority Representatives and ABL Representative shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.01 hereof. Subject to the rights of the Grantors under the applicable Senior Debt Documents, unless and until the Discharge of Senior Obligations has occurred, all proceeds of any such policy and any such award, if in respect of any Senior Collateral, shall be paid (i) first, prior to the occurrence of the Discharge of Senior Obligations, to the Designated Senior Representative for the benefit of Senior Secured Parties pursuant to the terms of such Senior Debt Documents, (ii) second, after the occurrence of the Discharge of Senior Obligations, to the Designated Junior Priority Representative for the benefit of the Junior Priority Debt Parties pursuant to the terms of the applicable Junior Priority Debt Documents and (iii) third, if no Junior Priority Debt Obligations are outstanding (other than unasserted contingent indemnification obligations and expense reimbursement obligations), to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If any Junior Priority Representative or any Junior Priority Debt Party shall, at any time, receive any proceeds of any such insurance policy or any such award prior to the Discharge of Senior Obligations, it shall pay such proceeds over to the Designated Senior Representative in accordance with the terms of Section 4.02 to be applied in accordance with the immediately preceding sentence.

SECTION 5.03. Amendments to Debt Documents .

(a) The ABL Debt Documents may be amended, restated, amended and restated, supplemented, extended, renewed, replaced, restructured, and/or otherwise modified in accordance with their terms, and the Indebtedness under the ABL Debt Documents may be Refinanced or replaced, in whole or in part, in each case, without the consent of any Term Priority Debt Party, all without affecting the Lien priorities provided for herein and the other provisions hereof; provided , however , that, without the consent of the Designated Term Priority Representative, no such amendment, restatement, amendment and restatement, supplement, extension, renewal, replacement, restructuring or other modification (or successive amendments, restatements, amendment and restatements, supplements, extensions, renewals, replacements, restructurings or other modifications) shall contravene the provisions of this Agreement.

(b) The Term Priority Debt Documents may be amended, restated, amended and restated, supplemented, extended, renewed, replaced, restructured, and/or otherwise modified in accordance with their terms, and the Indebtedness under the Term Priority Debt Documents may be Refinanced or replaced, in whole or in part, in each case, without the consent of any ABL Secured Party, all without affecting the Lien priorities provided for herein and the other provisions hereof; provided , however , that, without the consent of the ABL Representative, no such amendment, restatement, amendment and restatement, supplement, extension, renewal, replacement, restructuring or other modification (or successive amendments, restatements, amendment and restatements, supplements, extensions, renewals, replacements, restructurings or other modifications) shall contravene the provisions of this Agreement.

(c) Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that each Junior Priority Collateral Document under its Junior Priority Debt Facility shall include the following language (or language to similar effect reasonably approved by the Designated Senior Representative):

"Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the [ABL Representative] [Term Priority Representative] pursuant to this Agreement are expressly subject to the lien priorities set forth in that certain ABL Intercreditor Agreement dated as of December 15, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the " ABL Intercreditor Agreement "), among Citibank, N.A., as ABL Representative, Goldman Sachs Bank USA, as First Lien Term Collateral Representative, Holdings, the Borrower and the Subsidiaries of Holdings from time to time party thereto and affiliated entities party thereto and (ii) the exercise of any right or remedy by the [ABL Representative] [Term Priority Representative] hereunder is subject to the limitations and provisions of the ABL Intercreditor Agreement. In the event of any conflict between the terms of the ABL Intercreditor Agreement and the terms of this Agreement, the terms of the ABL Intercreditor Agreement shall govern and control."

(d) In the event that each applicable Senior Representative and/or the Senior Secured Parties enter into any amendment, waiver or consent in respect of any of the Senior Collateral Documents for the purpose of adding to or deleting from, or waiving or consenting to any departures from any provisions of, any Senior Collateral Document or changing in any manner the rights of the Senior Representatives, the Senior Secured Parties, the Borrower or any other Grantor thereunder (including the release of any Liens in Senior Collateral) in a manner that is applicable to all Senior Facilities, then such

amendment, waiver or consent shall apply automatically to any comparable provision of each comparable Junior Priority Collateral Document without the consent of any Junior Priority Representative or any Junior Priority Debt Party and without any action by any Junior Priority Representative, the Borrower or any other Grantor; provided , however , that (i) no such amendment, waiver or consent shall (A) remove assets subject to the Junior Priority Liens or release any such Liens, except to the extent that such release is permitted or required by Section 5.01(a) and provided that there is a concurrent release of the corresponding Senior Liens or (B) amend, modify or otherwise affect the rights or duties of any Junior Priority Representative in its role as Junior Priority Representative without its prior written consent and (ii) written notice of such amendment, waiver or consent shall have been given to each Junior Priority Representative by the Borrower within 10 Business Days after the effectiveness of such amendment, waiver or consent; provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

SECTION 5.04. Rights as Unsecured Creditors . Except as otherwise expressly provided for herein, the Junior Priority Representatives and the Junior Priority Debt Parties may exercise rights and remedies as unsecured creditors against the Borrower and any other Grantor in accordance with the terms of the Junior Priority Debt Documents and Applicable Law so long as such rights and remedies do not violate any express provision of this Agreement. Nothing in this Agreement shall prohibit the receipt by any Junior Priority Representative or any Junior Priority Debt Party of the required payments of principal, premium, interest, fees and other amounts due under the Junior Priority Debt Documents so long as such receipt is not the direct or indirect result of the exercise by a Junior Priority Representative or any Junior Priority Debt Party of rights or remedies as a secured creditor in respect of Shared Collateral in contravention of this Agreement, or of any other action in contravention of this Agreement. In the event that any Junior Priority Representative or any Junior Priority Debt Party becomes a judgment lien creditor in respect of Shared Collateral as a result of its enforcement of its rights as an unsecured creditor in respect of Junior Priority Debt Obligations, such judgment lien shall be subordinated to the Liens securing Senior Obligations on the same basis as the other Liens securing the Junior Priority Debt Obligations are so subordinated and junior to such Liens securing Senior Obligations under this Agreement. Nothing in this Agreement shall impair or otherwise adversely affect any rights or remedies the Senior Representatives or the Senior Secured Parties may have with respect to the Senior Collateral.

SECTION 5.05. Gratuitous Bailee for Perfection .

(a) Each Senior Representative acknowledges and agrees that if it shall at any time hold a Lien securing any Senior Obligations on any Shared Collateral that can be perfected by the possession or control of such Shared Collateral or of any account in which such Shared Collateral is held, and if such Shared Collateral or any such account is in fact in the possession or under the control of such Senior Representative, or of agents or bailees of such Person (such Shared Collateral being referred to herein as the " Pledged or Controlled Collateral "), or if it shall any time obtain any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral or if it shall be the registered owner, assignee or lienholder (or other similar designation) on any certificate of title or other notation of liens, the applicable Senior Representative shall also hold such Pledged or Controlled Collateral, or take such actions with respect to such landlord waiver, bailee's letter or similar agreement or arrangement, as sub-agent or gratuitous bailee for the relevant Junior Priority Representatives, in each case solely for the purpose of perfecting the Liens granted under the relevant Junior Priority Collateral Documents or granting rights or access to any Shared Collateral subject to such landlord waiver or bailee's letter or any similar agreement or arrangement and subject to the terms and conditions of this Section 5.05.

(b) With respect to any Pledged or Controlled Collateral constituting Senior Collateral, except as otherwise specifically provided herein, until the Discharge of Senior Obligations has

occurred, the Senior Representatives and the Senior Secured Parties shall be entitled to deal with such Pledged or Controlled Collateral in accordance with the terms of the Senior Debt Documents as if the Liens under the Junior Priority Collateral Documents did not exist. The rights of the Junior Priority Representatives and the Junior Priority Debt Parties with respect to such Pledged or Controlled Collateral shall at all times be subject to the terms of this Agreement.

(c) The Senior Representatives and the Senior Secured Parties shall have no obligation whatsoever to the Junior Priority Representatives or any Junior Priority Debt Party to assure that any of the Pledged or Controlled Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Shared Collateral, except as expressly set forth in this Section 5.05. The duties or responsibilities of the Senior Representatives under this Section 5.05 shall be limited solely to holding or controlling the Shared Collateral and the related Liens referred to in paragraph (a) of this Section 5.05 as sub-agent and gratuitous bailee for the relevant Junior Priority Representative for purposes of perfecting the Lien held by such Junior Priority Representative.

(d) The Senior Representatives shall not have, by reason of the Junior Priority Collateral Documents or this Agreement, or any other document, a fiduciary relationship in respect of any Junior Priority Representative or any Junior Priority Debt Party, and each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby waives and releases the Senior Representatives from all claims and liabilities arising pursuant to the Senior Representatives' roles under this Section 5.05 as sub-agents and gratuitous bailees with respect to the Shared Collateral.

(e) With respect to any Pledged or Controlled Collateral constituting Senior Collateral, upon the Discharge of Senior Obligations, each applicable Senior Representative shall, at the Grantors' sole cost and expense and, solely with respect to the Term Priority Debt Parties to the extent not otherwise required to act differently pursuant to the terms of the First Lien Intercreditor Agreements or the Junior Lien Intercreditor Agreements (in each case if then in effect), (i) (A) deliver to the Designated Junior Priority Representative, to the extent that it is legally permitted to do so, all such Pledged or Controlled Collateral in its possession, including all proceeds thereof, held or controlled by such Senior Representative or any of its agents or bailees, including the transfer of possession and control, as applicable, of such Pledged or Controlled Collateral, together with any necessary endorsements or notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral or make any necessary notations of liens to effect such transfer, or (B) direct and deliver such Shared Collateral as a court of competent jurisdiction may otherwise direct, (ii) notify any applicable insurance carrier that it is no longer entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (iii) notify any governmental authority involved in any condemnation or similar proceeding involving any Grantor that the Designated Junior Priority Representative is entitled to approve any awards granted in such proceeding. The Borrower and the other Grantors shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify each Senior Representative for loss or damage suffered by such Senior Representative as a result of such transfer, except for loss or damage suffered by any such Person as a result of its own willful misconduct, gross negligence or bad faith, as determined by a final nonappealable judgment of a court of competent jurisdiction. The Senior Representatives have no obligations to follow instructions from any Junior Priority Representative or any other Junior Priority Debt Party in contravention of this Agreement (as determined in good faith by such Senior Representative).

(f) None of the Senior Representatives nor any of the other Senior Secured Parties shall be required to marshal any present or future collateral security for any obligations of the Borrower or any Subsidiary to any Senior Representative or any Senior Secured Party under the Senior Debt Documents or any assurance of payment in respect thereof or to any Junior Priority Debt Party, or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising. Until the Discharge of Senior Obligations, no Junior Priority Debt Party will assert any marshaling, appraisal, valuation or other similar right that may otherwise be available to a junior secured creditor.

SECTION 5.06. When Discharge of Senior Obligations Deemed To Not Have Occurred . If, at any time substantially concurrently with or after the occurrence of the Discharge of Senior Obligations with respect to any Shared Collateral, the Borrower or any Subsidiary consummates any Refinancing of or incurs any Senior Obligations with respect to such Shared Collateral, then such Discharge of Senior Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken prior to the date of such designation as a result of the occurrence of such first Discharge of Senior Obligations) and the applicable agreement governing such Senior Obligations shall automatically be treated as a Senior Debt Document for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Shared Collateral set forth herein and the agent, representative or trustee for the holders of such Senior Obligations shall be a Senior Representative for all purposes of this Agreement. Upon receipt of notice of such incurrence (including the identity of the new Senior Representative) from the Borrower and the new Senior Representative under the agreement governing such Senior Obligations, each Junior Priority Representative (including the Designated Junior Priority Representative) shall promptly (a) enter into such documents and agreements (at the expense of the Borrower), including amendments or supplements to this Agreement, as the Borrower or such new Senior Representative shall reasonably request in writing in order to provide such new Senior Representative the rights of a Senior Representative contemplated hereby, (b) deliver to such Senior Representative, to the extent that it is legally permitted to do so, all Shared Collateral, including all proceeds thereof, held or controlled by such Junior Priority Representative or any of its agents or bailees, including the transfer of possession and control, as applicable of the Pledged or Controlled Collateral, together with any necessary endorsements and notices to depositary banks, securities intermediaries and commodities intermediaries, and assign its rights under any landlord waiver or bailee's letter or any similar agreement or arrangement granting it rights or access to Shared Collateral, (c) notify any applicable insurance carrier that it is no longer (and such new Senior Representative is) entitled to be a loss payee or additional insured under the insurance policies of any Grantor issued by such insurance carrier and (d) notify any governmental authority involved in any condemnation or similar proceeding involving a Grantor that the new Senior Representative is entitled to approve any awards granted in such proceeding.

SECTION 5.07. Purchase Right . Without prejudice to the enforcement of the ABL Secured Parties' remedies, the ABL Secured Parties agree that following (a) the acceleration of the ABL Obligations in accordance with the terms of the ABL Debt Documents or (b) the commencement of an Insolvency or Liquidation Proceeding (each, a " Purchase Event "), within thirty (30) days of the Purchase Event, one or more of the Term Priority Debt Parties may request, and the ABL Secured Parties hereby offer the Term Priority Debt Parties the option, to purchase all, but not less than all, of the aggregate amount of outstanding ABL Obligations at the time of purchase at (a) in the case of ABL Obligations other than any ABL Cash Management Obligations or any ABL Hedging Agreement Obligations or in connection with undrawn Letters of Credit, par (plus any premium that would be applicable upon prepayment of the ABL Obligations (including as a result of the occurrence of any such Purchase Event) and accrued and unpaid interest, fees and expenses) and (b) in the case of ABL Cash Management Obligations or any ABL Hedging Agreement Obligations, an amount equal to the greater of

(i) all amounts payable by any Grantor under the terms of the applicable ABL Cash Management Obligations or ABL Hedging Agreement Obligations in the event of a termination of the applicable documentation governing such ABL Cash Management Obligations or any ABL Hedging Agreement Obligations and (ii) the mark-to-market value of such ABL Hedging Agreement Obligations, as determined by the counterparty to the Grantor thereunder with respect to such ABL Hedging Agreement Obligations, in each case, in accordance with the terms thereof and in accordance with customary methods for calculating mark-to-market amounts under similar arrangements by such counterparty, in each case, without warranty or representation or recourse (except for representations and warranties required to be made by assigning lenders pursuant to an Assignment and Assumption (as defined in the ABL Credit Agreement)). In the case of any ABL Obligations in respect of Letters of Credit (including reimbursement obligations in connection therewith), simultaneously with the purchase of the other ABL Obligations, the purchasing Term Priority Debt Parties shall provide the ABL Secured Parties who issued such Letters of Credit cash collateral in such amounts (not to exceed 105% thereof) as such ABL Secured Parties determine is reasonably necessary to secure such ABL Secured Parties in connection with any outstanding and undrawn Letters of Credit. If such right is exercised, the parties shall endeavor to close promptly thereafter but in any event shall close within ten (10) Business Days of the request. If one or more of the Term Priority Debt Parties exercise such purchase right, it shall be exercised pursuant to documentation mutually acceptable to each of the ABL Credit Agreement Administrative Agent and the applicable Term Priority Representative, in each case, at no cost or expense of the Grantors or the ABL Secured Parties. If none of the Term Priority Debt Parties exercise such right within thirty (30) days of such Purchase Event, the ABL Secured Parties shall have no further obligations pursuant to this Section 5.07 for such Purchase Event and may take any further actions in their sole discretion in accordance with the ABL Debt Documents and this Agreement. For the avoidance of doubt, such purchase shall not reduce or limit the benefits of the ABL Debt Documents in favor of any ABL Secured Party that expressly survive the assignment of all or any portion of the applicable ABL Obligations by such ABL Secured Party, including, without limitation, any indemnity obligations of the Grantors thereunder. The ABL Credit Agreement Administrative Agent hereby consents to any Assignment and Assumption effectuated to one or more purchasers pursuant to the terms of this Section 5.07 and hereby agrees that no further consent from the ABL Credit Agreement Administrative Agent shall be required.

SECTION 5.08. Sharing of Information and Access . In the event that the ABL Representative shall, in the exercise of its rights under the ABL Collateral Documents or otherwise, receive possession or control of any books and records of any Grantor which contain information identifying or pertaining to the Term Priority Collateral, the ABL Representative shall, upon request from the Designated Term Priority Representative and as promptly as practicable thereafter, either make available to the Designated Term Priority Representative such books and records for inspection and duplication or provide to the Designated Term Priority Representative copies thereof. In the event that any Term Priority Representative shall, in the exercise of its rights under the applicable Term Collateral Documents or otherwise, receive possession or control of any books and records of any Grantor which contain information identifying or pertaining to any of the ABL Priority Collateral, such Term Priority Representative shall, upon request from the ABL Representative and as promptly as practicable thereafter, either make available to the ABL Representative such books and records for inspection and duplication or provide the ABL Representative copies thereof.

SECTION 5.09. Inspection and Access Rights .

(a) Without limiting any rights the ABL Representative or any other ABL Secured Party may otherwise have under Applicable Law or by agreement, in the event of any liquidation of the ABL Priority Collateral (or any other exercise of any Secured Creditor Remedies by the ABL Representative) and whether or not the Designated Term Priority Representative or any other Term Priority Debt Party has commenced and is continuing to exercise any Secured Creditor Remedies, the

ABL Representative or any other Person (including any Grantor) acting with the consent, or on behalf, of the ABL Representative, shall have the right (i) during normal business hours on any Business Day, to access ABL Priority Collateral that (A) is stored or located in or on, (B) has become an accession with respect to (within the meaning of Section 9-335 of the Uniform Commercial Code), or (C) has been commingled with (within the meaning of Section 9-336 of the Uniform Commercial Code), Term Priority Collateral, and (ii) during the Use Period, shall have the right to use the Term Priority Collateral (including, without limitation, Equipment, Fixtures, Intellectual Property, General Intangibles and Real Property), each of the foregoing in order to assemble, inspect, copy or download information stored on, take actions to perfect its Lien on, complete a production run of Inventory involving, take possession of, move, prepare and advertise for sale, sell (by public auction, private sale or a "store closing", "going out of business" or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented Inventory of the same type sold in any Grantor's business), store or otherwise deal with the ABL Priority Collateral, in each case without notice to, the involvement of or interference by any Term Priority Debt Party or liability to any Term Priority Debt Party. In the event that any ABL Secured Party has commenced and is continuing the exercise of any Secured Creditor Remedies with respect to any ABL Priority Collateral or any other sale or liquidation of the ABL Priority Collateral has been commenced by a Grantor (with the consent of the ABL Representative), no Term Priority Debt Party may sell, assign or otherwise transfer the related Term Priority Collateral prior to the expiration of the Use Period, unless the purchaser, assignee or transferee thereof agrees to be bound by the provisions of this Section 5.09.

(b) During the period of actual occupation, use and/or control by the ABL Secured Parties and/or the ABL Representative (or their respective employees, agents, advisers and representatives) of any Term Priority Collateral, the ABL Secured Parties and the ABL Representative shall be obligated to repair at their expense any physical damage (but not any diminution in value) to such Term Priority Collateral resulting from such occupancy, use or control, and to leave such Term Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. Notwithstanding the foregoing, in no event shall the ABL Secured Parties or the ABL Representative have any liability to the Term Priority Debt Parties pursuant to this Section 5.09 as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Priority Collateral existing prior to the date of the exercise by the ABL Secured Parties (or the ABL Representative, as the case may be) of their rights under this Section 5.09 and the ABL Secured Parties shall have no duty or liability to maintain the Term Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL Secured Parties, or for any diminution in the value of the Term Priority Collateral that results from ordinary wear and tear resulting from the use of the Term Priority Collateral by the ABL Secured Parties in the manner and for the time periods specified under this Section 5.09. Without limiting the rights granted in this Section 5.09, the ABL Secured Parties and the ABL Representative shall cooperate with the Term Priority Debt Parties in connection with any efforts made by the Term Priority Debt Parties to sell the Term Priority Collateral.

(c) The ABL Representative and the ABL Secured Parties shall not be obligated to pay any amounts to the Designated Term Priority Representative or any other Term Priority Debt Parties (or any person claiming by, through or under the Term Priority Debt Parties, including any purchaser of the Term Priority Collateral) or to the Grantors, for or in respect of the use by the ABL Representative and the ABL Secured Parties of the Term Priority Collateral.

(d) The ABL Secured Parties shall (i) use the Term Priority Collateral in accordance with Applicable Law; (ii) insure for damage to property and liability to persons, including property and liability insurance for the benefit of the Term Priority Debt Parties; and (iii) indemnify the Term Priority Debt Parties from any claim, loss, damage, cost or liability arising from the ABL Secured Parties' use of the Term Priority Collateral (except for those arising from the gross negligence or willful misconduct of any Term Priority Debt Party).

(e) The Designated Term Priority Representative and the Term Priority Debt Parties shall use commercially reasonable efforts to not hinder or obstruct the ABL Representative and the other ABL Secured Parties from exercising the rights described in this Section 5.09.

(f) Subject to the terms hereof, the Term Priority Representatives may advertise and conduct public auctions or private sales of the Term Priority Collateral without notice (except as required by Applicable Law) to any ABL Secured Party, the involvement of or interference by any ABL Secured Party or liability to any ABL Secured Party as long as, in the case of an actual sale, the respective purchaser assumes and agrees to the obligations of the Term Priority Representatives and the other Term Priority Debt Parties under this Section 5.09.

SECTION 5.10. Tracing of and Priorities in Proceeds . The ABL Representative, for itself and on behalf of the ABL Secured Parties, and each Term Priority Representative, for itself and on behalf of the Term Priority Debt Parties represented by it, further agree that prior to an issuance of any notice of exercise of any Secured Creditor Remedies by such Secured Party (unless a bankruptcy or insolvency Event of Default then exists), any proceeds of Shared Collateral, whether or not deposited under control agreements, which are used by any Grantor to acquire other property which is Collateral shall not be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. In addition, unless and until the Discharge of ABL Obligations has occurred, the Term Priority Representatives and the Term Priority Debt Parties each hereby consents to the application, prior to the receipt by the ABL Representative of an Enforcement Notice issued by the Designated Term Priority Representative (unless any bankruptcy or insolvency Event of Default then exists), of Proceeds of Term Priority Collateral deposited in accounts subject to control agreements (other than Term Priority Accounts) to the repayment of ABL Obligations pursuant to the ABL Debt Documents, and agrees that such Proceeds of Term Priority Collateral shall constitute ABL Priority Collateral.

ARTICLE VI

Insolvency or Liquidation Proceedings.

SECTION 6.01. Financing Issues .

(a) Until the Discharge of ABL Obligations has occurred, if the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and the ABL Representative or any ABL Secured Party shall desire to consent (or not object) to the use of ABL Priority Collateral (including, for the avoidance of doubt, cash collateral that is ABL Priority Collateral) or to consent (or not object) to the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law (including, for the avoidance of doubt, any such financing that Refinances in whole or in part the ABL Obligations pursuant to a "rollup" or "roll-over") secured by ABL Priority Collateral (" ABL Priority DIP Financing "), then each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that it will raise no objection to (and will not support any similar objection) and will not otherwise contest (or support any other Person contesting) (i) such use of such ABL Priority Collateral, unless the ABL Representative shall oppose or object to such use of such ABL Priority Collateral (in which case, no Term Priority Representative nor any other Term Priority Debt Party shall seek any relief in connection therewith that is inconsistent with the relief being sought by the ABL Secured Parties); (ii) such ABL Priority DIP Financing, unless the ABL Representative shall oppose or

object to such ABL Priority DIP Financing; *provided* that the foregoing shall not prevent the Term Priority Debt Parties from proposing any other DIP Financing to any Grantors or to a court of competent jurisdiction, and, except to the extent expressly permitted by the proviso in clause (ii) of Section 3.01(a) and Section 6.03, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens on the ABL Priority Collateral securing any ABL Obligations are subordinated or pari passu with such ABL Priority DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the ABL Priority Collateral securing the Term Priority Debt Obligations to (x) the Liens securing such ABL Priority DIP Financing (and all obligations relating thereto) on the same basis as the Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations are so subordinated to the Liens on the ABL Priority Collateral securing ABL Obligations under this Agreement, (y) any adequate protection Liens on ABL Priority Collateral provided to the ABL Secured Parties, and (z) any "carve-out" for court-approved professional and United States Trustee fees agreed to by the ABL Representative; (iii) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of ABL Obligations or the ABL Priority Collateral made by the ABL Representative or any other ABL Secured Party; (iv) any exercise by any ABL Secured Party of the right to credit bid ABL Obligations at any sale in foreclosure of ABL Priority Collateral under Section 363(k) of the Bankruptcy Code or other Applicable Law; (v) any other request for judicial relief made in any court by any ABL Secured Party relating to the lawful enforcement of any Lien on ABL Priority Collateral; or (vi) any order relating to a sale or other disposition of any ABL Priority Collateral of any Grantor to which the ABL Representative has consented or not objected that provides, to the extent such sale or other disposition is to be free and clear of Liens, that the Liens securing the ABL Obligations and the Term Priority Debt Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens on the ABL Priority Collateral securing the ABL Obligations rank to the Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations pursuant to this Agreement (without limiting the foregoing, each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that it may not raise any objections based on rights afforded by Sections 363(e) and (f) of the Bankruptcy Code to secured creditors (or any comparable provisions of any other Bankruptcy Law) with respect to the Liens granted to such person in respect of such assets); provided that the Term Priority Debt Parties are not deemed to have waived any rights to credit bid on the ABL Priority Collateral in any such sale or disposition in accordance with Section 363(k) of the Bankruptcy Code (or any similar provision under any other applicable Bankruptcy Law), so long as any such credit bid provides for the payment in full in cash of the ABL Obligations upon consummation thereof. Each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that notice received at least two Business Days prior to the entry of an order approving such usage of cash or other collateral or approving such ABL Priority DIP Financing shall be adequate notice.

(b) Until the Discharge of Term Priority Debt Obligations has occurred, if the Borrower or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and any Term Priority Representative or any Term Priority Debt Party shall desire to consent (or not object) to the use of Term Priority Collateral (including, for the avoidance of doubt, cash collateral that is Term Priority Collateral) or to consent (or not object) to the Borrower's or any other Grantor's obtaining financing under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law (including, for the avoidance of doubt, any such financing that Refinances in whole or in part the Term Priority Debt Obligations pursuant to a "rollup" or "roll-over") secured by Term Priority Collateral (" Term Priority DIP Financing "), then the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that it will raise no objection to (and will not support any similar objection) and will not otherwise contest (or support any other Person contesting) (i) such use of such Term Priority Collateral, unless the Designated Term Priority Representative shall oppose or object to such use of such Term Priority Collateral (in which case, neither the ABL Representative or any other ABL Secured Party shall seek any relief in connection therewith that is inconsistent with the relief

being sought by the Term Priority Debt Parties); (ii) such Term Priority DIP Financing, unless the Designated Term Priority Representative shall oppose or object to such Term Priority DIP Financing; *provided* that the foregoing shall not prevent the ABL Secured Parties from proposing any other DIP Financing to any Grantors or to a court of competent jurisdiction, and, except to the extent expressly permitted by the proviso in clause (ii) of Section 3.01(a) and Section 6.03, will not request adequate protection or any other relief in connection therewith and, to the extent the Liens on the Term Priority Collateral securing any Term Priority Debt Obligations are subordinated or pari passu with such Term Priority DIP Financing, will subordinate (and will be deemed hereunder to have subordinated) its Liens in the Term Priority Collateral securing the ABL Obligations to (x) the Liens securing such Term Priority DIP Financing (and all obligations relating thereto) on the same basis as the Liens on the Term Priority Collateral securing the ABL Obligations are so subordinated to the Liens on the Term Priority Collateral securing Term Priority Debt Obligations under this Agreement, (y) any adequate protection Liens on Term Priority Collateral provided to the Term Priority Debt Parties, and (z) any "carve-out" for court-approved professional and United States Trustee fees agreed to by the Term Priority Representatives; (iii) any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of Term Priority Debt Obligations or the Term Priority Collateral made by any Term Priority Representative or any other Term Priority Debt Party; (iv) any exercise by any Term Priority Debt Party of the right to credit bid Term Priority Debt Obligations at any sale in foreclosure of Term Priority Collateral under Section 363(k) of the Bankruptcy Code or other Applicable Law; (v) any other request for judicial relief made in any court by any Term Priority Debt Party relating to the lawful enforcement of any Lien on Term Priority Collateral; or (vi) any order relating to a sale or other disposition of any Term Priority Collateral of any Grantor to which any Term Priority Representative has consented or not objected that provides, to the extent such sale or other disposition is to be free and clear of Liens, that the Liens securing the Term Priority Debt Obligations and the ABL Obligations will attach to the proceeds of the sale on the same basis of priority as the Liens on the Term Priority Collateral securing the Term Priority Debt Obligations rank to the Liens on the Term Priority Collateral securing the ABL Obligations pursuant to this Agreement (without limiting the foregoing, the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that it may not raise any objections based on rights afforded by Sections 363(e) and (f) of the Bankruptcy Code to secured creditors (or any comparable provisions of any other Bankruptcy Law) with respect to the Liens granted to such person in respect of such assets); provided that the ABL Secured Parties are not deemed to have waived any rights to credit bid on the Term Priority Collateral in any such sale or disposition in accordance with Section 363(k) of the Bankruptcy Code (or any similar provision under any other applicable Bankruptcy Law), so long as any such credit bid provides for the payment in full in cash of the Term Priority Debt Obligations upon consummation thereof. The ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that notice received at least two Business Days prior to the entry of an order approving such usage of cash or other collateral or approving such Term Priority DIP Financing shall be adequate notice.

SECTION 6.02. Relief from the Automatic Stay . Until the Discharge of ABL Obligations has occurred, each Term Priority Representative, on behalf of itself and the Term Priority Debt Parties represented by it, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any portion of the ABL Priority Collateral without the ABL Representative's express written consent. Until the Discharge of Term Priority Debt Obligations has occurred, the ABL Representative, on behalf of itself and the ABL Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any portion of the Term Priority Collateral without the Designated Term Priority Representative's express written consent. In addition, no Term Priority Representative or the ABL Representative shall seek any relief from the automatic stay with respect to any Shared Collateral without providing three (3) days' prior written notice to the other, unless such period is agreed by both the ABL Representative and each Term Priority Representative to be modified or unless the ABL Representative or the Designated Term Priority

Representative, as applicable, makes a good faith determination that either (A) the ABL Priority Collateral or the Term Priority Collateral, as applicable, will decline speedily in value or (B) the failure to take any action will have a reasonable likelihood of endangering the ABL Representative's or the Designated Term Priority Representative's ability to realize upon its Collateral.

SECTION 6.03. Adequate Protection .

(a) Each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, agrees that none of them shall (i) object to, contest or support any other Person objecting to or contesting (A) any request by the ABL Representative or any ABL Secured Party for adequate protection in any form, (B) any objection by the ABL Representative or any ABL Secured Party to any motion, relief, action or proceeding based on the ABL Representative's or ABL Secured Party's claiming a lack of adequate protection or (C) the payment of interest, fees, expenses or other amounts of the ABL Representative or any other ABL Secured Party as adequate protection or otherwise under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law or (ii) assert or support any claim for costs or expenses of preserving or disposing of any Collateral under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.03 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the ABL Secured Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral or superpriority claims in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, then each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral and/or a superpriority claim (as applicable), which (A) Lien is subordinated to the Liens on the ABL Priority Collateral securing all ABL Obligations and all adequate protection Liens granted to the ABL Secured Parties, on the same basis as the other Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations are so subordinated to the Liens on the ABL Priority Collateral securing ABL Obligations under this Agreement and/or (B) superpriority claim is subordinated to all superpriority claims of the ABL Secured Parties on the same basis as the other claims of the Term Priority Debt Parties are so subordinated to the claims of the ABL Secured Parties under this Agreement; provided that each Term Priority Debt Party shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims, (ii) in the event any Term Priority Representatives, for themselves and on behalf of the Term Priority Debt Parties under their Term Priority Debt Facilities, are granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a Lien on additional or replacement collateral constituting ABL Priority Collateral, then such Term Priority Representatives, for themselves and on behalf of each Term Priority Debt Party under their Term Priority Debt Facilities, agree that the ABL Representative shall also be granted a senior Lien on such additional or replacement collateral as adequate protection and security for the ABL Obligations and that any Lien on such additional or replacement collateral securing and granted as adequate protection with respect to the Term Priority Debt Obligations shall be subordinated to the Liens on such collateral securing the ABL Obligations and any other Liens on ABL Priority Collateral granted to the ABL Secured Parties as adequate protection on the same basis as the other Liens on the ABL Priority Collateral securing the Term Priority Debt Obligations are so subordinated to such Liens securing ABL Obligations under this Agreement (and, to the extent the ABL Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Term Priority Debt Party pursuant to or as a result of any such Lien on such additional or replacement collateral so granted to the Term Priority Debt Parties shall be subject to Section 4.02), and/or (iii) in the event any Term Priority

Representatives, for themselves and on behalf of the Term Priority Debt Parties under their Term Priority Debt Facilities, are granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a superpriority claim in respect of ABL Priority Collateral, then such Term Priority Representatives, for themselves and on behalf of each Term Priority Debt Party under their Term Priority Debt Facilities, agree that each ABL Representative shall also be granted adequate protection in the form of a superpriority claim in respect of ABL Priority Collateral, which superpriority claim shall be senior to the superpriority claim of the Term Priority Debt Parties on the same basis as the other Liens on the ABL Priority Collateral securing the ABL Obligations are so senior to such Liens securing Term Priority Debt Obligations under this Agreement (and, to the extent the ABL Secured Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any Term Priority Debt Party pursuant to or as a result of any such superpriority claim so granted to the Term Priority Debt Parties shall be subject to Section 4.02). Without limiting the generality of the foregoing, to the extent that the ABL Secured Parties are granted adequate protection in respect of ABL Priority Collateral in the form of payments in the amount of current post-petition fees and expenses (including, without limitation, professional and advisors' fees contemplated by the ABL Debt Documents), then each Term Priority Representatives, for themselves and on behalf of each Term Priority Debt Party under their Term Priority Debt Facilities, shall not be prohibited from seeking and accepting adequate protection in the form of payments in the amount of current post-petition incurred fees and expenses (as applicable), subject to the right of the ABL Secured Parties to object to the reasonableness of the amounts of fees and expenses so sought by the Term Priority Debt Parties.

(b) The ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, agrees that none of them shall (i) object to, contest or support any other Person objecting to or contesting (A) any request by any Term Priority Representative or any Term Priority Debt Party for adequate protection in any form, (B) any objection by any Term Priority Representative or any Term Priority Debt Party to any motion, relief, action or proceeding based on any Term Priority Representative's or Term Priority Debt Party's claiming a lack of adequate protection or (C) the payment of interest, fees, expenses or other amounts of any Term Priority Representative or any other Term Priority Debt Party as adequate protection or otherwise under Section 506(b) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law or (ii) assert or support any claim for costs or expenses of preserving or disposing of any Collateral under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law. Notwithstanding anything contained in this Section 6.03 or in Section 6.01, in any Insolvency or Liquidation Proceeding, (i) if the Term Priority Debt Parties (or any subset thereof) are granted adequate protection in the form of additional or replacement collateral or superpriority claims in connection with any DIP Financing or use of cash collateral under Section 363 or 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, then the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, may seek or request adequate protection in the form of a Lien on such additional or replacement collateral and/or a superpriority claim (as applicable), which (A) Lien is subordinated to the Liens on the Term Priority Collateral securing all Term Priority Debt Obligations and all adequate protection Liens granted to the Term Priority Debt Parties, on the same basis as the other Liens on the Term Priority Collateral securing the ABL Obligations are so subordinated to the Liens on the Term Priority Collateral securing Term Priority Debt Obligations under this Agreement and/or (B) superpriority claim is subordinated to all superpriority claims of the Term Priority Debt Parties on the same basis as the other claims of the ABL Secured Parties are so subordinated to the claims of the Term Priority Debt Parties under this Agreement; provided that each ABL Secured Party shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims, (ii) in the event the ABL Representative, for itself and on behalf of the ABL

Secured Parties under the ABL Facility, is granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a Lien on additional or replacement collateral constituting Term Priority Collateral, then the ABL Representative, for itself and on behalf of the ABL Secured Parties under their ABL Facility, agree that the Designated Term Priority Representative shall also be granted a senior Lien on such additional or replacement collateral as adequate protection and security for the Term Priority Debt Obligations and that any Lien on such additional or replacement collateral securing and granted as adequate protection with respect to the ABL Obligations shall be subordinated to the Liens on such collateral securing the Term Priority Debt Obligations and any other Liens on Term Priority Collateral granted to the Term Priority Debt Parties as adequate protection on the same basis as the other Liens on the Term Priority Collateral securing the ABL Obligations are so subordinated to such Liens securing Term Priority Debt Obligations under this Agreement (and, to the extent the Term Priority Debt Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any ABL Secured Party pursuant to or as a result of any such Lien on such additional or replacement collateral so granted to the ABL Secured Parties shall be subject to Section 4.02), and/or (iii) in the event the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, is granted adequate protection (in each instance, to the extent such grant is otherwise permissible under the terms and conditions of this Agreement) in the form of a superpriority claim in respect of Term Priority Collateral, then the ABL Representative, for itself and on behalf of the ABL Secured Parties under ABL Facility, agree that the Designated Term Priority Representative shall also be granted adequate protection in the form of a superpriority claim in respect of Term Priority Collateral, which superpriority claim shall be senior to the superpriority claim of the ABL Secured Parties on the same basis as the other Liens on the Term Priority Collateral securing the Term Priority Debt Obligations are so senior to such Liens securing ABL Obligations under this Agreement (and, to the extent the Term Priority Debt Parties are not granted such adequate protection in such form, any amounts recovered by or distributed to any ABL Secured Party pursuant to or as a result of any such superpriority claim so granted to the ABL Secured Parties shall be subject to Section 4.02). Without limiting the generality of the foregoing, to the extent that the Term Priority Debt Parties are granted adequate protection in respect of Term Priority Collateral in the form of payments in the amount of current post-petition fees and expenses (including, without limitation, professional and advisors' fees contemplated by the Term Priority Debt Documents), then the ABL Representative, for itself and on behalf of the ABL Secured Parties under the ABL Facility, shall not be prohibited from seeking and accepting adequate protection in the form of payments in the amount of current post-petition incurred fees and expenses (as applicable), subject to the right of the Term Priority Debt Parties to object to the reasonableness of the amounts of fees and expenses so sought by the ABL Secured Parties.

SECTION 6.04. Preference Issues . If any Senior Secured Party is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay any amount to the estate of the Borrower or any other Grantor (or any trustee, receiver or similar Person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, any amount (any such amount, a " Recovery "), then the applicable Senior Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Senior Secured Parties shall be entitled to the benefits of this Agreement until a Discharge of Senior Obligations with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, hereby agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

SECTION 6.05. Separate Grants of Security and Separate Classifications . The ABL Representative, for itself and on behalf of each ABL Secured Party under the ABL Facility, and each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, acknowledges and agrees that (a) the grants of Liens pursuant to the ABL Collateral Documents and the Term Collateral Documents constitute separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Shared Collateral, the ABL Obligations with respect to any Shared Collateral are fundamentally different from the Term Priority Debt Obligations with respect to such Shared Collateral, and, in each case, must be separately classified in any Plan of Reorganization proposed, confirmed, or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, (x) if it is held that any claims of the ABL Secured Parties and the Term Priority Debt Parties in respect of any Shared Collateral constitute a single class of claims (rather than separate classes of senior and junior secured claims), then each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, hereby acknowledges and agrees that all distributions from such Shared Collateral constituting ABL Priority Collateral shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of such ABL Priority Collateral, with the effect being that, to the extent that the aggregate value of such ABL Priority Collateral is sufficient (for this purpose ignoring all claims held by the Term Priority Debt Parties), the ABL Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, and expenses, and other claims, all amounts owing in respect of post-petition interest, fees, and expenses (whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding) before any distribution from such ABL Priority Collateral is made in respect of the Term Priority Debt Obligations, and each Term Priority Representative, for itself and on behalf of each Term Priority Debt Party under its Term Priority Debt Facility, hereby acknowledges and agrees to turn over to the ABL Representative amounts otherwise received or receivable by them from such ABL Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Priority Debt Parties and (y) if it is held that any claims of the ABL Secured Parties and the Term Priority Debt Parties in respect of any Shared Collateral constitute a single class of claims (rather than separate classes of senior and junior secured claims), then the ABL Representative, for itself and on behalf of each ABL Secured Party under the ABL Facility, hereby acknowledges and agrees that all distributions from such Shared Collateral constituting Term Priority Collateral shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of such Term Priority Collateral, with the effect being that, to the extent that the aggregate value of such Term Priority Collateral is sufficient (for this purpose ignoring all claims held by the ABL Secured Parties), the Term Priority Debt Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, and expenses, and other claims, all amounts owing in respect of post-petition interest, fees, and expenses (whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding) before any distribution from such Term Priority Collateral is made in respect of the ABL Obligations, and the ABL Representative, for itself and on behalf of each ABL Secured Party under the ABL Facility, hereby acknowledges and agrees to turn over to the Designated Term Priority Representative amounts otherwise received or receivable by them from such Term Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the ABL Secured Parties.

SECTION 6.06. No Waivers of Rights of Senior Secured Parties . Nothing contained herein shall, except as expressly provided herein, prohibit or in any way limit any Senior Representative or any other Senior Secured Party from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Junior Priority Debt Party with respect to any Shared

Collateral on which such Junior Priority Debt Party holds a Junior Priority Lien, including the seeking by any Junior Priority Debt Party of adequate protection or the assertion by any Junior Priority Debt Party of any of its rights and remedies under the Junior Priority Debt Documents or otherwise.

SECTION 6.07. Application . This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law, shall be effective before, during and after the commencement of any Insolvency or Liquidation Proceeding. The relative rights as to the Shared Collateral and proceeds thereof shall continue after the commencement of any Insolvency or Liquidation Proceeding on the same basis as prior to the date of the petition therefor, subject to any court order approving the financing of, or use of cash collateral by, any Grantor. All references herein to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor.

SECTION 6.08. Other Matters . To the extent that any Junior Priority Representative or any Junior Priority Debt Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code or any similar provision of any other Bankruptcy Law with respect to any of the Shared Collateral on which it holds a Junior Priority Lien, such Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, or such Junior Priority Debt Party agrees not to assert any such rights without the prior written consent of each Senior Representative, provided that if requested by any Senior Representative, such Junior Priority Representative shall timely exercise such rights in the manner requested by the Senior Representatives (acting unanimously), including any rights to payments in respect of such rights.

SECTION 6.09. 506(c) Claims . Until the Discharge of Senior Obligations has occurred, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will not assert or enforce any claim under Section 506(c) of the Bankruptcy Code or any similar provision of any other Bankruptcy Law senior to or on a pari passu basis with the Liens securing the Senior Obligations for costs or expenses of preserving or disposing of any Shared Collateral on which it holds a Junior Priority Lien.

SECTION 6.10. Reorganization Securities .

(a) If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a Plan of Reorganization, on account of both the ABL Obligations and the Term Priority Debt Obligations, then, to the extent the debt obligations distributed on account of the ABL Obligations and on account of the Term Priority Debt Obligations are secured by Liens upon the same assets or property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

(b) No Junior Priority Debt Party (whether in the capacity of a secured creditor or an unsecured creditor) shall propose, vote in favor of, or otherwise directly or indirectly support any Plan of Reorganization that is inconsistent with the priorities or other provisions of this Agreement, other than with the prior written consent of the Designated Senior Representative or to the extent any such plan (i) pays off, in cash, in full, the Senior Obligations (other than unasserted contingent indemnification obligations and expense reimbursement obligations) or (ii) is proposed or supported by the number of Senior Secured Parties required under Section 1126(c) of the Bankruptcy Code.

SECTION 6.11. Section 1111(b) of the Bankruptcy Code . Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, shall not object to, oppose, support any objection, or take any other action to impede, the right of

any Senior Secured Party to make an election under Section 1111(b)(2) of the Bankruptcy Code with respect to any Shared Collateral on which such Junior Priority Representative holds a Junior Priority Lien. Each Junior Priority Representative, for itself and on behalf of each Junior Priority Debt Party under its Junior Priority Debt Facility, waives any claim it may hereafter have against any senior claimholder arising out of the election by any Senior Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with any such Shared Collateral in any Insolvency or Liquidation Proceeding with respect to any Grantor.

SECTION 6.12. Post-Petition Interest .

(a) None of the Junior Priority Representatives or any other Junior Priority Debt Party shall oppose or seek to challenge any claim by any Senior Representative or any other Senior Secured Party for allowance in any Insolvency or Liquidation Proceeding of Senior Obligations consisting of claims for post-petition interest, fees, or expenses, under Section 506(b) of the Bankruptcy Code or otherwise to the extent attributable to the Senior Collateral for such Senior Representative or Senior Secured Party (for this purpose ignoring all claims held by the Junior Priority Debt Parties).

(b) None of the Senior Representatives or any or other Senior Secured Party shall oppose or seek to challenge any claim by the Junior Priority Representative or any other Junior Priority Debt Party for allowance in any Insolvency or Liquidation Proceeding of Junior Priority Debt Obligations consisting of claims for post-petition interest, fees, or expenses, under Section 506(b) of the Bankruptcy Code or otherwise to the extent attributable to the Junior Priority Collateral of such Junior Priority Representative, to the extent of the value of the Lien of the Junior Priority Representative on behalf of the Junior Priority Debt Parties on such Junior Priority Collateral (after taking into account value of the Senior Obligations); provided, however, to the extent that any such payments are later recharacterized as payments of principal by the applicable bankruptcy court, such payments shall, upon such recharacterization, be turned over to the Senior Secured Parties and applied to the Senior Obligations in accordance with Section 4.01.

ARTICLE VII

Reliance; Etc.

SECTION 7.01. Reliance . All loans and other extensions of credit made or deemed made prior to, on and after the date hereof by the Senior Secured Parties to the Borrower or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges that it and such Junior Priority Debt Parties have, independently and without reliance on any Senior Representative or other Senior Secured Party, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the Junior Priority Debt Documents to which they are party or by which they are bound, this Agreement and the transactions contemplated hereby and thereby, and they will continue to make their own credit decisions in taking or not taking any action under the Junior Priority Debt Documents or this Agreement.

SECTION 7.02. No Warranties or Liability . Each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, acknowledges and agrees that neither any Senior Representative nor any other Senior Secured Party has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the Senior Debt Documents, the ownership of any Shared Collateral or the perfection or priority of any Liens thereon. The Senior Secured

Parties will be entitled to manage and supervise their respective loans and extensions of credit under the Senior Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the Senior Secured Parties may manage their loans and extensions of credit without regard to any rights or interests that the Junior Priority Representatives and the Junior Priority Debt Parties have in the Shared Collateral or otherwise, except as otherwise provided in this Agreement. Neither any Senior Representative nor any other Senior Secured Party shall have any duty to any Junior Priority Representative or Junior Priority Debt Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreement with the Borrower or any Subsidiary (including the Junior Priority Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectability of any of the Senior Obligations, the Junior Priority Debt Obligations or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Grantor's title to or right to transfer any of the Shared Collateral or (c) any other matter except as expressly set forth in this Agreement.

SECTION 7.03. Obligations Unconditional . All rights, interests, agreements and obligations of the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives and the Junior Priority Debt Parties hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any ABL Debt Document or any Term Priority Debt Document;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Obligations or Term Priority Debt Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of the ABL Credit Agreement or any other ABL Debt Document, or of the First Lien Term Credit Agreement or any other Term Priority Debt Document;

(c) any exchange of any security interest in any Shared Collateral or any other collateral or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the ABL Obligations or Term Priority Debt Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Borrower or any other Grantor; or

(e) any other circumstances that otherwise might constitute a defense available to (i) the Borrower or any other Grantor in respect of the Senior Obligations (other than the Discharge of Senior Obligations subject to Sections 5.06 and 6.04) or (ii) any Junior Priority Representative or Junior Priority Debt Party in respect of this Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Conflicts . Subject to Section 8.22, in the event of any conflict between the provisions of this Agreement and the provisions of any ABL Debt Document or any Term Priority Debt Document, the provisions of this Agreement shall govern. Notwithstanding the foregoing,

the relative rights and obligations of the First Lien Term Collateral Representative, the other Term Priority Representatives and the other Term Priority Debt Parties (as amongst themselves) with respect to any Shared Collateral shall be governed by the terms of each applicable First Lien Intercreditor Agreement and each applicable Junior Lien Intercreditor Agreement and in the event of any conflict between any such First Lien Intercreditor Agreement and/or any such Junior Lien Intercreditor Agreement, on the one hand, and this Agreement, on the other hand, as to such relative rights and obligations, the provisions of such First Lien Intercreditor Agreement or such Junior Lien Intercreditor Agreement, as applicable, shall control.

SECTION 8.02. Continuing Nature of this Agreement; Severability . Subject to Section 6.04, this Agreement shall continue to be effective until the earlier of the Discharge of ABL Obligations and the Discharge of Term Priority Debt Obligations. This is a continuing agreement of Lien subordination, and the Senior Secured Parties may continue, at any time and without notice to the Junior Priority Representatives or any Junior Priority Debt Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrower or any Subsidiary constituting Senior Obligations in reliance hereon. The terms of this Agreement shall survive and continue in full force and effect in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8.03. Amendments; Waivers .

(a) No failure or delay on the part of any party hereto in exercising any right or power hereunder 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 the parties hereto are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

(b) This Agreement may be amended, and may only be amended, in writing signed by each Representative (in each case, acting in accordance with the documents governing the applicable Debt Facility) and the Borrower. Any such amendment, supplement or waiver shall be in writing and shall be binding upon the Grantors, the ABL Secured Parties and the Term Priority Debt Parties and their respective successors and assigns.

(c) Notwithstanding the foregoing, without the consent of any Secured Party and the Borrower, any Representative may become a party hereto by execution and delivery of a Joinder Agreement in accordance with Section 8.09 of this Agreement and upon such execution and delivery, such Representative and the Secured Parties and ABL Obligations or Term Priority Debt Obligations, as applicable, of the Debt Facility for which such Representative is acting shall be subject to the terms hereof.

SECTION 8.04. Information Concerning Financial Condition of the Borrower and the Subsidiaries . The ABL Representative, the ABL Secured Parties, the Term Priority Representatives

and the Term Priority Debt Parties shall each be responsible for keeping themselves informed of (a) the financial condition of Holdings, the Borrower and the Subsidiaries and all endorsers or guarantors of the ABL Obligations or the Term Priority Debt Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Term Priority Debt Obligations. The ABL Representative, the ABL Secured Parties, the Term Priority Representatives and the Term Priority Debt Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the ABL Representative, any ABL Secured Party, any Term Priority Representative or any Term Priority Debt Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it shall be under no obligation to (i) make, and the ABL Representative, the ABL Secured Parties, the Term Priority Representatives and the Term Priority Debt Parties shall not make or be deemed to have made, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) provide any additional information or to provide any such information on any subsequent occasion, (iii) undertake any investigation or (iv) disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

SECTION 8.05. Subrogation . Each Junior Priority Representative, for and on behalf of itself and each Junior Priority Debt Party represented by it, agrees that no payment to any Senior Representative or any Senior Secured Party pursuant to the provisions of this Agreement in respect of any Shared Collateral in which such Junior Priority Representative holds a Junior Priority Lien shall entitle any Junior Priority Representative or any other Junior Priority Debt Party to exercise any rights of subrogation in respect thereof until the Discharge of Senior Obligations has occurred.

SECTION 8.06. Application of Payments . Except as otherwise provided herein, all payments received by the ABL Secured Parties may be applied, reversed and reapplied, in whole or in part, to such part of the ABL Obligations as the ABL Secured Parties, in their sole discretion, deem appropriate, consistent and in accordance with the terms of the ABL Debt Documents. Except as otherwise provided herein, all payments received by the Term Priority Debt Parties may be applied, reversed and reapplied, in whole or in part, to such part of the Term Priority Debt Obligations as the Term Priority Debt Parties, in their sole discretion, deem appropriate, consistent and in accordance with the terms of the Term Priority Debt Documents. Except as otherwise provided herein, each Junior Priority Representative, on behalf of itself and each Junior Priority Debt Party under its Junior Priority Debt Facility, assents to any such extension or postponement of the time of payment of the Senior Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the Senior Obligations and to the addition or release of any other Person primarily or secondarily liable therefor. Notwithstanding the foregoing, solely as between the Term Priority Debt Parties, but subject to the terms set forth in this Agreement, the terms of each applicable First Lien Intercreditor Agreement (if then in effect) and each applicable Junior Lien Intercreditor Agreement shall govern the application of payments as amongst the Term Priority Debt Parties.

SECTION 8.07. Additional Grantors . The Borrower agrees that, if any Domestic Subsidiary (as defined in the Senior Debt Documents) that is not an "Excluded Subsidiary" or "U.S. Excluded Subsidiary" (in each case, as defined in the Senior Debt Documents) shall become a Guarantor in respect of any ABL Obligations or Term Priority Debt Obligations after the date hereof pursuant to the requirements set forth in the applicable Debt Documents, it will promptly cause such Domestic Subsidiary to become party hereto by executing and delivering an instrument in the form of Annex I. Upon such execution and delivery, such Domestic Subsidiary will become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such instrument shall not require the consent of any other party hereunder, and will be acknowledged by the

ABL Representative and the Designated Term Priority Representative. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

SECTION 8.08. Dealings with Grantors . Upon any application or demand by the Borrower or any Grantor to any Representative to take any action under any of the provisions of this Agreement or under any Collateral Document (if such action is subject to the provisions hereof), at the reasonable written request of such Representative, the Borrower or such Grantor, as appropriate, shall furnish to such Representative a certificate of an Authorized Officer thereof (an " Officer ' s Certificate ") stating that all conditions precedent, if any, expressly provided for in this Agreement or such Collateral Document, as the case may be, relating to the proposed action have been complied with or waived, except (a) that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Agreement or any Collateral Document relating to such particular application or demand, no additional certificate or opinion need be furnished or (b) conditions that require the approval or satisfaction of any other Person or require actions not in the Borrower's or any Grantor's control.

SECTION 8.09. Additional Debt Facilities . To the extent, but only to the extent, permitted by the provisions of the then extant ABL Debt Documents and Term Priority Debt Documents, the Borrower may incur or issue and sell one or more series or classes of Additional Junior Priority Term Debt and one or more series or classes of Additional First Priority Term Debt. Any such additional class or series of Additional Junior Priority Term Debt (the " Junior Priority Term Class Debt ") may be secured by a second priority or third priority (or lower priority), subordinated Lien on Shared Collateral, in each case under and pursuant to the relevant Term Collateral Documents for such Junior Priority Term Class Debt, if and subject to the condition that the Representative of any such Junior Priority Term Class Debt (each, a " Junior Priority Term Class Debt Representative "), acting on behalf of the holders of such Junior Priority Term Class Debt (such Representative and holders in respect of any Junior Priority Term Class Debt being referred to as the " Junior Priority Term Class Debt Parties "), becomes a party to this Agreement by satisfying conditions (i) through (iii), as applicable, of the immediately succeeding paragraph. Any such additional class or series of Additional First Priority Term Debt (the " First Priority Term Class Debt "; and the First Priority Term Class Debt and Junior Priority Term Class Debt, collectively, the " Class Debt ") may be secured by a Lien on Shared Collateral, in each case under and pursuant to the relevant Term Collateral Documents, if and subject to the condition that the Representative of any such First Priority Term Class Debt (each, a " First Priority Term Class Debt Representative; " and the First Priority Term Class Debt Representatives and Junior Priority Term Class Debt Representatives, collectively, the " Class Debt Representatives "), acting on behalf of the holders of such First Priority Term Class Debt (such Representative and holders in respect of any such First Priority Term Class Debt being referred to as the " First Priority Term Class Debt Parties "; and the First Priority Term Class Debt Parties and Junior Priority Term Class Debt Parties, collectively, the " Class Debt Parties "), becomes a party to this Agreement by satisfying the conditions set forth in clauses (i) through (iii), as applicable, of the immediately succeeding paragraph. In order for a Class Debt Representative to become a party to this Agreement:

(i) such Class Debt Representative shall have executed and delivered to the ABL Representative and the Designated Term Priority Representative a Joinder Agreement substantially in the form of Annex II (if such Class Debt Representative is a Junior Priority Term Class Debt Representative) or Annex III (if such Class Debt Representative is a First Priority Term Class Debt Representative) (with such changes as may be reasonably approved by the ABL Representative, the Designated Term Priority Representative and such Class Debt Representative) pursuant to which it becomes a Representative hereunder, and the Class Debt in respect of which such Class Debt Representative is the Representative constitutes Additional First Priority Term Debt or Additional Junior Priority Term Debt, as applicable, and the related Class Debt Parties become subject hereto and bound hereby as Additional Term Priority Debt Parties;

(ii) the Borrower (a) shall have delivered to the ABL Representative and the Designated Term Priority Representative an Officer's Certificate identifying the obligations to be designated as Additional First Priority Term Debt or Additional Junior Priority Term Debt, as applicable, and the initial aggregate principal amount or face amount thereof and certifying that such obligations are permitted under each Debt Document then in effect to be incurred and secured (I) in the case of Additional First Priority Term Debt, on a pari passu or junior basis to the First Lien Term Credit Agreement Obligations and on a senior basis to any Additional Junior Priority Term Debt, (II) in the case of Additional Junior Priority Term Debt, on a junior basis to the First Priority Term Debt, (III) on a senior basis to the ABL Obligations with respect to the Term Priority Collateral and (IV) on a junior basis to the ABL Obligations with respect to the ABL Priority Collateral and (b) if requested, shall have delivered true and complete copies of each of the material Term Priority Debt Documents (in each case, other than any fee or side letters) relating to such Class Debt, certified as being true and correct by an Authorized Officer of the Borrower; and

(iii) the Term Priority Debt Documents relating to such Class Debt shall provide that each Class Debt Party with respect to such Class Debt will be subject to and bound by the provisions of this Agreement in its capacity as a holder of such Class Debt.

SECTION 8.10. Refinancings . The ABL Obligations and the Term Priority Debt Obligation may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing or replacement transaction under any Senior Debt Document or any Junior Priority Debt Document) of any Representative or any Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof; *provided* that, if secured, any such refinancing or replacement debt shall satisfy the requirements of Section 8.09. The Designated Junior Priority Representative hereby agrees that at the request of the Borrower, in connection with refinancing or replacement of Senior Obligations in accordance with Section 5.06 (" Replacement Senior Obligations "), it will enter into a customary agreement with the agent for the Replacement Senior Obligations containing terms and conditions substantially similar to the terms and conditions of this Agreement or otherwise terms and conditions that are customary.

SECTION 8.11. Consent to Jurisdiction; Waivers . Each Representative, on behalf of itself and the Secured Parties of the Debt Facility for which it is acting, irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the Collateral Documents, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and any appellate court from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth in Section 8.12 or at such other address of which the other parties hereto shall have been notified pursuant to Section 8.12;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by Applicable Law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 8.11 any special, exemplary, punitive or consequential damages.

SECTION 8.12. Notices . All notices, requests, demands and other communications provided for or permitted hereunder shall be in writing and shall be sent:

(i) if to the Borrower or any Grantor, to the Borrower, at its address at:

c/o Avaya Inc.
4655 Great America Parkway
Santa Clara, California 95054
Attention: John Sullivan, Vice President and Corporate Treasurer
Tel: 408-496-3211
Email: jpsullivan@avaya.com

with a copy to (which shall not constitute notice):

KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Attention: Melissa Hutson
Email: melissa.hutson@kirkland.com
Fax: (212) 446-6459

(ii) if to the ABL Representative, to it at:

CITIBANK, N.A.
388 Greenwich Street, Floor 7
New York NY 10013
Tel: 212-723-3752
Fax: 646-291-3363
Attn: Brendan Mackay

with a copy (which shall not constitute notice) to:

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017
Attention: Kenneth J. Steinberg
Email: kenneth.steinberg@davispolk.com
Fax: 212-701-5566

(iii) if to the First Lien Term Collateral Representative to it at:

GOLDMAN SACHS BANK USA
200 West Street, 16th Floor
New York, New York 10282
Attention: SBD Operations
Fax: 212-428-9270
Email: gs-sbdagency-borrowernotices@ny.email.gs.com

with a copy (which shall not constitute notice) to:

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, NY 10017
Attention: Jason Kyrwood
Email: jason.kyrwood@davispolk.com
Fax: 212-450-5425

(iv) if to any other Representative, to it at the address specified by it in the Joinder Agreement delivered by it pursuant to Section 8.09.

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and, may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth above or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

SECTION 8.13. Further Assurances . Each Senior Representative, on behalf of itself and each Senior Secured Party under the Senior Facility for which it is acting, each Junior Priority Representative, on behalf of itself, and each Junior Priority Debt Party under its Junior Priority Debt Facility, agrees that it will, at the Grantors' expense, take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the other parties hereto may reasonably request to effectuate the terms of, and the Lien priorities contemplated by, this Agreement.

SECTION 8.14. **GOVERNING LAW; WAIVER OF JURY TRIAL** .

(A) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(B) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY SENIOR DEBT DOCUMENT OR ANY JUNIOR PRIORITY DEBT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8.15. Binding on Successors and Assigns. This Agreement shall be binding upon the Senior Representatives, the Senior Secured Parties, the Junior Priority Representatives, the Junior Priority Debt Parties, the Borrower, the other Grantors party hereto and their respective successors and assigns.

SECTION 8.16. Section Titles. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

SECTION 8.17. Counterparts. This Agreement may be executed in one or more counterparts, including by means of facsimile or other electronic method, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 8.18. Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The ABL Representative represents and warrants that this Agreement is binding upon the ABL Credit Agreement Secured Parties. The First Lien Term Collateral Representative represents and warrants that this Agreement is binding upon the First Lien Term Credit Agreement Secured Parties.

SECTION 8.19. No Third Party Beneficiaries; Successors and Assigns. The lien priorities set forth in this Agreement and the rights and benefits hereunder in respect of such lien priorities shall inure solely to the benefit of the ABL Representative, the ABL Secured Parties, the Term Priority Representatives, the Term Priority Debt Parties, the Grantors and their respective permitted successors and assigns, and no other Person (including any trustee, receiver, debtor in possession or bankruptcy estate in a bankruptcy or like proceeding) shall have or be entitled to assert such rights. Nothing in this Agreement is intended to or shall impair the rights or obligations of the Borrower or any other Grantor, which obligations are absolute and unconditional, to pay the Senior Obligations and the Junior Priority Debt Obligations as and when the same shall become due and payable in accordance with their terms.

SECTION 8.20. Effectiveness. This Agreement shall become effective when executed and delivered by the parties hereto.

SECTION 8.21. Collateral Agent and Representative. It is understood and agreed that (a) the ABL Representative is entering into this Agreement in its capacity as administrative agent and collateral agent under the ABL Credit Agreement and the provisions of Section 12 of the ABL Credit Agreement applicable to the Agents (as defined therein) thereunder shall also apply to the ABL Representative hereunder and (b) the First Lien Term Collateral Representative is entering into this Agreement in its capacity as administrative agent and collateral agent under the First Lien Term Credit Agreement and the provisions of Section 12 of the First Lien Term Credit Agreement applicable to the Agents (as defined therein) thereunder shall also apply to the First Lien Term Collateral Representative hereunder.

SECTION 8.22. Relative Rights. Notwithstanding anything in this Agreement to the contrary (except to the extent contemplated by Section 5.01(a), 5.01(d) or 5.03(d) with respect to Junior Priority Debt Documents), nothing in this Agreement is intended to or will (a) amend, waive or

otherwise modify the provisions of the ABL Credit Agreement, any other ABL Debt Document, the First Lien Term Credit Agreement or any other Term Priority Debt Document, (b) change the relative priorities of the ABL Obligations or the Liens granted under the ABL Collateral Documents on the Shared Collateral (or any other assets) as among the ABL Secured Parties, (c) change the relative priorities of the Term Priority Debt Obligations or the Liens granted under the Term Collateral Documents on the Shared Collateral (or any other assets) as among the Term Priority Debt Parties, (d) otherwise change the relative rights of the Senior Secured Parties in respect of the Shared Collateral as among such Senior Secured Parties or (e) obligate the Borrower or any other Grantor to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the ABL Credit Agreement, any other ABL Debt Document, the First Lien Term Credit Agreement or any other Term Priority Debt Document.

SECTION 8.23. Survival of Agreement . All covenants, agreements, representations and warranties made by any party in this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

[Remainder of page intentionally left blank]

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.

CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent

By: _____
Name:
Title:

GOLDMAN SACHS BANK USA,
as First Lien Term Credit Agreement Administrative Agent and First Lien Term Collateral Representative

By: _____
Name:
Title:

Acknowledged and Agreed to by:

[ ],
as a Grantor

By: _____
Name:
Title:

[ ],
as a Grantor

By: _____
Name:
Title:

[ ],
as a Grantor

By: _____
Name:
Title:

[Add other Grantors],
as a Grantor

By: _____
Name:
Title:

ANNEX I

SUPPLEMENT (this " Supplement ") dated as of [ ], 20[ ], to the ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " ABL Intercreditor Agreement "), among CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent under the ABL Credit Agreement, GOLDMAN SACHS BANK USA, as First Lien Term Collateral Representative and First Lien Term Credit Agreement Administrative Agent under the First Lien Term Credit Agreement and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the ABL Intercreditor Agreement.

B. The Grantors have entered into the ABL Intercreditor Agreement. Pursuant to the ABL Credit Agreement, the First Lien Term Credit Agreement and certain Additional Term Priority Debt Documents, certain newly acquired or organized Subsidiaries of the Borrower are required to enter into the ABL Intercreditor Agreement. Section 8.07 of the ABL Intercreditor Agreement provides that such Subsidiaries may become party to the ABL Intercreditor Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the " New Grantor ") is executing this Supplement in accordance with the requirements of the ABL Credit Agreement, the First Lien Term Credit Agreement and the Additional Term Priority Debt Documents, as applicable.

Accordingly, the ABL Representative, the Designated Term Priority Representative and the New Grantor agree as follows:

SECTION 1. In accordance with Section 8.07 of the ABL Intercreditor Agreement, the New Grantor by its signature below becomes a Grantor under the ABL Intercreditor Agreement with the same force and effect as if originally named therein as a Grantor, and the New Grantor hereby agrees to all the terms and provisions of the ABL Intercreditor Agreement applicable to it as a Grantor thereunder. Each reference to a "Grantor" in the ABL Intercreditor Agreement shall be deemed to include the New Grantor. The ABL Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants on the date hereof to the ABL Representative and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by Bankruptcy Laws and by general principles of equity.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the ABL Representative and the Designated Term Priority Representative shall have received a counterpart of this Supplement that bears the signature of the New Grantor. Delivery of an executed signature page to this Supplement by facsimile transmission or other electronic method shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the ABL Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the ABL Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the ABL Intercreditor Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as specified in the ABL Intercreditor Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Grantor, the ABL Representative and the Designated Term Priority Representative have duly executed this Supplement to the ABL Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY GRANTOR]

By: _____
Name:
Title:

Acknowledged by:

[ ], as ABL Representative

By: _____
Name:
Title:

[ ], as Designated Term Priority Representative

By: _____
Name:
Title:

ANNEX II

[FORM OF] JUNIOR PRIORITY TERM CLASS DEBT REPRESENTATIVE SUPPLEMENT (this " Representative Supplement ") dated as of [ ], 20[ ] to the ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " ABL Intercreditor Agreement "), among CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent under the ABL Credit Agreement, GOLDMAN SACHS BANK USA, as First Lien Term Collateral Representative and First Lien Term Credit Agreement Administrative Agent under the First Lien Term Credit Agreement and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the ABL Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur Junior Priority Term Class Debt after the date of the ABL Intercreditor Agreement and to secure such Junior Priority Term Class Debt with the Junior Priority Lien and to have such Junior Priority Term Class Debt guaranteed by the Grantors, in each case under and pursuant to the Junior Priority Collateral Documents relating thereto, the Junior Priority Term Class Debt Representative in respect of such Junior Priority Term Class Debt is required to become a Representative under, and such Junior Priority Term Class Debt and the Junior Priority Term Class Debt Parties in respect thereof are required to become subject to and bound by, the ABL Intercreditor Agreement. Section 8.09 of the ABL Intercreditor Agreement provides that such Junior Priority Term Class Debt Representative may become a Representative under, and such Junior Priority Term Class Debt and such Junior Priority Term Class Debt Parties may become subject to and bound by, the ABL Intercreditor Agreement as Additional Term Priority Debt Obligations and Additional Term Priority Debt Parties, respectively, pursuant to the execution and delivery by the Junior Priority Term Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions precedent set forth in Section 8.09 of the ABL Intercreditor Agreement. The undersigned Junior Priority Term Class Debt Representative (the " New Representative ") is executing this Representative Supplement in accordance with the requirements of the ABL Debt Documents and the Term Priority Debt Documents.

Accordingly, the ABL Representative, the Designated Term Priority Representative, the Borrower and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the ABL Intercreditor Agreement, the New Representative by its signature below becomes a Representative and a Junior Priority Term Class Debt Representative, in each case, under, and the related Junior Priority Term Class Debt and Junior Priority Term Class Debt Parties become subject to and bound by, the ABL Intercreditor Agreement as Additional Term Priority Debt Obligations and Additional Term Priority Debt Parties, respectively, with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such Junior Priority Term Class Debt Parties, hereby agrees to all the terms and provisions of the ABL Intercreditor Agreement applicable to it as a Term Priority Representative and to the Junior Priority Term Class Debt Parties that it represents as Term Priority Debt Parties. Each reference to a " Representative " or " Term Priority Representative " in the ABL Intercreditor Agreement shall be deemed to include the New Representative. The ABL Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants on the date hereof to the ABL Representative, the Designated Term Priority Representative and the other Secured Parties that (i) it

has full power and authority to enter into this Representative Supplement, in its capacity as [agent] [trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Term Priority Debt Documents relating to such Junior Priority Term Class Debt provide that, upon the New Representative's entry into this Agreement, the Junior Priority Term Class Debt Parties in respect of such Junior Priority Term Class Debt will be subject to and bound by the provisions of the ABL Intercreditor Agreement as Term Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the ABL Representative and the Designated Term Priority Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the ABL Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the ABL Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the ABL Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the New Representative, the ABL Representative, the Designated Term Priority Representative and the Borrower have duly executed this Representative Supplement to the ABL Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE],
as [ ] for the holders of [ ]

By: _____
Name:
Title:

Address for notices:

_____

_____

Attention of: _____

Telecopy: _____

[ ],
as ABL Representative

By: _____
Name:
Title:

[ ],
as Designated Term Priority Representative

By: _____
Name:
Title:

[ ],
as Borrower

By: _____
Name:
Title:

ANNEX III

[FORM OF] FIRST PRIORITY TERM CLASS DEBT REPRESENTATIVE SUPPLEMENT (this " Representative Supplement ") dated as of [ ], 20[ ] to the ABL INTERCREDITOR AGREEMENT dated as of December 15, 2017 (the " ABL Intercreditor Agreement "), among CITIBANK, N.A., as ABL Representative and ABL Credit Agreement Administrative Agent under the ABL Credit Agreement, GOLDMAN SACHS BANK USA, as First Lien Term Collateral Representative and First Lien Term Credit Agreement Administrative Agent under the First Lien Term Credit Agreement and the additional Representatives from time to time party thereto, and acknowledged and agreed to by AVAYA INC., a Delaware corporation (the " Borrower "), AVAYA HOLDINGS CORP., a Delaware corporation in its capacity as Holdings and the other Grantors (as defined therein) from time to time party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the ABL Intercreditor Agreement.

B. As a condition to the ability of the Borrower to incur First Priority Term Class Debt after the date of the ABL Intercreditor Agreement and to secure such First Priority Term Class Debt with the Senior Lien and to have such First Priority Term Class Debt guaranteed by the Grantors on a senior basis, in each case under and pursuant to the Senior Collateral Documents relating thereto, the First Priority Term Class Debt Representative in respect of such First Priority Term Class Debt is required to become a Representative under, and such First Priority Term Class Debt and the First Priority Term Class Debt Parties in respect thereof are required to become subject to and bound by, the ABL Intercreditor Agreement. Section 8.09 of the ABL Intercreditor Agreement provides that such First Priority Term Class Debt Representative may become a Representative under, and such First Priority Term Class Debt and such First Priority Term Class Debt Parties may become subject to and bound by, the ABL Intercreditor Agreement as Additional First Priority Term Debt Obligations and Additional Term Priority Debt Parties, respectively, pursuant to the execution and delivery by the First Priority Term Class Debt Representative of an instrument in the form of this Representative Supplement and the satisfaction of the other conditions precedent set forth in Section 8.09 of the ABL Intercreditor Agreement. The undersigned First Priority Term Class Debt Representative (the " New Representative ") is executing this Representative Supplement in accordance with the requirements of the ABL Debt Documents and the Term Priority Debt Documents.

Accordingly, the ABL Representative, the Designated Term Priority Representative, the Borrower and the New Representative agree as follows:

SECTION 1. In accordance with Section 8.09 of the ABL Intercreditor Agreement, the New Representative by its signature below becomes a Representative and a First Priority Term Class Debt Representative under, and the related First Priority Term Class Debt and First Priority Term Class Debt Parties become subject to and bound by, the ABL Intercreditor Agreement as Additional Term Priority Debt Obligations and Additional Term Priority Debt Parties, respectively, with the same force and effect as if the New Representative had originally been named therein as a Representative, and the New Representative, on behalf of itself and such First Priority Term Class Debt Parties, hereby agrees to all the terms and provisions of the ABL Intercreditor Agreement applicable to it as a Term Priority Representative and to the First Priority Term Class Debt Parties that it represents as Additional Term Priority Debt Parties. Each reference to a " Representative " or " Term Priority Representative " in the ABL Intercreditor Agreement shall be deemed to include the New Representative. The ABL Intercreditor Agreement is hereby incorporated herein by reference.

SECTION 2. The New Representative represents and warrants as of the date hereof to the ABL Representative, the Designated Term Priority Representative and the other Secured Parties that (i) it has full power and authority to enter into this Representative Supplement, in its capacity as [agent]

[trustee], (ii) this Representative Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of such Agreement and (iii) the Term Priority Debt Documents relating to such First Priority Term Class Debt provide that, upon the New Representative's entry into this Agreement, the First Priority Term Class Debt Parties in respect of such First Priority Term Class Debt will be subject to and bound by the provisions of the ABL Intercreditor Agreement as Term Priority Debt Parties.

SECTION 3. This Representative Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Supplement shall become effective when the ABL Representative and the Designated Term Priority Representative shall have received a counterpart of this Representative Supplement that bears the signature of the New Representative. Delivery of an executed signature page to this Representative Supplement by facsimile transmission or other electronic method shall be effective as delivery of a manually signed counterpart of this Representative Supplement.

SECTION 4. Except as expressly supplemented hereby, the ABL Intercreditor Agreement shall remain in full force and effect.

SECTION 5. THIS REPRESENTATIVE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Representative Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the ABL Intercreditor Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 8.12 of the ABL Intercreditor Agreement. All communications and notices hereunder to the New Representative shall be given to it at the address set forth below its signature hereto.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, New Representative, the ABL Representative, the Designated Term Priority Representative and the Borrower have duly executed this Representative Supplement to the ABL Intercreditor Agreement as of the day and year first above written.

[NAME OF NEW REPRESENTATIVE],
as [ ] for the holders of [ ]

By: _____
Name:
Title:

Address for notices:

_____

_____

Attention of: _____

Telecopy: _____

[ ],
as ABL Representative

By: _____
Name:
Title:

[ ],
as Designated Term Priority Representative

By: _____
Name:
Title:

[ ],
as Borrower

By: _____
Name:
Title:

EXHIBIT G
TO THE CREDIT AGREEMENT

FORM OF IRISH QUALIFYING LENDER CONFIRMATION

[See attached]

FORM OF IRISH QUALIFYING LENDER CONFIRMATION

To: Citibank, N.A., as the Administrative Agent under the Credit Agreement referenced below.

Name of [Lender/Participant]: _____

Address of [Lender/Participant]: _____

Date: _____

Reference is hereby made to a Credit Agreement, dated as of [_____], 2017, by, amongst others, Avaya Holdings, Corp. as Holdings, Avaya Inc., as Parent Borrower, Citibank, N.A., as Administrative Agent and Collateral Agent and the financial institutions from time to time party thereto as Lenders (the " **Credit Agreement** ").

Pursuant to Clause 14.3(b)(vi)(A) of the Credit Agreement, the undersigned [Lender/Participant] hereby confirms, as at the date of this Confirmation, that it is:

☐ not an Irish Qualifying Lender

☐ an Irish Qualifying Lender (other than solely on account of being an Irish Treaty Lender) within paragraph [_____] of the definition of Irish Qualifying Lender

☐ an Irish Treaty Lender

Signed on behalf of
[NAME OF LENDER/PARTICIPANT]

By: _____

Name:

Title:

[RESERVED]

EXHIBIT I
TO THE CREDIT AGREEMENT

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[See attached]

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [the][each] [1] Assignor identified in item 1 below ([the][each, an] " Assignor ") and [the][each] [2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] [3] hereunder are several and not joint.] [4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the " Standard Terms and Conditions ") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, any letters of credit, guarantees and swing line loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] " Assigned Interest "). Each such sale and assignment is without recourse to [the][any]

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s] : _____

2. Assignee[s] : _____

[Assignee is an [Affiliate][Approved Fund] of [*identify Lender*]]

3. Parent Borrower : Avaya Inc., a Delaware corporation

4. Administrative Agent : Citibank, N.A., as the Administrative Agent under the Credit Agreement

5. Credit Agreement : ABL Credit Agreement, dated as of December [___], 2017, among Avaya Holdings Corp., a Delaware corporation, the Parent Borrower, Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the lending institutions from time to time parties thereto, the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent.

6. Assigned Interest[s]:

Assignor[s] [5]	Assignee[s] [6]	Facility Assigned [7]	Aggregate Amount of Commitment/Loans for all Lenders [8]	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans [9]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment," etc.).
8 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
9 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[7. Trade Date: _____] [10]

[Remainder of this page intentionally left blank]

10 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20 __[TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and] [11] Accepted:

CITIBANK, N.A. as Administrative Agent

By: _____
Name:
Title:

[Consented to:] [12]

[NAME OF RELEVANT PARTY]

By: _____
Name:
Title:

11 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
12 To be added only if the consent of the Borrower and/or other parties is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties .

1.1 Assignor[s] . [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2 Assignee[s] . [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 13.6(b)(ii) and (iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 13.6(b)(i) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 9.1 of the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vii) it is not a natural person or an investment vehicle established primarily for the benefit of a natural person and (viii) it is not a Disqualified Institution; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, (ii) it will perform in accordance with their terms all of the

obligations which by the terms of the Credit Documents are required to be performed by it as a Lender and (iii) the Assignee agrees to be bound by the terms of that certain CAM Agreement (the " CAM Agreement ") dated as of December 15, 2017 among the Lenders and the Administrative Agent and, if not already, party to the CAM Agreement, the Assignee agrees to execute a joinder agreement to the CAM Agreement concurrently with the execution of this Assignment and Assumption.

2. Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption, and the rights and obligations of the parties hereunder, shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

EXHIBIT J-1
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the ABL Credit Agreement dated as of December [___], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Parent Borrower "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders "), the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) and any other obligation(s) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Parent Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Parent Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Parent Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Parent Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Parent Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF NON-U.S. LENDER]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT J-2
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the ABL Credit Agreement dated as of December [___], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Parent Borrower "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders "), the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Parent Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Parent Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT J-3
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the ABL Credit Agreement dated as of December [___], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Parent Borrower "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders "), the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Parent Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Parent Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT J-4
TO THE CREDIT AGREEMENT

FORM OF NON-U.S. LENDER CERTIFICATION
(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the ABL Credit Agreement dated as of December [___], 2017 (as the same may be amended, restated, amended and restated, supplemented or otherwise modified, refinanced or replaced from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Parent Borrower "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the lending institutions from time to time parties thereto (each a " Lender " and, collectively, the " Lenders "), the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent.

Pursuant to the provisions of Section 5.4(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) and any other obligation(s) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)) and any such other obligation(s), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Credit Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Parent Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Parent Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Parent Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Parent Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Parent Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF NON-U.S. LENDER]

By: _____
Name:
Title:

Date: _____, 201[ ]

EXHIBIT K
TO THE CREDIT AGREEMENT

FORM OF BORROWING BASE CERTIFICATE

[See attached]

EXHIBIT K

[FORM OF] BORROWING BASE CERTIFICATE

[_____], 20[ ]

This Borrowing Base Certificate is being executed and delivered pursuant to Section [6.15][9.1(i)] of that certain Credit Agreement, dated as of December [●], 2017 (as the same may be amended, restated, amended and restated, supplemented, refinanced or otherwise modified from time to time, the " Credit Agreement "), among Avaya Holdings Corp., a Delaware corporation, Avaya Inc., a Delaware corporation (the " Parent Borrower "), Avaya Canada Corp., an unlimited liability company organized under the laws of the province of Nova Scotia, Avaya UK, a company incorporated under the laws of England and Wales, Avaya International Sales Limited, a limited liability company incorporated under the laws of Ireland, Avaya Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany, Avaya GmbH & Co. KG, a limited partnership (*GmbH & Co. KG*) existing under the laws of Germany, the Lenders party thereto from time to time, the lending instructions named therein as L/C Issuers and Swing Line Lenders and Citibank, N.A., as Administrative Agent and Collateral Agent. Terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Credit Agreement.

I, [_____], certify that I am a duly appointed, qualified and acting Authorized Officer of the Parent Borrower, and in such capacity, do hereby certify that the calculations attached as Annex A hereto are complete and correct in all material respects.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned, solely in his/her capacity as a Authorized Officer of the Parent Borrower, has executed this certificate for and on behalf of the Administrative Borrower and has caused this certificate to be delivered on the date first set forth above.

AVAYA INC., as Parent Borrower

By: _____
Name:
Title:

Exhibit 10.9

RESTRICTED STOCK UNIT EMERGENCE AWARD AGREEMENT
PURSUANT TO THE
AVAYA HOLDINGS CORP. 2017 EQUITY INCENTIVE PLAN

* * *

Participant: James Chirico

Grant Date: December 15, 2017

Grant Number: [Client Grant ID]

Number of Restricted Stock Units (" RSUs ") Granted: 1,460,943

* * *

This RESTRICTED STOCK UNIT EMERGENCE AWARD AGREEMENT (this " Agreement "), dated as of the Grant Date specified above, is entered into by and between Avaya Holdings Corp., a corporation organized in the State of Delaware (the " Company "), and the Participant specified above, pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan, as in effect and as amended from time to time (the " Plan "), which is administered by the Committee; and

WHEREAS, the Committee has determined under the Plan that it would be in the best interests of the Company to grant the Participant an Other Stock-Based Award in the form of the RSUs provided herein, each of which represents the right to receive one share of Common Stock upon vesting of such RSU, subject to the terms and conditions contained herein and in the Plan;

WHEREAS, the Participant and Avaya Inc. are party to that certain Executive Employment Agreement, dated November 13, 2017 and effective as of the Grant Date (the " Employment Agreement "); and

WHEREAS, the Company and the Participant agree that, for purposes of this Agreement, the restrictive covenants set forth in Section 8 of the Employment Agreement (the " Restrictive Covenants ") are incorporated herein by reference in their entirety, as fully as though set forth herein, and this Agreement shall be interpreted and applied consistently with the parties' intent that the end result should be the same as if the Restrictive Covenants were actually set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt . This Agreement is subject in all respects to the terms, conditions and provisions of the Plan (including, without limitation,

any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms, conditions and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content and agrees to be bound thereby and hereby. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. Grant of RSUs . The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above, subject to adjustment as provided for in the Plan, on the terms and conditions set forth in this Agreement and otherwise provided for in the Plan. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the RSUs, except as otherwise specifically provided for in the Plan or this Agreement. The RSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company. The Participant's interest in the book-entry account shall be that of a general, unsecured creditor of the Company.

3. Vesting .

(a) General . Except as set forth in Section 3(b) , Section 3(c) , Section 3(d) , Section 3(f) or Section 3(f) , as applicable, the RSUs subject to this Award shall vest as follows, provided that the Participant has not incurred a Termination of Employment prior to each such vesting date, and provided , further , that there shall be no proportionate or partial vesting in the periods prior to each such vesting date.

Vesting Dates	Percentage of RSUs
First Anniversary of the Grant Date	33.33%
Last Day of Each Quarter Thereafter	8.33%

Notwithstanding the foregoing, if the number of RSUs is not evenly divisible, then no fractional RSUs shall vest and the smaller installments shall vest first, and upon vesting of the last installment in accordance with the terms and conditions hereof, 100% of the RSUs subject to this Award shall be fully vested.

(b) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) – On or Before First Anniversary of Grant Date . In the event the Participant incurs a Termination of Employment on or before the first anniversary of the Grant Date as a result of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity without Cause, by the Participant for Good Reason, or due to the Participant's death or Disability (any such Termination of Employment, a " Qualifying Termination "), and such Qualifying Termination does not occur within the twenty-four (24)

month period immediately following a Change in Control (such period, the " CIC Period "), subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with the Restrictive Covenants, the Participant will vest in 75% of the outstanding and unvested RSUs upon such Termination of Employment.

(c) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) – After First Anniversary of Grant Date . If the Participant incurs a Qualifying Termination after the first anniversary of the Grant Date and before the last vesting date provided for in Section 3(a) , and such Qualifying Termination does not occur within the CIC Period, then in addition to any vesting that has already occurred as of the date of such Termination of Employment, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with the Restrictive Covenants, the Participant will vest in either: (i) an additional portion of the RSUs such that 75% of the total number of RSUs granted hereunder are vested as of the date of such Termination of Employment, or (ii) a pro-rata portion of the then-current vesting tranche of the RSUs as provided for under Section 3(a) above, based on the number of days of his employment from the last vesting date (as provided for under Section 3(a) above) prior to the date of such Termination of Employment until the next vesting date (as provided for under Section 3(a) above) following the date of such Termination of Employment, plus the RSUs that would have vested pursuant to Section 3(a) above in the first twelve (12) months immediately following the date of such Termination of Employment, whichever of (i) or (ii) results in greater total vesting, and with the applicable vesting effective as of the date of such Termination of Employment. For the avoidance of doubt, the Participant will vest in no less than 75% of the total number of RSUs granted hereunder in connection with such Qualifying Termination.

(d) Accelerated Vesting Upon a Qualifying Termination (Change in Control) . In the event the Participant incurs a Qualifying Termination within the CIC Period, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with the Restrictive Covenants, all outstanding and unvested RSUs shall fully vest effective as of the date of such Termination of Employment.

(e) Coordination with Employment Agreement . For the avoidance of doubt, to the extent the Employment Agreement provides for more favorable treatment of the RSUs granted hereunder, the Participant shall be entitled to such more favorable treatment subject to the terms and conditions of the Employment Agreement.

(f) Forfeiture . Except as otherwise expressly provided for in Section 3(b) , Section 3(c) , Section 3(d) , or Section 3(e) , all unvested RSUs shall be immediately forfeited upon the Participant's Termination of Employment for any reason. For the avoidance of doubt,

in the event that the Participant fails to execute, deliver and not revoke the release of claims provided for in Section 3(b), Section 3(c) or Section 3(d), as applicable, any RSUs that remain outstanding and unvested as of the sixtieth (60th) day following the date on which the Qualifying Termination occurs shall be forfeited and cancelled as of such sixtieth (60th) day without consideration therefor. Additionally, in the event of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity for Cause, all of the Participant's outstanding RSUs, whether or not vested, shall be forfeited and cancelled without consideration therefor effective as of the date of such Termination of Employment.

4. Delivery of Shares. Promptly following the vesting of the RSUs (but in no event more than sixty (60) days thereafter) (or, in the event of a Qualifying Termination pursuant to Section 3(b), Section 3(c) or Section 3(d) above or in connection with any additional vesting pursuant to Section 3(e) above, on the sixtieth (60th) day following the date on which the Participant's Termination of Employment occurs, provided the conditions set forth in Section 3(b), Section 3(c) or Section 3(d) above or the Employment Agreement, as applicable, have been met), the Participant shall receive the number of shares of Common Stock that correspond to the number of RSUs that have become vested on the applicable vesting date, less any shares of Common Stock withheld by the Company pursuant to Section 13.4 of the Plan, and such vested RSUs shall be cancelled upon receipt of the shares of Common Stock.

5. Non-Transferability. No portion of the RSUs may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to the Company as a result of forfeiture of the RSUs as provided herein.

6. Governing Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof. Any suit, action or proceeding with respect to this Agreement shall be governed by Section 13.9 of the Plan.

7. Legend. The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates, if any, representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates, if any, representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 7.

8. Securities Representations. This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 8.

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Common Stock issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register such shares of Common Stock (or to file a "re-offer prospectus").

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 shall not be available unless (A) a public trading market then exists for the Common Stock, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of Common Stock issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

9. Entire Agreement; Amendment . This Agreement, together with the Plan and the Employment Agreement, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

10. Notices; Electronic Delivery and Acceptance . Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company. The Company may, in its sole discretion, decide to deliver any documents related to RSUs awarded under the Plan or future RSUs that may be awarded under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting this RSU Award, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

11. No Right to Employment or Service . Any questions as to whether and when there has been a Termination of Employment and the cause of such Termination of Employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

12. Transfer of Personal Data . The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the RSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

13. Compliance with Laws . The grant of RSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the RSUs or any shares of Common Stock pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

14. Binding Agreement . This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns.

15. Headings . The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

16. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

17. Further Assurances . Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

18. Severability . The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

19. Acquired Rights . The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of RSUs made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary compensation and shall not be considered as part of such compensation in the event of severance, redundancy or resignation.

20. Acceptance of Agreement . Notwithstanding anything herein to the contrary, in order for this Award to become effective, the Participant must acknowledge acceptance of this Agreement no later than the sixtieth (60 th) day following the Grant Date (the " Final Acceptance Date "). If the Participant's acceptance of this Agreement does not occur by the Final Acceptance Date, then the entire Award will be forfeited and cancelled without any consideration therefor, except as otherwise determined in the Committee's sole and absolute discretion.

21. No Waiver . No waiver or non-action by either party hereto with respect to any breach by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

22. No Rights as a Stockholder . The Participant's interest in the RSUs shall not entitle the Participant to any rights as a stockholder of the Company. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a stockholder of the Company in respect of, the shares of Common Stock unless and until such shares have been issued to the Participant in accordance with Section 4.

23. Section 409A . Notwithstanding anything herein or in the Plan to the contrary, the RSUs are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [•].

AVAYA HOLDINGS CORP.

By: _____
Name: Patrick J. O'Malley, III
Title: Senior Vice President and Chief Financial Officer

PARTICIPANT

[To be executed electronically.]

Exhibit 10.10

Senior Executives

RESTRICTED STOCK UNIT EMERGENCE AWARD AGREEMENT
PURSUANT TO THE
AVAYA HOLDINGS CORP. 2017 EQUITY INCENTIVE PLAN

* * *

Participant: **[Participant Name]**

Grant Date: **December 15, 2017**

Grant Number: **[Client Grant ID]**

Number of Restricted Stock Units (" RSUs ") Granted: **[RSUs Granted]** [1]

* * *

This RESTRICTED STOCK UNIT EMERGENCE AWARD AGREEMENT (this " Agreement "), dated as of the Grant Date specified above, is entered into by and between Avaya Holdings Corp., a corporation organized in the State of Delaware (the " Company "), and the Participant specified above, pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan, as in effect and as amended from time to time (the " Plan "), which is administered by the Committee; and

WHEREAS, the Committee has determined under the Plan that it would be in the best interests of the Company to grant the Participant an Other Stock-Based Award in the form of the RSUs provided herein, each of which represents the right to receive one share of Common Stock upon vesting of such RSU, subject to the terms and conditions contained herein and in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt . This Agreement is subject in all respects to the terms, conditions and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms, conditions and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content and agrees to be bound thereby and hereby. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

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1 **Note to Draft** : Number of shares subject to RSUs will represent 75% of the Emergence Grant.

2. Grant of RSUs . The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above, subject to adjustment as provided for in the Plan, on the terms and conditions set forth in this Agreement and otherwise provided for in the Plan. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the RSUs, except as otherwise specifically provided for in the Plan or this Agreement. The RSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company. The Participant's interest in the book-entry account shall be that of a general, unsecured creditor of the Company.

3. Vesting .

(a) General . Except as set forth in Section 3(b) , Section 3(c) , or Section 3(d) , as applicable, the RSUs subject to this Award shall vest as follows, provided that the Participant has not incurred a Termination of Employment prior to each such vesting date, and provided , further , that there shall be no proportionate or partial vesting in the periods prior to each such vesting date.

Vesting Dates	Percentage of RSUs
First Anniversary of the Grant Date	33.33%
Last Day of Each Quarter Thereafter	8.33%

Notwithstanding the foregoing, if the number of RSUs is not evenly divisible, then no fractional RSUs shall vest and the smaller installments shall vest first, and upon vesting of the last installment in accordance with the terms and conditions hereof, 100% of the RSUs subject to this Award shall be fully vested.

(b) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) . In the event the Participant incurs a Termination of Employment prior to the last vesting date provided for in Section 3(a) as a result of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity without Cause, by the Participant for Good Reason, or due to the Participant's death or Disability (any such Termination of Employment, a " Qualifying Termination "), and such Qualifying Termination does not occur within the twenty-four (24) month period immediately following a Change in Control (such period, the " CIC Period "), subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 7 through 11 of this Agreement, the RSUs that would have vested pursuant to Section 3(a) above in the first twelve (12) months following the date of such Termination of Employment shall vest effective as of the date of such Termination of Employment; provided that James Chirico, while serving as Chief Executive Officer of the Company, may elect, prior to the date of the Participant's Termination of Employment and following consultation with the Board, to vest the balance of the outstanding

and unvested RSUs, which vesting shall occur unless the Committee notifies Mr. Chirico that it opposes any such vesting within five (5) business days of receiving written notice of such election. Any such additional vesting will be subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 7 through 11 of this Agreement.

(c) Accelerated Vesting Upon a Qualifying Termination (Change in Control) . In the event the Participant incurs a Qualifying Termination within the CIC Period, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 7 through 11 of this Agreement, all outstanding and unvested RSUs shall fully vest effective as of the date of such Termination of Employment.

(d) Forfeiture . Except as otherwise expressly provided for in Section 3(b) or Section 3(c) , all outstanding and unvested RSUs shall be immediately forfeited upon the Participant's Termination of Employment for any reason. For the avoidance of doubt, in the event that the Participant fails to execute, deliver and not revoke the release of claims provided for in Section 3(b) or Section 3(c) , as applicable, any RSUs that remain outstanding and unvested as of the sixtieth (60 th) day following the date on which the Qualifying Termination occurs shall be forfeited and cancelled as of such sixtieth (60 th) day without consideration therefor. Additionally, in the event of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity for Cause, all of the Participant's outstanding RSUs, whether or not vested, shall be forfeited and cancelled without consideration therefor effective as of the date of such Termination of Employment.

4. Delivery of Shares . Promptly following the vesting of the RSUs (but in no event more than sixty (60) days thereafter) (or, in the event of a Qualifying Termination pursuant to Section 3(b) or Section 3(c) above, on the sixtieth (60th) day following the date on which the Participant's Termination of Employment occurs, provided the conditions set forth in Section 3(b) or Section 3(c) above have been met), the Participant shall receive the number of shares of Common Stock that correspond to the number of RSUs that have become vested on the applicable vesting date, less any shares of Common Stock withheld by the Company pursuant to Section 13.4 of the Plan, and such vested RSUs shall be cancelled upon receipt of the shares of Common Stock.

5. Non-Transferability . No portion of the RSUs may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to the Company as a result of forfeiture of the RSUs as provided herein.

6. Restrictive Covenants . By executing this Agreement, the Participant agrees to all of the terms, conditions and restrictions imposed by this Agreement and acknowledges the importance to the Company and its Affiliates (hereinafter referred to collectively as " Avaya ") of protecting their Confidential Information (as defined below) and other legitimate business

interests, including, without limitation, the valuable trade secrets and good will that they develop or acquire. The Participant further acknowledges that Avaya is engaged in a highly competitive business, that its success in the marketplace depends upon the preservation of its Confidential Information and industry reputation, and that obtaining agreements such as this one from its employees and other service providers is reasonable and necessary. The Participant undertakes the obligations in this Agreement in consideration of the Participant's relationship with Avaya, this Agreement, the Participant being granted access to trade secrets and other Confidential Information of Avaya, and for other good and valuable consideration, the receipt and sufficiency of which the Participant acknowledges. As used in this Agreement, "relationship" refers to the Participant's employment or association as an employee, advisor or consultant with Avaya, as applicable.

7. Loyalty and Conflicts of Interest .

(a) Exclusive Duty . During the Participant's relationship with Avaya, the Participant will not engage in any other business activity that creates a conflict of interest except as permitted by the Company's Code of Conduct, as in effect from time to time.

(b) Compliance with Avaya Policy . The Participant will comply with all lawful policies, practices and procedures of Avaya, as these may be implemented and/or changed by Avaya from time to time. Without limiting the generality of the foregoing, the Participant acknowledges that Avaya may from time to time have agreements with other Persons which impose obligations or restrictions on Avaya regarding Intellectual Property (as defined below), created during the course of work under such agreements and/or regarding the confidential nature of such work. The Participant will comply with and be bound by all such obligations and restrictions which Avaya conveys to the Participant and will take all actions necessary (to the extent within the Participant's power and authority) to discharge the obligations of Avaya under such agreements.

8. Confidentiality .

(a) Nondisclosure and Nonuse of Confidential Information . All Confidential Information which the Participant creates or has access to as a result of the Participant's relationship with Avaya is and shall remain the sole and exclusive property of Avaya. The Participant will never, directly or indirectly, use or disclose any Confidential Information, except (i) as required for the proper performance of the Participant's regular duties for Avaya, (ii) as expressly authorized in writing in advance by the Company's General Counsel, (iii) as required by applicable law or regulation, or (iv) as may be reasonably determined by the Participant to be necessary in connection with the enforcement of the Participant's rights in connection with this Agreement. This restriction shall continue to apply after the Participant's Termination or any restriction time period set forth in this Agreement, howsoever caused. The Participant shall furnish prompt notice to the Company's General Counsel of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal process or requirement and shall provide the Company with a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure, to the greatest extent time and circumstances permit. " Confidential Information " shall mean any and all information of Avaya, whether or not in writing, that is not generally known by others with whom Avaya competes or

does business, or with whom it plans to compete or do business, and any and all information, which, if disclosed, would assist in competition against Avaya, including, but not limited to, (A) all proprietary information of Avaya, including, but not limited to, the products and services, technical data, methods, processes, know-how, developments, inventions, and formulae of Avaya, (B) the development, research, testing, marketing and financial activities and strategic plans of Avaya, (C) the manner in which Avaya operates, (D) its costs and sources of supply, (E) the identity and special needs of the customers, prospective customers and subcontractors of Avaya, and (F) the people and organizations with whom Avaya has business relationships and the substance of those relationships. Without limiting the generality of the foregoing, Confidential Information shall specifically include: (1) any and all product testing methodologies, product test results, research and development plans and initiatives, marketing research, plans and analyses, strategic business plans and budgets, and technology grids; (2) any and all vendor, supplier and purchase records, including, without limitation, the identity of contacts at any vendor, any list of vendors or suppliers, any lists of purchase transactions and/or prices paid; and (3) any and all customer lists and customer and sales records, including, without limitation, the identity of contacts at purchasers, any list of purchasers, and any list of sales transactions and/or prices charged by Avaya. Confidential Information also includes any information that Avaya may receive or has received from customers, subcontractors, suppliers or others, with any understanding, express or implied, that the information would not be disclosed. Notwithstanding the foregoing, Confidential Information does not include information that (x) is known or becomes known to the public in general (other than as a result of a breach of this Section 8 by the Participant), (y) is or has been independently developed or conceived by the Participant without use of Avaya's Confidential Information or (z) is or has been made known or disclosed to the Participant by a third party without a breach of any obligation of confidentiality such third party may have to the Participant of which the Participant is aware.

(b) Permissible Disclosure. Nothing in this Agreement shall prohibit or restrict Avaya, the Participant or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement or the Plan, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or the Plan prohibits or restricts Avaya or the Participant from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Trade Secrets. Pursuant to 18 U.S.C. § 1833(b), the Participant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of Avaya that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Participant's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Participant files a lawsuit for retaliation by Avaya for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, so long as the Participant files any document containing the trade secret under seal and does not disclose the trade secret except under court order. Nothing in this Agreement or the Plan is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(d) Use and Return of Documents . All documents, records, and files, in any media of whatever kind and description, relating to the business, present or otherwise, of Avaya, and any copies (including, without limitation, electronic), in whole or in part, thereof (the " Documents ," and each individually, a " Document "), whether or not prepared by the Participant, shall be the sole and exclusive property of Avaya. Except as required for the proper performance of the Participant's regular duties for Avaya or as expressly authorized in writing in advance by Avaya, the Participant will not copy any Documents or remove any Documents or copies or derivatives thereof from the premises of Avaya. The Participant will safeguard, and return to Avaya, immediately upon the Participant's Termination, and at such other times as may be specified by Avaya, all Documents and other property of Avaya, and all documents, records and files of its customers, subcontractors, vendors, and suppliers (" Third-Party Documents ," and each individually, a " Third-Party Document "), as well as all other property of such customers, subcontractors, vendors and suppliers, then in the Participant's possession or control. Provided, however, if a Document or Third-Party Document is on electronic media, the Participant may, in lieu of surrender of the Document or Third-Party Document, provide a copy on electronic media to Avaya and delete and overwrite all other electronic media copies thereof. Upon request of any duly authorized officer of Avaya, the Participant will disclose all passwords necessary or desirable to enable Avaya to obtain access to the Documents and Third-Party Documents. Notwithstanding any provision of this Section 8(d) to the contrary, the Participant shall be permitted to retain copies of all Documents evidencing the Participant's hire, equity (including this Agreement), compensation rate and benefits, and any other agreements between the Participant and Avaya that the Participant has signed or electronically accepted.

9. Non-Competition, Non-Solicitation, and Other Restricted Activity .

(a) Non-Competition . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, whether paid or not, (i) serve as a partner, principal, licensor, licensee, employee, consultant, officer, director, manager, agent, affiliate, representative, advisor, promoter, associate, investor, or otherwise for, (ii) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, or (iii) build, design, finance, acquire, lease, operate, manage, control, invest in, work or consult for or otherwise join, participate in or affiliate himself or herself with, any business whose business, product(s) or operations are in any respect competitive with or otherwise similar to Avaya's business. The foregoing covenant shall cover the Participant's activities in every part of the Territory. " Territory " shall mean (A) all states of the United States of America from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination; and (B) all other countries from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination. The foregoing shall not prevent: (1) passive ownership by the Participant of no more than two percent (2%) of the equity securities of any publicly traded company; or (2) the Participant providing services to a division or subsidiary of a multi-division entity or holding company, so long as (x) no division or subsidiary to which the Participant provides services is in any way competitive with or similar to the business of Avaya, and (y) the Participant is not involved in, and does not otherwise engage in competition on behalf of, the multi-division entity or any competing division or subsidiary thereof.

(b) Good Will . Any and all good will which the Participant develops during the Participant's relationship with Avaya with any of the customers, prospective customers, subcontractors or suppliers of Avaya shall be the sole, exclusive and permanent property of Avaya, and shall continue to be such after the Participant's Termination, howsoever caused.

(c) Non-Solicitation of Customers . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, contact, or cause to be contacted, directly or indirectly, or engage in any form of oral, verbal, written, recorded, transcribed, or electronic communication with any customer of Avaya for the purposes of conducting business that is competitive with or similar to that of Avaya or for the purpose of disadvantaging Avaya's business in any way; provided that this restriction applies (i) only with respect to those customers who are or have been a customer of Avaya at any time within the immediately preceding one (1)-year period or whose business has been solicited on behalf of Avaya by any of its officers, employees or agents within said one (1)-year period, other than by form letter, blanket mailing or published advertisement, and (ii) only if the Participant has performed work for such customer during the Participant's relationship with Avaya, has been introduced to, or otherwise had contact with, such customer as a result of the Participant's relationship with Avaya, or has had access to Confidential Information which would assist in the solicitation of such customer. The foregoing restrictions shall not apply to general solicitation or advertising, including through media and trade publications.

(d) Non-Solicitation / Non-Hiring of Employees and Independent Contractors . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, and will not assist anyone else to, (i) hire or solicit for hiring any employee of Avaya or seek to persuade or induce any employee of Avaya to discontinue employment with Avaya, or (ii) hire or engage any independent contractor providing services to Avaya, or solicit, encourage or induce any independent contractor providing services to Avaya to terminate or diminish in any substantial respect its relationship with Avaya. For the purposes of this Section 9(d) , an "employee" or "independent contractor" of Avaya is any person who is or was such at any time within the six (6)-month period immediately preceding the date of the prohibited conduct. The foregoing restrictions shall not apply to general solicitation or advertising, including through media, trade publications and general job postings.

(e) Non-Solicitation of Others . The Participant agrees that for a period of twelve (12) months immediately following the Participant's Termination, for any reason, whether voluntary or involuntary, the Participant will not solicit, encourage, or induce, or cause to be solicited, encouraged or induced, directly or indirectly, any franchisee, joint venture, supplier, vendor or contractor who conducted business with Avaya at any time during the two (2)-year period preceding the Participant's Termination, to terminate or adversely modify any business relationship with Avaya, or not to proceed with, or enter into, any business relationship with Avaya, nor shall the Participant otherwise interfere with any business relationship between Avaya and any such franchisee, joint venture, supplier, vendor or contractor.

(f) Non-Disparagement . Except as provided in Section 8 above or in connection with the good faith performance of the Participant's duties, the Participant agrees that, both during and after the Participant's relationship with Avaya, the Participant will not, whether in private or in public, whether orally, in writing, or otherwise, whether directly or indirectly, make, publish, encourage, ratify, or authorize; or aid, assist, or direct any other person or entity in making or publishing, any statements that in any way defame, criticize, malign, impugn, denigrate, reflect negatively on, or disparage the Avaya Parties (which means, collectively, (i) the Company and each of its Affiliates (solely to the extent the Participant has (or could reasonably be expected to have) knowledge that an entity is an Affiliate) and Subsidiaries and (ii) each and all of their respective shareholders, interest holders, unit holders, advisors, managers, officers, directors, partners, principals, members, employees, fiduciaries, representatives and agents (solely to the extent the Participant has (or could reasonably be expected to have) knowledge of their capacity as such)), or place any of the Avaya Parties in a negative light, in any manner whatsoever.

(g) Notice of New Address and Employment . During the twelve (12)-month period immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant shall promptly provide Avaya with pertinent information concerning each new job or other business activity in which the Participant engages or plans to engage during such twelve (12)-month period as Avaya may reasonably request in order to determine the Participant's continued compliance with the Participant's obligations under this Agreement. The Participant shall notify any new employer(s) of the Participant's obligations under this Agreement, and hereby consents to notification by Avaya to such employer(s) concerning the Participant's obligations under this Agreement. Avaya shall treat any such notice and information as confidential and shall not use or disclose the information contained therein except to enforce its rights hereunder. Any breach of this Section 9(g) shall constitute a material breach of this Agreement.

(h) Acknowledgement of Reasonableness; Remedies . In signing this Agreement, the Participant gives Avaya assurance that the Participant has carefully read and considered all the terms and conditions of this Agreement. The Participant acknowledges without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, Confidential Information and other legitimate business interests of Avaya, that each and every one of those restraints is reasonable in respect to subject matter, length of time, and geographic area; and that these restraints will not prevent the Participant from obtaining other suitable employment during the period in which he or she is bound by them. The Participant will never assert, or permit to be asserted on the Participant's behalf, in any forum, any position contrary to the foregoing. Were the Participant to breach any of the provisions of this Agreement, the harm to Avaya would be irreparable. Therefore, in the event of such a breach or threatened breach, Avaya shall, in addition to any other remedies available to it, have the right to obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and the Participant agrees that injunctive relief is an appropriate remedy to address any such breach. Without limiting the generality of the foregoing, or other forms of relief available to Avaya, in the event of the Participant's breach of any of the provisions of this Agreement, the Participant's Award will be forfeited for no consideration and, if payment in respect of the Participant's Award has been made, the Participant will be obligated to return the proceeds to Avaya.

(i) Unenforceability . In the event that any provision of Section 7 , Section 8 , Section 9 or Section 10 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. The twelve (12)-month period of restriction set forth in Section 9(a) , Section 9(c) , Section 9(d) and Section 9(e) hereof and the twelve (12)-month period of obligation set forth in Section 9(g) hereof shall be tolled, and shall not run, during any period of time in which the Participant is in violation of the terms thereof, in order that Avaya shall have the agreed-upon temporal protection recited herein.

(j) Limited Exception for Attorneys . Insofar as the restrictions set forth in this Section 9 prohibit the solicitation, inducement or attempt to hire a licensed attorney who is employed at Avaya, they shall not apply if the Participant is a licensed attorney and the restrictions contained herein are illegal, unethical or unenforceable under the laws, rules and regulations of the jurisdiction in which the Participant is licensed as an attorney.

(k) Attorneys ' Fees and Costs . Except as prohibited by law, the Participant shall indemnify Avaya from any and all costs and fees, including attorneys' fees, incurred by Avaya in successfully enforcing the terms of this Agreement against the Participant (including, but not limited to, a court partially or fully granting any application, motion, or petition by Avaya for a temporary restraining order, preliminary injunction, or permanent injunction), as a result of the Participant's breach or threatened breach of any provision contained herein. Avaya shall be entitled to recover from the Participant its costs and fees incurred to date at any time during the course of a dispute (*i.e.* , final resolution of such dispute is not a prerequisite) upon written demand to the Participant.

(l) Enforcement . Avaya agrees that it will not seek to enforce any violation of Section 9(a) , Section 9(c) , Section 9(d) or the portion of Section 9(e) that prohibits the Participant from hiring Avaya employees and independent contractors that primarily takes place in the State of California, during any period of time when such enforcement is contrary to or otherwise prohibited by California law or regulation.

10. Intellectual Property .

(a) In signing this Agreement, the Participant hereby assigns and shall assign to Avaya all of the Participant's rights, title and interest in and to all inventions, discoveries, improvements, ideas, mask works, computer or other apparatus programs and related documentation, and other works of authorship (hereinafter each designated " Intellectual Property "), whether or not patentable, copyrightable or subject to other forms of protection, made, created, developed, written or conceived by the Participant during the period of the Participant's relationship with Avaya, whether during or outside of regular working hours, either solely or jointly with another, in whole or in part, either: (i) in the course of such relationship, (ii) relating to the actual or anticipated business or research development of Avaya, or (iii) with the use of Avaya time, material, private or proprietary information, or facilities, except as provided in Section 10(d) below.

(b) The Participant will, without charge to Avaya, but at its expense, execute a specific assignment of title to Avaya and do anything else reasonably necessary to enable Avaya to secure a patent, copyright or other form of protection for said Intellectual Property anywhere in the world.

(c) The Participant acknowledges that the copyrights in Intellectual Property created within the scope of the Participant's relationship with Avaya belong to Avaya by operation of law.

(d) The Participant has previously provided to Avaya a list (the " Prior Invention List ") describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by the Participant prior to the Participant's relationship with Avaya, which belong to the Participant and which are not assigned to Avaya hereunder (collectively referred to as " Prior Inventions "); and, if no Prior Invention List was previously provided, the Participant represents and warrants that there are no such Prior Inventions.

(e) Exception to Assignments . THE PARTICIPANT UNDERSTANDS THAT THE PROVISIONS OF THIS AGREEMENT REQUIRING ASSIGNMENT OF INTELLECTUAL PROPERTY (AS DEFINED ABOVE) TO AVAYA DO NOT APPLY TO ANY INTELLECTUAL PROPERTY THAT QUALIFIES FULLY UNDER THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870 (SET FORTH IN ITS ENTIRETY BELOW). THE PARTICIPANT WILL ADVISE AVAYA PROMPTLY IN WRITING OF ANY INVENTIONS THAT THE PARTICIPANT BELIEVES MEET THE CRITERIA IN CALIFORNIA LABOR CODE SECTION 2870 AND WHICH WERE NOT OTHERWISE DISCLOSED ON THE PRIOR INVENTION LIST PREVIOUSLY DELIVERED TO AVAYA TO PERMIT A DETERMINATION OF OWNERSHIP BY AVAYA. ANY SUCH DISCLOSURE WILL BE RECEIVED IN CONFIDENCE.

CALIFORNIA LABOR CODE SECTION 2870
INVENTION ON OWN TIME-EXEMPTION FROM AGREEMENT

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

11. Compliance with Other Agreements and Obligations . The Participant represents and warrants that the Participant's employment or other relationship with Avaya and execution and performance of this Agreement, including the restrictive covenants in Section 7 , Section 8 , Section 9 and Section 10 , will not breach or be in conflict with any other agreement to which the Participant is a party or is bound, and that the Participant is not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of the Participant's obligations hereunder or the Participant's duties and responsibilities to Avaya, except as disclosed in writing to the Company's General Counsel no later than the time an executed copy of this Agreement is returned by the Participant. The Participant will not disclose to or use on behalf of Avaya, or induce Avaya to use, any proprietary information of any previous employer or other third party without that party's consent.

12. Governing Law . All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof. Any suit, action or proceeding with respect to this Agreement shall be governed by Section 13.9 of the Plan.

13. Legend . The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates, if any, representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates, if any, representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 13 .

14. Securities Representations . This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 14 .

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Common Stock issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register such shares of Common Stock (or to file a "re-offer prospectus").

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 shall not be available unless (A) a public trading market then exists for the Common Stock, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of Common Stock issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

15. Entire Agreement; Amendment . This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter; provided however, that the restrictive covenants contained in Sections 7 through 11 hereof are in addition to and not in lieu of any other restrictive covenants by which the Participant may be bound. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

16. Notices; Electronic Delivery and Acceptance . Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company. The Company may, in its sole discretion, decide to deliver any documents related to RSUs awarded under the Plan or future RSUs that may be awarded under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting this RSU Award, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Right to Employment or Service . Any questions as to whether and when there has been a Termination of Employment and the cause of such Termination of Employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

18. Transfer of Personal Data . The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the RSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

19. Compliance with Laws . The grant of RSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to

issue the RSUs or any shares of Common Stock pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

20. Binding Agreement . This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns.

21. Headings . The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

22. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

23. Further Assurances . Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

24. Severability . The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

25. Acquired Rights . The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of RSUs made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary compensation and shall not be considered as part of such compensation in the event of severance, redundancy or resignation.

26. Acceptance of Agreement . Notwithstanding anything herein to the contrary, in order for this Award to become effective, the Participant must acknowledge acceptance of this Agreement no later than the sixtieth (60 th) day following the Grant Date (the " Final Acceptance Date "). If the Participant's acceptance of this Agreement does not occur by the Final Acceptance Date, then the entire Award will be forfeited and cancelled without any consideration therefor, except as otherwise determined in the Committee's sole and absolute discretion.

27. No Waiver . No waiver or non-action by either party hereto with respect to any breach by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

28. No Rights as a Stockholder . The Participant's interest in the RSUs shall not entitle the Participant to any rights as a stockholder of the Company. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a stockholder of the Company in respect of, the shares of Common Stock unless and until such shares have been issued to the Participant in accordance with Section 4.

29. Section 409A . Notwithstanding anything herein or in the Plan to the contrary, the RSUs are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [•].

AVAYA HOLDINGS CORP.

By: _____
Name: Patrick J. O'Malley, III
Title: Senior Vice President and Chief Financial Officer

PARTICIPANT

[To be executed electronically.]

Exhibit 10.11

Other Employees

RESTRICTED STOCK UNIT EMERGENCE AWARD AGREEMENT
PURSUANT TO THE
AVAYA HOLDINGS CORP. 2017 EQUITY INCENTIVE PLAN

* * *

Participant: [Participant Name]

Grant Date: December 15, 2017

Grant Number: [Client Grant ID]

Number of Restricted Stock Units (" RSUs ") Granted: [RSUs Granted] [1]

* * *

This RESTRICTED STOCK UNIT EMERGENCE AWARD AGREEMENT (this " Agreement "), dated as of the Grant Date specified above, is entered into by and between Avaya Holdings Corp., a corporation organized in the State of Delaware (the " Company "), and the Participant specified above, pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan, as in effect and as amended from time to time (the " Plan "), which is administered by the Committee; and

WHEREAS, the Committee has determined under the Plan that it would be in the best interests of the Company to grant the Participant an Other Stock-Based Award in the form of the RSUs provided herein, each of which represents the right to receive one share of Common Stock upon vesting of such RSU, subject to the terms and conditions contained herein and in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt . This Agreement is subject in all respects to the terms, conditions and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms, conditions and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content and agrees to be bound thereby and hereby. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

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1 **Note to Draft** : Number of shares subject to RSUs will represent 75% of the Emergence Grant.

2. Grant of RSUs . The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above, subject to adjustment as provided for in the Plan, on the terms and conditions set forth in this Agreement and otherwise provided for in the Plan. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the RSUs, except as otherwise specifically provided for in the Plan or this Agreement. The RSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company. The Participant's interest in the book-entry account shall be that of a general, unsecured creditor of the Company.

3. Vesting .

(a) General . Except as set forth in Section 3(b) , Section 3(c) , or Section 3(d) , as applicable, the RSUs subject to this Award shall vest as follows, provided that the Participant has not incurred a Termination of Employment prior to each such vesting date, and provided , further , that there shall be no proportionate or partial vesting in the periods prior to each such vesting date.

Vesting Dates	Percentage of RSUs
Six-Month Anniversary of the Grant Date	16.67%
First Anniversary of the Grant Date	16.67%
Last Day of Each Quarter Thereafter	8.33%

Notwithstanding the foregoing, if the number of RSUs is not evenly divisible, then no fractional RSUs shall vest and the smaller installments shall vest first, and upon vesting of the last installment in accordance with the terms and conditions hereof, 100% of the RSUs subject to this Award shall be fully vested.

(b) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) . In the event the Participant incurs a Termination of Employment prior to the last vesting date provided for in Section 3(a) as a result of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity without Cause, by the Participant for Good Reason, or due to the Participant's death or Disability (any such Termination of Employment, a " Qualifying Termination "), and such Qualifying Termination does not occur within the twenty-four (24) month period immediately following a Change in Control (such period, the " CIC Period "), James Chirico, while serving as Chief Executive Officer of the Company, may elect, prior to the date of the Participant's Termination of Employment and following consultation with the Board, to vest the balance of the outstanding and unvested RSUs, which vesting shall occur unless the Committee notifies Mr. Chirico that it opposes any such vesting within five (5) business days of receiving written notice of such election. Any such additional vesting will be subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 7 through 11 of this Agreement.

(c) Accelerated Vesting Upon a Qualifying Termination (Change in Control) . In the event the Participant incurs a Qualifying Termination within the CIC Period, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 7 through 11 of this Agreement, all outstanding and unvested RSUs shall fully vest effective as of the date of such Termination of Employment.

(d) Forfeiture . Except as otherwise expressly provided for in Section 3(b) or Section 3(c) , all outstanding and unvested RSUs shall be immediately forfeited upon the Participant's Termination of Employment for any reason. For the avoidance of doubt, in the event that the Participant fails to execute, deliver and not revoke the release of claims provided for in Section 3(b) or Section 3(c) , as applicable, any RSUs that remain outstanding and unvested as of the sixtieth (60 th) day following the date on which the Qualifying Termination occurs shall be forfeited and cancelled as of such sixtieth (60 th) day without consideration therefor. Additionally, in the event of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity for Cause, all of the Participant's outstanding RSUs, whether or not vested, shall be forfeited and cancelled without consideration therefor effective as of the date of such Termination of Employment.

4. Delivery of Shares . Promptly following the vesting of the RSUs (but in no event more than sixty (60) days thereafter) (or, in the event of a Qualifying Termination pursuant to Section 3(b) or Section 3(c) above, on the sixtieth (60th) day following the date on which the Participant's Termination of Employment occurs, provided the conditions set forth in Section 3(b) or Section 3(c) above have been met), the Participant shall receive the number of shares of Common Stock that correspond to the number of RSUs that have become vested on the applicable vesting date, less any shares of Common Stock withheld by the Company pursuant to Section 13.4 of the Plan, and such vested RSUs shall be cancelled upon receipt of the shares of Common Stock.

5. Non-Transferability . No portion of the RSUs may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to the Company as a result of forfeiture of the RSUs as provided herein.

6. Restrictive Covenants . By executing this Agreement, the Participant agrees to all of the terms, conditions and restrictions imposed by this Agreement and acknowledges the importance to the Company and its Affiliates (hereinafter referred to collectively as " Avaya ") of protecting their Confidential Information (as defined below) and other legitimate business interests, including, without limitation, the valuable trade secrets and good will that they develop or acquire. The Participant further acknowledges that Avaya is engaged in a highly competitive business, that its success in the marketplace depends upon the preservation of its Confidential Information and industry reputation, and that obtaining agreements such as this one from its employees and other service providers is reasonable and necessary. The Participant undertakes

the obligations in this Agreement in consideration of the Participant's relationship with Avaya, this Agreement, the Participant being granted access to trade secrets and other Confidential Information of Avaya, and for other good and valuable consideration, the receipt and sufficiency of which the Participant acknowledges. As used in this Agreement, "relationship" refers to the Participant's employment or association as an employee, advisor or consultant with Avaya, as applicable.

7. Loyalty and Conflicts of Interest .

(a) Exclusive Duty . During the Participant's relationship with Avaya, the Participant will not engage in any other business activity that creates a conflict of interest except as permitted by the Company's Code of Conduct, as in effect from time to time.

(b) Compliance with Avaya Policy . The Participant will comply with all lawful policies, practices and procedures of Avaya, as these may be implemented and/or changed by Avaya from time to time. Without limiting the generality of the foregoing, the Participant acknowledges that Avaya may from time to time have agreements with other Persons which impose obligations or restrictions on Avaya regarding Intellectual Property (as defined below), created during the course of work under such agreements and/or regarding the confidential nature of such work. The Participant will comply with and be bound by all such obligations and restrictions which Avaya conveys to the Participant and will take all actions necessary (to the extent within the Participant's power and authority) to discharge the obligations of Avaya under such agreements.

8. Confidentiality .

(a) Nondisclosure and Nonuse of Confidential Information . All Confidential Information which the Participant creates or has access to as a result of the Participant's relationship with Avaya is and shall remain the sole and exclusive property of Avaya. The Participant will never, directly or indirectly, use or disclose any Confidential Information, except (i) as required for the proper performance of the Participant's regular duties for Avaya, (ii) as expressly authorized in writing in advance by the Company's General Counsel, (iii) as required by applicable law or regulation, or (iv) as may be reasonably determined by the Participant to be necessary in connection with the enforcement of the Participant's rights in connection with this Agreement. This restriction shall continue to apply after the Participant's Termination or any restriction time period set forth in this Agreement, howsoever caused. The Participant shall furnish prompt notice to the Company's General Counsel of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal process or requirement and shall provide the Company with a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure, to the greatest extent time and circumstances permit. " Confidential Information " shall mean any and all information of Avaya, whether or not in writing, that is not generally known by others with whom Avaya competes or does business, or with whom it plans to compete or do business, and any and all information, which, if disclosed, would assist in competition against Avaya, including, but not limited to, (A) all proprietary information of Avaya, including, but not limited to, the products and services, technical data, methods, processes, know-how, developments, inventions, and formulae of Avaya, (B) the development, research, testing, marketing and financial activities and strategic

plans of Avaya, (C) the manner in which Avaya operates, (D) its costs and sources of supply, (E) the identity and special needs of the customers, prospective customers and subcontractors of Avaya, and (F) the people and organizations with whom Avaya has business relationships and the substance of those relationships. Without limiting the generality of the foregoing, Confidential Information shall specifically include: (1) any and all product testing methodologies, product test results, research and development plans and initiatives, marketing research, plans and analyses, strategic business plans and budgets, and technology grids; (2) any and all vendor, supplier and purchase records, including, without limitation, the identity of contacts at any vendor, any list of vendors or suppliers, any lists of purchase transactions and/or prices paid; and (3) any and all customer lists and customer and sales records, including, without limitation, the identity of contacts at purchasers, any list of purchasers, and any list of sales transactions and/or prices charged by Avaya. Confidential Information also includes any information that Avaya may receive or has received from customers, subcontractors, suppliers or others, with any understanding, express or implied, that the information would not be disclosed. Notwithstanding the foregoing, Confidential Information does not include information that (x) is known or becomes known to the public in general (other than as a result of a breach of this Section 8 by the Participant), (y) is or has been independently developed or conceived by the Participant without use of Avaya's Confidential Information or (z) is or has been made known or disclosed to the Participant by a third party without a breach of any obligation of confidentiality such third party may have to the Participant of which the Participant is aware.

(b) Permissible Disclosure. Nothing in this Agreement shall prohibit or restrict Avaya, the Participant or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement or the Plan, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or the Plan prohibits or restricts Avaya or the Participant from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Trade Secrets. Pursuant to 18 U.S.C. § 1833(b), the Participant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of Avaya that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Participant's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Participant files a lawsuit for retaliation by Avaya for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, so long as the Participant files any document containing the trade secret under seal and does not disclose the trade secret except under court order. Nothing in this Agreement or the Plan is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(d) Use and Return of Documents . All documents, records, and files, in any media of whatever kind and description, relating to the business, present or otherwise, of Avaya, and any copies (including, without limitation, electronic), in whole or in part, thereof (the " Documents ," and each individually, a " Document "), whether or not prepared by the Participant, shall be the sole and exclusive property of Avaya. Except as required for the proper performance of the Participant's regular duties for Avaya or as expressly authorized in writing in advance by Avaya, the Participant will not copy any Documents or remove any Documents or copies or derivatives thereof from the premises of Avaya. The Participant will safeguard, and return to Avaya, immediately upon the Participant's Termination, and at such other times as may be specified by Avaya, all Documents and other property of Avaya, and all documents, records and files of its customers, subcontractors, vendors, and suppliers (" Third-Party Documents ," and each individually, a " Third-Party Document "), as well as all other property of such customers, subcontractors, vendors and suppliers, then in the Participant's possession or control. Provided, however, if a Document or Third-Party Document is on electronic media, the Participant may, in lieu of surrender of the Document or Third-Party Document, provide a copy on electronic media to Avaya and delete and overwrite all other electronic media copies thereof. Upon request of any duly authorized officer of Avaya, the Participant will disclose all passwords necessary or desirable to enable Avaya to obtain access to the Documents and Third-Party Documents. Notwithstanding any provision of this Section 8(d) to the contrary, the Participant shall be permitted to retain copies of all Documents evidencing the Participant's hire, equity (including this Agreement), compensation rate and benefits, and any other agreements between the Participant and Avaya that the Participant has signed or electronically accepted.

9. Non-Competition, Non-Solicitation, and Other Restricted Activity .

(a) Non-Competition . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, whether paid or not, (i) serve as a partner, principal, licensor, licensee, employee, consultant, officer, director, manager, agent, affiliate, representative, advisor, promoter, associate, investor, or otherwise for, (ii) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, or (iii) build, design, finance, acquire, lease, operate, manage, control, invest in, work or consult for or otherwise join, participate in or affiliate himself or herself with, any business whose business, product(s) or operations are in any respect competitive with or otherwise similar to Avaya's business. The foregoing covenant shall cover the Participant's activities in every part of the Territory. " Territory " shall mean (A) all states of the United States of America from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination; and (B) all other countries from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination. The foregoing shall not prevent: (1) passive ownership by the Participant of no more than two percent (2%) of the equity securities of any publicly traded company; or (2) the Participant providing services to a division or subsidiary of a multi-division entity or holding company, so long as (x) no division or subsidiary to which the Participant provides services is in any way competitive with or similar to the business of Avaya, and (y) the Participant is not involved in, and does not otherwise engage in competition on behalf of, the multi-division entity or any competing division or subsidiary thereof.

(b) Good Will . Any and all good will which the Participant develops during the Participant's relationship with Avaya with any of the customers, prospective customers, subcontractors or suppliers of Avaya shall be the sole, exclusive and permanent property of Avaya, and shall continue to be such after the Participant's Termination, howsoever caused.

(c) Non-Solicitation of Customers . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, contact, or cause to be contacted, directly or indirectly, or engage in any form of oral, verbal, written, recorded, transcribed, or electronic communication with any customer of Avaya for the purposes of conducting business that is competitive with or similar to that of Avaya or for the purpose of disadvantaging Avaya's business in any way; provided that this restriction applies (i) only with respect to those customers who are or have been a customer of Avaya at any time within the immediately preceding one (1)-year period or whose business has been solicited on behalf of Avaya by any of its officers, employees or agents within said one (1)-year period, other than by form letter, blanket mailing or published advertisement, and (ii) only if the Participant has performed work for such customer during the Participant's relationship with Avaya, has been introduced to, or otherwise had contact with, such customer as a result of the Participant's relationship with Avaya, or has had access to Confidential Information which would assist in the solicitation of such customer. The foregoing restrictions shall not apply to general solicitation or advertising, including through media and trade publications.

(d) Non-Solicitation / Non-Hiring of Employees and Independent Contractors . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, and will not assist anyone else to, (i) hire or solicit for hiring any employee of Avaya or seek to persuade or induce any employee of Avaya to discontinue employment with Avaya, or (ii) hire or engage any independent contractor providing services to Avaya, or solicit, encourage or induce any independent contractor providing services to Avaya to terminate or diminish in any substantial respect its relationship with Avaya. For the purposes of this Section 9(d) , an "employee" or "independent contractor" of Avaya is any person who is or was such at any time within the six (6)-month period immediately preceding the date of the prohibited conduct. The foregoing restrictions shall not apply to general solicitation or advertising, including through media, trade publications and general job postings.

(e) Non-Solicitation of Others . The Participant agrees that for a period of twelve (12) months immediately following the Participant's Termination, for any reason, whether voluntary or involuntary, the Participant will not solicit, encourage, or induce, or cause to be solicited, encouraged or induced, directly or indirectly, any franchisee, joint venture, supplier, vendor or contractor who conducted business with Avaya at any time during the two (2)-year period preceding the Participant's Termination, to terminate or adversely modify any business relationship with Avaya, or not to proceed with, or enter into, any business relationship with Avaya, nor shall the Participant otherwise interfere with any business relationship between Avaya and any such franchisee, joint venture, supplier, vendor or contractor.

(f) Non-Disparagement . Except as provided in Section 8 above or in connection with the good faith performance of the Participant's duties, the Participant agrees that, both during and after the Participant's relationship with Avaya, the Participant will not, whether in private or in public, whether orally, in writing, or otherwise, whether directly or indirectly, make, publish, encourage, ratify, or authorize; or aid, assist, or direct any other person or entity in making or publishing, any statements that in any way defame, criticize, malign, impugn, denigrate, reflect negatively on, or disparage the Avaya Parties (which means, collectively, (i) the Company and each of its Affiliates (solely to the extent the Participant has (or could reasonably be expected to have) knowledge that an entity is an Affiliate) and Subsidiaries and (ii) each and all of their respective shareholders, interest holders, unit holders, advisors, managers, officers, directors, partners, principals, members, employees, fiduciaries, representatives and agents (solely to the extent the Participant has (or could reasonably be expected to have) knowledge of their capacity as such)), or place any of the Avaya Parties in a negative light, in any manner whatsoever.

(g) Notice of New Address and Employment . During the twelve (12)-month period immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant shall promptly provide Avaya with pertinent information concerning each new job or other business activity in which the Participant engages or plans to engage during such twelve (12)-month period as Avaya may reasonably request in order to determine the Participant's continued compliance with the Participant's obligations under this Agreement. The Participant shall notify any new employer(s) of the Participant's obligations under this Agreement, and hereby consents to notification by Avaya to such employer(s) concerning the Participant's obligations under this Agreement. Avaya shall treat any such notice and information as confidential and shall not use or disclose the information contained therein except to enforce its rights hereunder. Any breach of this Section 9(g) shall constitute a material breach of this Agreement.

(h) Acknowledgement of Reasonableness; Remedies . In signing this Agreement, the Participant gives Avaya assurance that the Participant has carefully read and considered all the terms and conditions of this Agreement. The Participant acknowledges without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, Confidential Information and other legitimate business interests of Avaya, that each and every one of those restraints is reasonable in respect to subject matter, length of time, and geographic area; and that these restraints will not prevent the Participant from obtaining other suitable employment during the period in which he or she is bound by them. The Participant will never assert, or permit to be asserted on the Participant's behalf, in any forum, any position contrary to the foregoing. Were the Participant to breach any of the provisions of this Agreement, the harm to Avaya would be irreparable. Therefore, in the event of such a breach or threatened breach, Avaya shall, in addition to any other remedies available to it, have the right to obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and the Participant agrees that injunctive relief is an appropriate remedy to address any such breach. Without limiting the generality of the foregoing, or other forms of relief available to Avaya, in the event of the Participant's breach of any of the provisions of this Agreement, the Participant's Award will be forfeited for no consideration and, if payment in respect of the Participant's Award has been made, the Participant will be obligated to return the proceeds to Avaya.

(i) Unenforceability . In the event that any provision of Section 7 , Section 8 , Section 9 or Section 10 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. The twelve (12)-month period of restriction set forth in Section 9(a) , Section 9(c) , Section 9(d) and Section 9(e) hereof and the twelve (12)-month period of obligation set forth in Section 9(g) hereof shall be tolled, and shall not run, during any period of time in which the Participant is in violation of the terms thereof, in order that Avaya shall have the agreed-upon temporal protection recited herein.

(j) Limited Exception for Attorneys . Insofar as the restrictions set forth in this Section 9 prohibit the solicitation, inducement or attempt to hire a licensed attorney who is employed at Avaya, they shall not apply if the Participant is a licensed attorney and the restrictions contained herein are illegal, unethical or unenforceable under the laws, rules and regulations of the jurisdiction in which the Participant is licensed as an attorney.

(k) Attorneys ' Fees and Costs . Except as prohibited by law, the Participant shall indemnify Avaya from any and all costs and fees, including attorneys' fees, incurred by Avaya in successfully enforcing the terms of this Agreement against the Participant (including, but not limited to, a court partially or fully granting any application, motion, or petition by Avaya for a temporary restraining order, preliminary injunction, or permanent injunction), as a result of the Participant's breach or threatened breach of any provision contained herein. Avaya shall be entitled to recover from the Participant its costs and fees incurred to date at any time during the course of a dispute (*i.e.* , final resolution of such dispute is not a prerequisite) upon written demand to the Participant.

(l) Enforcement . Avaya agrees that it will not seek to enforce any violation of Section 9(a) , Section 9(c) , Section 9(d) or the portion of Section 9(e) that prohibits the Participant from hiring Avaya employees and independent contractors that primarily takes place in the State of California, during any period of time when such enforcement is contrary to or otherwise prohibited by California law or regulation.

10. Intellectual Property .

(a) In signing this Agreement, the Participant hereby assigns and shall assign to Avaya all of the Participant's rights, title and interest in and to all inventions, discoveries, improvements, ideas, mask works, computer or other apparatus programs and related documentation, and other works of authorship (hereinafter each designated " Intellectual Property "), whether or not patentable, copyrightable or subject to other forms of protection, made, created, developed, written or conceived by the Participant during the period of the Participant's relationship with Avaya, whether during or outside of regular working hours, either solely or jointly with another, in whole or in part, either: (i) in the course of such relationship, (ii) relating to the actual or anticipated business or research development of Avaya, or (iii) with the use of Avaya time, material, private or proprietary information, or facilities, except as provided in Section 10(d) below.

(b) The Participant will, without charge to Avaya, but at its expense, execute a specific assignment of title to Avaya and do anything else reasonably necessary to enable Avaya to secure a patent, copyright or other form of protection for said Intellectual Property anywhere in the world.

(c) The Participant acknowledges that the copyrights in Intellectual Property created within the scope of the Participant's relationship with Avaya belong to Avaya by operation of law.

(d) The Participant has previously provided to Avaya a list (the " Prior Invention List ") describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by the Participant prior to the Participant's relationship with Avaya, which belong to the Participant and which are not assigned to Avaya hereunder (collectively referred to as " Prior Inventions "); and, if no Prior Invention List was previously provided, the Participant represents and warrants that there are no such Prior Inventions.

(e) Exception to Assignments . THE PARTICIPANT UNDERSTANDS THAT THE PROVISIONS OF THIS AGREEMENT REQUIRING ASSIGNMENT OF INTELLECTUAL PROPERTY (AS DEFINED ABOVE) TO AVAYA DO NOT APPLY TO ANY INTELLECTUAL PROPERTY THAT QUALIFIES FULLY UNDER THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870 (SET FORTH IN ITS ENTIRETY BELOW). THE PARTICIPANT WILL ADVISE AVAYA PROMPTLY IN WRITING OF ANY INVENTIONS THAT THE PARTICIPANT BELIEVES MEET THE CRITERIA IN CALIFORNIA LABOR CODE SECTION 2870 AND WHICH WERE NOT OTHERWISE DISCLOSED ON THE PRIOR INVENTION LIST PREVIOUSLY DELIVERED TO AVAYA TO PERMIT A DETERMINATION OF OWNERSHIP BY AVAYA. ANY SUCH DISCLOSURE WILL BE RECEIVED IN CONFIDENCE.

CALIFORNIA LABOR CODE SECTION 2870
INVENTION ON OWN TIME-EXEMPTION FROM AGREEMENT

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

11. Compliance with Other Agreements and Obligations . The Participant represents and warrants that the Participant's employment or other relationship with Avaya and execution and performance of this Agreement, including the restrictive covenants in Section 7 , Section 8 , Section 9 and Section 10 , will not breach or be in conflict with any other agreement to which the Participant is a party or is bound, and that the Participant is not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of the Participant's obligations hereunder or the Participant's duties and responsibilities to Avaya, except as disclosed in writing to the Company's General Counsel no later than the time an executed copy of this Agreement is returned by the Participant. The Participant will not disclose to or use on behalf of Avaya, or induce Avaya to use, any proprietary information of any previous employer or other third party without that party's consent.

12. Governing Law . All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof. Any suit, action or proceeding with respect to this Agreement shall be governed by Section 13.9 of the Plan.

13. Legend . The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates, if any, representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates, if any, representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 13 .

14. Securities Representations . This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 14 .

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Common Stock issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register such shares of Common Stock (or to file a "re-offer prospectus").

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 shall not be available unless (A) a public trading market then exists for the Common Stock, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of Common Stock issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

15. Entire Agreement; Amendment . This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter; provided however, that the restrictive covenants contained in Sections 7 through 11 hereof are in addition to and not in lieu of any other restrictive covenants by which the Participant may be bound. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

16. Notices; Electronic Delivery and Acceptance . Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company. The Company may, in its sole discretion, decide to deliver any documents related to RSUs awarded under the Plan or future RSUs that may be awarded under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting this RSU Award, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Right to Employment or Service . Any questions as to whether and when there has been a Termination of Employment and the cause of such Termination of Employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

18. Transfer of Personal Data . The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the RSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

19. Compliance with Laws . The grant of RSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the RSUs or any shares of Common Stock pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

20. Binding Agreement . This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns.

21. Headings . The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

22. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

23. Further Assurances . Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

24. Severability . The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

25. Acquired Rights . The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of RSUs made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary compensation and shall not be considered as part of such compensation in the event of severance, redundancy or resignation.

26. Acceptance of Agreement . Notwithstanding anything herein to the contrary, in order for this Award to become effective, the Participant must acknowledge acceptance of this Agreement no later than the sixtieth (60 th) day following the Grant Date (the " Final Acceptance Date "). If the Participant's acceptance of this Agreement does not occur by the Final Acceptance Date, then the entire Award will be forfeited and cancelled without any consideration therefor, except as otherwise determined in the Committee's sole and absolute discretion.

27. No Waiver . No waiver or non-action by either party hereto with respect to any breach by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

28. No Rights as a Stockholder . The Participant's interest in the RSUs shall not entitle the Participant to any rights as a stockholder of the Company. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a stockholder of the Company in respect of, the shares of Common Stock unless and until such shares have been issued to the Participant in accordance with Section 4 .

29. Section 409A . Notwithstanding anything herein or in the Plan to the contrary, the RSUs are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [•].

AVAYA HOLDINGS CORP.

By: _____
Name: Patrick J. O'Malley, III
Title: Senior Vice President and Chief Financial Officer

PARTICIPANT

[To be executed electronically.]

Exhibit 10.12

NONQUALIFIED STOCK OPTION EMERGENCE AWARD AGREEMENT
PURSUANT TO THE
AVAYA HOLDINGS CORP. 2017 EQUITY INCENTIVE PLAN

* * * * *

Participant: James Chirico

Grant Date: December 15, 2017

Grant Number: [Client Grant ID]

Per Share Exercise Price: $19.46

Number of shares of Common Stock subject to this Non-Qualified Stock Option (" Option "): 486,981

* * * * *

This NON-QUALIFIED STOCK OPTION EMERGENCE AWARD AGREEMENT (this " Agreement "), dated as of the Grant Date specified above, is entered into by and between Avaya Holdings Corp., a corporation organized in the State of Delaware (the " Company "), and the Participant specified above, pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan, as in effect and as amended from time to time (the " Plan "), which is administered by the Committee; and

WHEREAS, the Committee has determined under the Plan that it would be in the best interests of the Company to grant the Participant the Option provided herein, subject to the terms and conditions contained herein and in the Plan;

WHEREAS, the Participant and Avaya Inc. are party to that certain Executive Employment Agreement, dated November 13, 2017 and effective as of the Grant Date (the " Employment Agreement "); and

WHEREAS, the Company and the Participant agree that, for purposes of this Agreement, the restrictive covenants set forth in Section 8 of the Employment Agreement (the "Restrictive Covenants") are incorporated herein by reference in their entirety, as fully as though set forth herein, and this Agreement shall be interpreted and applied consistently with the parties' intent that the end result should be the same as if the Restrictive Covenants were actually set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt . This Agreement is subject in all respects to the terms, conditions and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms, conditions and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content and agrees to be bound thereby and hereby. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. No part of the Option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Code.

2. Grant of Option . The Company hereby grants to the Participant, as of the Grant Date specified above, the Option to acquire from the Company at the Per Share Exercise Price specified above, subject to adjustment as provided for in the Plan, on the terms and conditions set forth in this Agreement and otherwise provided for in the Plan, the aggregate number of shares of Common Stock specified above subject to adjustment as provided for in the Plan (the " Option Shares "). Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall have no rights as a stockholder with respect to any shares of Common Stock covered by the Option unless and until the Participant has become the holder of record of such shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the Option, except as otherwise specifically provided for in the Plan or this Agreement.

3. Vesting and Exercisability .

(a) General . Except as set forth in Section 3(b) , Section 3(c) , Section 3(d) , Section 3(e) , Section 3(f) or Section 3(g) , as applicable, the Option shall vest and become exercisable as follows, provided that the Participant has not incurred a Termination of Employment prior to each such vesting date, and provided , further , that there shall be no proportionate or partial vesting in the periods prior to each such vesting date:

Vesting Dates	Percentage of Option
First Anniversary of the Grant Date	33.33%
Last Day of Each Quarter Thereafter	8.33%

Notwithstanding the foregoing, if the number of Option Shares is not evenly divisible, then the portion of the Option represented by any fractional Option Shares shall not vest and the smaller installments shall vest first, and upon vesting of the last installment in accordance with the terms and conditions hereof, 100% of the Option subject to this Award shall be fully vested.

(b) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) – On or Before First Anniversary of Grant Date . In the event the Participant incurs a Termination of Employment on or before the first anniversary of the Grant Date as a result of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity without Cause, by the Participant for Good Reason, or due to the Participant's death or Disability (any such Termination of Employment, a " Qualifying Termination "), and such Qualifying Termination does not occur within the twenty-four (24) month period immediately following a Change in Control (such period, the " CIC Period "), subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with the Restrictive Covenants, the Participant will vest in 75% of the outstanding and unvested portion of the Option upon such Termination of Employment.

(c) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) – After First Anniversary of Grant Date . If the Participant incurs a Qualifying Termination after the first anniversary of the Grant Date and before the last vesting date provided for in Section 3(a) , and such Qualifying Termination does not occur within the CIC Period, then in addition to any vesting that has already occurred as of the date of such Termination of Employment, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with the Restrictive Covenants, the Participant will vest in either: (i) an additional portion of the Option such that the Option is vested with respect to 75% of the total number of Option Shares as of the date of such Termination of Employment, or (ii) a pro-rata portion of the then-current vesting tranche of the Option as provided for under Section 3(a) above, based on the number of days of his employment from the last vesting date (as provided for under Section 3(a) above) prior to the date of such Termination of Employment until the next vesting date (as provided for under Section 3(a) above) following the date of such Termination of Employment, plus the portion of the Option that would have vested pursuant to Section 3(a) above in the first twelve (12) months immediately following the date of such Termination of Employment, whichever of (i) or (ii) results in greater total vesting, and with the applicable vesting effective as of the date of such Termination of Employment. For the avoidance of doubt, the Participant will vest with respect to no less than 75% of the total number of Option Shares granted pursuant to the Option hereunder in connection with such Qualifying Termination.

(d) Accelerated Vesting Upon a Qualifying Termination (Change in Control) . In the event the Participant incurs a Qualifying Termination within the CIC Period, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with the Restrictive Covenants, any outstanding and unvested portion of the Option shall fully vest effective as of the date of such Termination of Employment.

(e) Coordination with Employment Agreement . For the avoidance of doubt, to the extent the Employment Agreement provides for more favorable treatment of the Option granted hereunder, the Participant shall be entitled to such more favorable treatment subject to the terms and conditions of the Employment Agreement.

(f) Expiration . Unless earlier terminated in accordance with the terms and provisions of the Plan and/or this Agreement, all outstanding portions of the Option (whether vested or not vested) shall expire and shall no longer be exercisable immediately following the of tenth (10th) anniversary of the Grant Date (such date, the " Option Expiration Date ").

(g) Forfeiture . Except as otherwise expressly provided for in Section 3(b) , Section 3(c) , Section 3(d) or Section 3(e) , any outstanding and unvested portion of the Option shall be immediately forfeited upon the Participant's Termination of Employment for any reason. For the avoidance of doubt, in the event that the Participant fails to execute, deliver and not revoke the release of claims provided for in Section 3(b) , Section 3(c) or Section 3(d) , as applicable, any portion of the Option that remains outstanding and unvested as of the sixtieth (60 th) day following the date on which the Qualifying Termination occurs shall be forfeited and cancelled as of such sixtieth (60 th) day without consideration therefor. Additionally, in the event of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity for Cause, all outstanding portions of the Option, whether or not vested, shall be forfeited and cancelled without consideration therefor effective as of the date of such Termination of Employment.

4. Exercise Following Termination . Subject to the terms of the Plan and this Agreement, the Option, to the extent vested and non-forfeitable at the time of the Participant's Termination, shall remain exercisable as follows:

(a) Qualifying Termination . In the event of a Qualifying Termination, the vested portion of the Option, including any portion that vests pursuant to and subject to the terms and conditions of Section 3(b) , Section 3(c) or Section 3(d) above or in connection with any additional vesting pursuant to Section 3(e) above, as applicable, shall remain exercisable until the earlier of (i) the later of (A) the first anniversary of the date of such Termination of Employment and (B) the eighteen (18) month anniversary of the Grant Date, and (ii) the Option Expiration Date.

(b) Resignation without Good Reason . In the event of the Participant's Termination of Employment by the Participant without Good Reason, the vested portion of the Option shall remain exercisable until the earlier of (i) ninety (90) days from the date of such Termination of Employment, and (ii) the Option Expiration Date.

5. Method of Exercise and Payment . Subject to Section 13.4 of the Plan and the terms and conditions of the Plan and this Agreement, to the extent that the Option has become vested and exercisable with respect to a number of shares of Common Stock as provided herein, the Option may thereafter be exercised by the Participant, in whole or in part, at any time or from time to time prior to the expiration of the Option as provided herein and in accordance with Section 6.4(d) of the Plan.

6. Non-Transferability . The Option, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not be sold, exchanged, transferred, assigned, pledged, encumbered or otherwise disposed of or hypothecated in any way by the Participant (or any beneficiary of the Participant who holds the Option as a result of a Transfer by will or by the laws of descent and distribution), other than by testamentary disposition by the Participant or the laws of descent and distribution. Notwithstanding the foregoing, in accordance with Section 6.4(e) of the Plan, the Committee may, in its sole discretion, permit the Option to be Transferred to a Family Member for no value, provided that such Transfer shall only be valid upon execution of a written instrument in form and substance acceptable to the Committee in its sole discretion evidencing such Transfer and the transferee's acceptance thereof signed by the Participant and the transferee, and provided, further, that the Option may not be subsequently Transferred other than by will or by the laws of descent and distribution or to another Family Member (as permitted by the Committee in its sole discretion) in accordance with the terms of the Plan and this Agreement, and shall remain subject to the terms of the Plan and this Agreement. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way the Option, or the levy of any execution, attachment or similar legal process upon the Option, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

7. Governing Law . All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof. Any suit, action or proceeding with respect to this Agreement shall be governed by Section 13.9 of the Plan.

8. Entire Agreement; Amendment . This Agreement, together with the Plan and the Employment Agreement, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

9. Notices; Electronic Delivery and Acceptance . Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future Options that may be awarded under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting this Option Award, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

10. No Right to Employment or Service . Any questions as to whether and when there has been a Termination of Employment and the cause of such Termination of Employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

11. Transfer of Personal Data . The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the Option awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

12. Compliance with Laws . The grant of the Option (and the issuance of the Option Shares upon exercise of the Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule, regulation or exchange requirement applicable thereto. The Company shall not be obligated to grant the Option or issue any of the Option Shares pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the issuance of any Option Shares, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

13. Binding Agreement . This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns.

14. Headings . The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

15. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

16. Further Assurances . Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

17. Severability . The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

18. Acquired Rights . The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary compensation, and shall not be considered as part of such compensation in the event of severance, redundancy or resignation.

19. Acceptance of Agreement . Notwithstanding anything herein to the contrary, in order for this Award to become effective, the Participant must acknowledge acceptance of this Agreement no later than the sixtieth (60 th) day following the Grant Date (the " Final Acceptance Date "). If the Participant's acceptance of this Agreement does not occur by the Final Acceptance Date, then the entire Award will be forfeited and cancelled without any consideration therefor, except as otherwise determined in the Committee's sole and absolute discretion.

20. No Waiver . No waiver or non-action by either party hereto with respect to any breach by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

21. No Rights as a Stockholder . The Participant's interest in the Option shall not entitle the Participant to any rights as a stockholder of the Company. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a stockholder of the Company in respect of, the shares of Common Stock unless and until such shares have been issued to the Participant upon exercise in accordance with Section 4 .

22. Section 409A . Notwithstanding anything herein or in the Plan to the contrary, the Option is intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [●].

AVAYA HOLDINGS CORP.

By: _____
Name: Patrick J. O'Malley, III
Title: Senior Vice President and Chief Financial Officer

PARTICIPANT

[To be executed electronically.]

Exhibit 10.13

Senior Executives

NONQUALIFIED STOCK OPTION EMERGENCE AWARD AGREEMENT
PURSUANT TO THE
AVAYA HOLDINGS CORP. 2017 EQUITY INCENTIVE PLAN

* * * * *

Participant: **[Participant Name]**

Grant Date: **December 15, 2017**

Grant Number: **[Client Grant ID]**

Per Share Exercise Price: **$19.46**

Number of shares of Common Stock subject to this Non-Qualified Stock Option (" Option "): [Options Granted] [1]

* * * * *

This NON-QUALIFIED STOCK OPTION EMERGENCE AWARD AGREEMENT (this " Agreement "), dated as of the Grant Date specified above, is entered into by and between Avaya Holdings Corp., a corporation organized in the State of Delaware (the " Company "), and the Participant specified above, pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan, as in effect and as amended from time to time (the " Plan "), which is administered by the Committee; and

WHEREAS, the Committee has determined under the Plan that it would be in the best interests of the Company to grant the Participant the Option provided herein, subject to the terms and conditions contained herein and in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt . This Agreement is subject in all respects to the terms, conditions and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms, conditions and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content and agrees to be bound thereby and hereby. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. No part of the Option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Code.

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1 Note to Draft : Number of shares subject to the Option will represent 25% of the Emergence Grant.

2. Grant of Option . The Company hereby grants to the Participant, as of the Grant Date specified above, the Option to acquire from the Company at the Per Share Exercise Price specified above, subject to adjustment as provided for in the Plan, on the terms and conditions set forth in this Agreement and otherwise provided for in the Plan, the aggregate number of shares of Common Stock specified above subject to adjustment as provided for in the Plan (the " Option Shares "). Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall have no rights as a stockholder with respect to any shares of Common Stock covered by the Option unless and until the Participant has become the holder of record of such shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the Option, except as otherwise specifically provided for in the Plan or this Agreement.

3. Vesting and Exercisability .

(a) General . Except as set forth in Sections 3(b) , Section 3(c) , Section 3(d) or Section 3(e) , as applicable, the Option shall vest and become exercisable as follows, provided that the Participant has not incurred a Termination of Employment prior to each such vesting date, and provided , further , that there shall be no proportionate or partial vesting in the periods prior to each such vesting date:

Vesting Dates	Percentage of Option
First Anniversary of the Grant Date	33.33%
Last Day of Each Quarter Thereafter	8.33%

Notwithstanding the foregoing, if the number of Option Shares is not evenly divisible, then the portion of the Option represented by any fractional Option Shares shall not vest and the smaller installments shall vest first, and upon vesting of the last installment in accordance with the terms and conditions hereof, 100% of the Option subject to this Award shall be fully vested.

(b) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) . In the event the Participant incurs a Termination of Employment prior to the last vesting date provided for in Section 3(a) as a result of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity without Cause, by the Participant for Good Reason, or due to the Participant's death or Disability (any such Termination of Employment, a " Qualifying Termination "), and such Qualifying Termination does not occur within the twenty-four (24) month period immediately following a Change in Control (such period, the " CIC Period "), subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 8 through 12 of this Agreement, the portion of the Option that would have vested pursuant to Section 3(a) above in the first

twelve (12) months following the date of such Termination of Employment shall vest effective as of the date of such Termination of Employment; provided that James Chirico, while serving as Chief Executive Officer of the Company, may elect, prior to the date of the Participant's Termination of Employment and following consultation with the Board, to vest the balance of the outstanding and unvested Option, which vesting shall occur unless the Committee notifies Mr. Chirico that it opposes any such vesting within five (5) business days of receiving written notice of such election. Any such additional vesting will be subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 8 through 12 of this Agreement.

(c) Accelerated Vesting Upon a Qualifying Termination (Change in Control) . In the event the Participant incurs a Qualifying Termination within the CIC Period, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 8 through 12 of this Agreement, any outstanding and unvested portion of the Option shall fully vest effective as of the date of such Termination of Employment.

(d) Expiration . Unless earlier terminated in accordance with the terms and provisions of the Plan and/or this Agreement, all outstanding portions of the Option (whether vested or not vested) shall expire and shall no longer be exercisable immediately following the of tenth (10th) anniversary of the Grant Date (such date, the " Option Expiration Date ").

(e) Forfeiture . Except as otherwise expressly provided for in Section 3(b) or Section 3(c) , any outstanding and unvested portion of the Option shall be immediately forfeited upon the Participant's Termination of Employment for any reason. For the avoidance of doubt, in the event that the Participant fails to execute, deliver and not revoke the release of claims provided for in Section 3(b) or Section 3(c) , as applicable, any portion of the Option that remains outstanding and unvested as of the sixtieth (60 th) day following the date on which the Qualifying Termination occurs shall be forfeited and cancelled as of such sixtieth (60 th) day without consideration therefor. Additionally, in the event of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity for Cause, all outstanding portions of the Option, whether or not vested, shall be forfeited and cancelled without consideration therefor effective as of the date of such Termination of Employment.

4. Exercise Following Termination . Subject to the terms of the Plan and this Agreement, the Option, to the extent vested and non-forfeitable at the time of the Participant's Termination, shall remain exercisable as follows:

(a) Qualifying Termination . In the event of a Qualifying Termination, the vested portion of the Option, including any portion that vests pursuant to and subject to the terms and conditions of Section 3(b) or Section 3(c) above, as applicable, shall remain exercisable until the earlier of (i) the later of (A) the first anniversary of the date of such Termination of Employment and (B) the eighteen (18) month anniversary of the Grant Date, and (ii) the Option Expiration Date.

(b) Resignation without Good Reason . In the event of the Participant's Termination of Employment by the Participant without Good Reason, the vested portion of the Option shall remain exercisable until the earlier of (i) ninety (90) days from the date of such Termination of Employment, and (ii) the Option Expiration Date.

5. Method of Exercise and Payment . Subject to Section 13.4 of the Plan and the terms and conditions of the Plan and this Agreement, to the extent that the Option has become vested and exercisable with respect to a number of shares of Common Stock as provided herein, the Option may thereafter be exercised by the Participant, in whole or in part, at any time or from time to time prior to the expiration of the Option as provided herein and in accordance with Section 6.4(d) of the Plan.

6. Non-Transferability . The Option, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not be sold, exchanged, transferred, assigned, pledged, encumbered or otherwise disposed of or hypothecated in any way by the Participant (or any beneficiary of the Participant who holds the Option as a result of a Transfer by will or by the laws of descent and distribution), other than by testamentary disposition by the Participant or the laws of descent and distribution. Notwithstanding the foregoing, in accordance with Section 6.4(e) of the Plan, the Committee may, in its sole discretion, permit the Option to be Transferred to a Family Member for no value, provided that such Transfer shall only be valid upon execution of a written instrument in form and substance acceptable to the Committee in its sole discretion evidencing such Transfer and the transferee's acceptance thereof signed by the Participant and the transferee, and provided, further, that the Option may not be subsequently Transferred other than by will or by the laws of descent and distribution or to another Family Member (as permitted by the Committee in its sole discretion) in accordance with the terms of the Plan and this Agreement, and shall remain subject to the terms of the Plan and this Agreement. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way the Option, or the levy of any execution, attachment or similar legal process upon the Option, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

7. Restrictive Covenants . By executing this Agreement, the Participant agrees to all of the terms, conditions and restrictions imposed by this Agreement and acknowledges the importance to the Company and its Affiliates (hereinafter referred to collectively as " Avaya ") of protecting their Confidential Information (as defined below) and other legitimate business interests, including, without limitation, the valuable trade secrets and good will that they develop or acquire. The Participant further acknowledges that Avaya is engaged in a highly competitive business, that its success in the marketplace depends upon the preservation of its Confidential Information and industry reputation, and that obtaining agreements such as this one from its employees and other service providers is reasonable and necessary. The Participant undertakes the obligations in this Agreement in consideration of the Participant's relationship with Avaya, this Agreement, the Participant being granted access to trade secrets and other Confidential Information of Avaya, and for other good and valuable consideration, the receipt and sufficiency of which the Participant acknowledges. As used in this Agreement, "relationship" refers to the Participant's employment or association as an employee, advisor or consultant with Avaya, as applicable.

8. Loyalty and Conflicts of Interest .

(a) Exclusive Duty . During the Participant's relationship with Avaya, the Participant will not engage in any other business activity that creates a conflict of interest except as permitted by the Company's Code of Conduct, as in effect from time to time.

(b) Compliance with Avaya Policy . The Participant will comply with all lawful policies, practices and procedures of Avaya, as these may be implemented and/or changed by Avaya from time to time. Without limiting the generality of the foregoing, the Participant acknowledges that Avaya may from time to time have agreements with other Persons which impose obligations or restrictions on Avaya regarding Intellectual Property (as defined below), created during the course of work under such agreements and/or regarding the confidential nature of such work. The Participant will comply with and be bound by all such obligations and restrictions which Avaya conveys to the Participant and will take all actions necessary (to the extent within the Participant's power and authority) to discharge the obligations of Avaya under such agreements.

9. Confidentiality .

(a) Nondisclosure and Nonuse of Confidential Information . All Confidential Information which the Participant creates or has access to as a result of the Participant's relationship with Avaya is and shall remain the sole and exclusive property of Avaya. The Participant will never, directly or indirectly, use or disclose any Confidential Information, except (i) as required for the proper performance of the Participant's regular duties for Avaya, (ii) as expressly authorized in writing in advance by the Company's General Counsel, (iii) as required by applicable law or regulation, or (iv) as may be reasonably determined by the Participant to be necessary in connection with the enforcement of the Participant's rights in connection with this Agreement. This restriction shall continue to apply after the Participant's Termination or any restriction time period set forth in this Agreement, howsoever caused. The Participant shall furnish prompt notice to the Company's General Counsel of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal process or requirement and shall provide the Company with a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure, to the greatest extent time and circumstances permit. " Confidential Information " shall mean any and all information of Avaya, whether or not in writing, that is not generally known by others with whom Avaya competes or does business, or with whom it plans to compete or do business, and any and all information, which, if disclosed, would assist in competition against Avaya, including, but not limited to, (A) all proprietary information of Avaya, including, but not limited to, the products and services, technical data, methods, processes, know-how, developments, inventions, and formulae of Avaya, (B) the development, research, testing, marketing and financial activities and strategic plans of Avaya, (C) the manner in which Avaya operates, (D) its costs and sources of supply, (E) the identity and special needs of the customers, prospective customers and subcontractors of Avaya, and (F) the people and organizations with whom Avaya has business relationships and the substance of those relationships. Without limiting the generality of the foregoing,

Confidential Information shall specifically include: (1) any and all product testing methodologies, product test results, research and development plans and initiatives, marketing research, plans and analyses, strategic business plans and budgets, and technology grids; (2) any and all vendor, supplier and purchase records, including, without limitation, the identity of contacts at any vendor, any list of vendors or suppliers, any lists of purchase transactions and/or prices paid; and (3) any and all customer lists and customer and sales records, including, without limitation, the identity of contacts at purchasers, any list of purchasers, and any list of sales transactions and/or prices charged by Avaya. Confidential Information also includes any information that Avaya may receive or has received from customers, subcontractors, suppliers or others, with any understanding, express or implied, that the information would not be disclosed. Notwithstanding the foregoing, Confidential Information does not include information that (x) is known or becomes known to the public in general (other than as a result of a breach of this Section 9 by the Participant), (y) is or has been independently developed or conceived by the Participant without use of Avaya's Confidential Information or (z) is or has been made known or disclosed to the Participant by a third party without a breach of any obligation of confidentiality such third party may have to the Participant of which the Participant is aware.

(b) Permissible Disclosure . Nothing in this Agreement shall prohibit or restrict Avaya, the Participant or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement or the Plan, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or the Plan prohibits or restricts Avaya or the Participant from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Trade Secrets . Pursuant to 18 U.S.C. § 1833(b), the Participant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of Avaya that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Participant's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Participant files a lawsuit for retaliation by Avaya for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, so long as the Participant files any document containing the trade secret under seal and does not disclose the trade secret except under court order. Nothing in this Agreement or the Plan is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(d) Use and Return of Documents . All documents, records, and files, in any media of whatever kind and description, relating to the business, present or otherwise, of Avaya, and any copies (including, without limitation, electronic), in whole or in part, thereof (the " Documents ," and each individually, a " Document "), whether or not prepared by the Participant, shall be the sole and exclusive property of Avaya. Except as required for the proper performance

of the Participant's regular duties for Avaya or as expressly authorized in writing in advance by Avaya, the Participant will not copy any Documents or remove any Documents or copies or derivatives thereof from the premises of Avaya. The Participant will safeguard, and return to Avaya, immediately upon the Participant's Termination, and at such other times as may be specified by Avaya, all Documents and other property of Avaya, and all documents, records and files of its customers, subcontractors, vendors, and suppliers (" Third-Party Documents ," and each individually, a " Third-Party Document "), as well as all other property of such customers, subcontractors, vendors and suppliers, then in the Participant's possession or control. Provided, however, if a Document or Third-Party Document is on electronic media, the Participant may, in lieu of surrender of the Document or Third-Party Document, provide a copy on electronic media to Avaya and delete and overwrite all other electronic media copies thereof. Upon request of any duly authorized officer of Avaya, the Participant will disclose all passwords necessary or desirable to enable Avaya to obtain access to the Documents and Third-Party Documents. Notwithstanding any provision of this Section 9(d) to the contrary, the Participant shall be permitted to retain copies of all Documents evidencing the Participant's hire, equity (including this Agreement), compensation rate and benefits, and any other agreements between the Participant and Avaya that the Participant has signed or electronically accepted.

10. Non-Competition, Non-Solicitation, and Other Restricted Activity .

(a) Non-Competition . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, whether paid or not, (i) serve as a partner, principal, licensor, licensee, employee, consultant, officer, director, manager, agent, affiliate, representative, advisor, promoter, associate, investor, or otherwise for, (ii) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, or (iii) build, design, finance, acquire, lease, operate, manage, control, invest in, work or consult for or otherwise join, participate in or affiliate himself or herself with, any business whose business, product(s) or operations are in any respect competitive with or otherwise similar to Avaya's business. The foregoing covenant shall cover the Participant's activities in every part of the Territory. " Territory " shall mean (A) all states of the United States of America from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination; and (B) all other countries from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination. The foregoing shall not prevent: (1) passive ownership by the Participant of no more than two percent (2%) of the equity securities of any publicly traded company; or (2) the Participant providing services to a division or subsidiary of a multi-division entity or holding company, so long as (x) no division or subsidiary to which the Participant provides services is in any way competitive with or similar to the business of Avaya, and (y) the Participant is not involved in, and does not otherwise engage in competition on behalf of, the multi-division entity or any competing division or subsidiary thereof.

(b) Good Will . Any and all good will which the Participant develops during the Participant's relationship with Avaya with any of the customers, prospective customers, subcontractors or suppliers of Avaya shall be the sole, exclusive and permanent property of Avaya, and shall continue to be such after the Participant's Termination, howsoever caused.

(c) Non-Solicitation of Customers . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, contact, or cause to be contacted, directly or indirectly, or engage in any form of oral, verbal, written, recorded, transcribed, or electronic communication with any customer of Avaya for the purposes of conducting business that is competitive with or similar to that of Avaya or for the purpose of disadvantaging Avaya's business in any way; provided that this restriction applies (i) only with respect to those customers who are or have been a customer of Avaya at any time within the immediately preceding one (1)-year period or whose business has been solicited on behalf of Avaya by any of its officers, employees or agents within said one (1)-year period, other than by form letter, blanket mailing or published advertisement, and (ii) only if the Participant has performed work for such customer during the Participant's relationship with Avaya, has been introduced to, or otherwise had contact with, such customer as a result of the Participant's relationship with Avaya, or has had access to Confidential Information which would assist in the solicitation of such customer. The foregoing restrictions shall not apply to general solicitation or advertising, including through media and trade publications.

(d) Non-Solicitation / Non-Hiring of Employees and Independent Contractors . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, and will not assist anyone else to, (i) hire or solicit for hiring any employee of Avaya or seek to persuade or induce any employee of Avaya to discontinue employment with Avaya, or (ii) hire or engage any independent contractor providing services to Avaya, or solicit, encourage or induce any independent contractor providing services to Avaya to terminate or diminish in any substantial respect its relationship with Avaya. For the purposes of this Section 10(d) , an "employee" or "independent contractor" of Avaya is any person who is or was such at any time within the six (6)-month period immediately preceding the date of the prohibited conduct. The foregoing restrictions shall not apply to general solicitation or advertising, including through media, trade publications and general job postings.

(e) Non-Solicitation of Others . The Participant agrees that for a period of twelve (12) months immediately following the Participant's Termination, for any reason, whether voluntary or involuntary, the Participant will not solicit, encourage, or induce, or cause to be solicited, encouraged or induced, directly or indirectly, any franchisee, joint venture, supplier, vendor or contractor who conducted business with Avaya at any time during the two (2)-year period preceding the Participant's Termination, to terminate or adversely modify any business relationship with Avaya, or not to proceed with, or enter into, any business relationship with Avaya, nor shall the Participant otherwise interfere with any business relationship between Avaya and any such franchisee, joint venture, supplier, vendor or contractor.

(f) Non-Disparagement . Except as provided in Section 9 above or in connection with the good faith performance of the Participant's duties, the Participant agrees that, both during and after the Participant's relationship with Avaya, the Participant will not, whether in private or in public, whether orally, in writing, or otherwise, whether directly or indirectly, make, publish, encourage, ratify, or authorize; or aid, assist, or direct any other person or entity in making or publishing, any statements that in any way defame, criticize, malign, impugn, denigrate, reflect negatively on, or disparage the Avaya Parties (which means,

collectively, (i) the Company and each of its Affiliates (solely to the extent the Participant has (or could reasonably be expected to have) knowledge that an entity is an Affiliate) and Subsidiaries and (ii) each and all of their respective shareholders, interest holders, unit holders, advisors, managers, officers, directors, partners, principals, members, employees, fiduciaries, representatives and agents (solely to the extent the Participant has (or could reasonably be expected to have) knowledge of their capacity as such)), or place any of the Avaya Parties in a negative light, in any manner whatsoever.

(g) Notice of New Address and Employment . During the twelve (12)-month period immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant shall promptly provide Avaya with pertinent information concerning each new job or other business activity in which the Participant engages or plans to engage during such twelve (12)-month period as Avaya may reasonably request in order to determine the Participant's continued compliance with the Participant's obligations under this Agreement. The Participant shall notify any new employer(s) of the Participant's obligations under this Agreement, and hereby consents to notification by Avaya to such employer(s) concerning the Participant's obligations under this Agreement. Avaya shall treat any such notice and information as confidential and shall not use or disclose the information contained therein except to enforce its rights hereunder. Any breach of this Section 10(g) shall constitute a material breach of this Agreement.

(h) Acknowledgement of Reasonableness; Remedies . In signing this Agreement, the Participant gives Avaya assurance that the Participant has carefully read and considered all the terms and conditions of this Agreement. The Participant acknowledges without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, Confidential Information and other legitimate business interests of Avaya, that each and every one of those restraints is reasonable in respect to subject matter, length of time, and geographic area; and that these restraints will not prevent the Participant from obtaining other suitable employment during the period in which he or she is bound by them. The Participant will never assert, or permit to be asserted on the Participant's behalf, in any forum, any position contrary to the foregoing. Were the Participant to breach any of the provisions of this Agreement, the harm to Avaya would be irreparable. Therefore, in the event of such a breach or threatened breach, Avaya shall, in addition to any other remedies available to it, have the right to obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and the Participant agrees that injunctive relief is an appropriate remedy to address any such breach. Without limiting the generality of the foregoing, or other forms of relief available to Avaya, in the event of the Participant's breach of any of the provisions of this Agreement, the Participant's Award will be forfeited for no consideration and, if payment in respect of the Participant's Award has been made, the Participant will be obligated to return the proceeds to Avaya.

(i) Unenforceability . In the event that any provision of Section 8 , Section 9, Section 10 or Section 11 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. The twelve (12)-month period of restriction set forth in Section 10(a) , Section 10(c) , Section 10(d) and Section 10(e) hereof and

the twelve (12)-month period of obligation set forth in Section 10(g) hereof shall be tolled, and shall not run, during any period of time in which the Participant is in violation of the terms thereof, in order that Avaya shall have the agreed-upon temporal protection recited herein.

(j) Limited Exception for Attorneys . Insofar as the restrictions set forth in this Section 10 prohibit the solicitation, inducement or attempt to hire a licensed attorney who is employed at Avaya, they shall not apply if the Participant is a licensed attorney and the restrictions contained herein are illegal, unethical or unenforceable under the laws, rules and regulations of the jurisdiction in which the Participant is licensed as an attorney.

(k) Attorneys ' Fees and Costs . Except as prohibited by law, the Participant shall indemnify Avaya from any and all costs and fees, including attorneys' fees, incurred by Avaya in successfully enforcing the terms of this Agreement against the Participant (including, but not limited to, a court partially or fully granting any application, motion, or petition by Avaya for a temporary restraining order, preliminary injunction, or permanent injunction), as a result of the Participant's breach or threatened breach of any provision contained herein. Avaya shall be entitled to recover from the Participant its costs and fees incurred to date at any time during the course of a dispute (*i.e.* , final resolution of such dispute is not a prerequisite) upon written demand to the Participant.

(l) Enforcement . Avaya agrees that it will not seek to enforce any violation of Section 10(a) , Section 10(c) , Section 10(d) or the portion of Section 10(e) that prohibits the Participant from hiring Avaya employees and independent contractors that primarily takes place in the State of California, during any period of time when such enforcement is contrary to or otherwise prohibited by California law or regulation.

11. Intellectual Property .

(a) In signing this Agreement, the Participant hereby assigns and shall assign to Avaya all of the Participant's rights, title and interest in and to all inventions, discoveries, improvements, ideas, mask works, computer or other apparatus programs and related documentation, and other works of authorship (hereinafter each designated " Intellectual Property "), whether or not patentable, copyrightable or subject to other forms of protection, made, created, developed, written or conceived by the Participant during the period of the Participant's relationship with Avaya, whether during or outside of regular working hours, either solely or jointly with another, in whole or in part, either: (i) in the course of such relationship, (ii) relating to the actual or anticipated business or research development of Avaya, or (iii) with the use of Avaya time, material, private or proprietary information, or facilities, except as provided in Section 11(d) below.

(b) The Participant will, without charge to Avaya, but at its expense, execute a specific assignment of title to Avaya and do anything else reasonably necessary to enable Avaya to secure a patent, copyright or other form of protection for said Intellectual Property anywhere in the world.

(c) The Participant acknowledges that the copyrights in Intellectual Property created within the scope of the Participant's relationship with Avaya belong to Avaya by operation of law.

(d) The Participant has previously provided to Avaya a list (the " Prior Invention List ") describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by the Participant prior to the Participant's relationship with Avaya, which belong to the Participant and which are not assigned to Avaya hereunder (collectively referred to as " Prior Inventions "); and, if no Prior Invention List was previously provided, the Participant represents and warrants that there are no such Prior Inventions.

(e) Exception to Assignments . THE PARTICIPANT UNDERSTANDS THAT THE PROVISIONS OF THIS AGREEMENT REQUIRING ASSIGNMENT OF INTELLECTUAL PROPERTY (AS DEFINED ABOVE) TO AVAYA DO NOT APPLY TO ANY INTELLECTUAL PROPERTY THAT QUALIFIES FULLY UNDER THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870 (SET FORTH IN ITS ENTIRETY BELOW). THE PARTICIPANT WILL ADVISE AVAYA PROMPTLY IN WRITING OF ANY INVENTIONS THAT THE PARTICIPANT BELIEVES MEET THE CRITERIA IN CALIFORNIA LABOR CODE SECTION 2870 AND WHICH WERE NOT OTHERWISE DISCLOSED ON THE PRIOR INVENTION LIST PREVIOUSLY DELIVERED TO AVAYA TO PERMIT A DETERMINATION OF OWNERSHIP BY AVAYA. ANY SUCH DISCLOSURE WILL BE RECEIVED IN CONFIDENCE.

CALIFORNIA LABOR CODE SECTION 2870
INVENTION ON OWN TIME-EXEMPTION FROM AGREEMENT

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

12. Compliance with Other Agreements and Obligations . The Participant represents and warrants that the Participant's employment or other relationship with Avaya and execution and performance of this Agreement, including the restrictive covenants in Section 8 , Section 9 , Section 10 and Section 11 , will not breach or be in conflict with any other agreement to which the Participant is a party or is bound, and that the Participant is not now subject to any covenants

against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of the Participant's obligations hereunder or the Participant's duties and responsibilities to Avaya, except as disclosed in writing to the Company's General Counsel no later than the time an executed copy of this Agreement is returned by the Participant. The Participant will not disclose to or use on behalf of Avaya, or induce Avaya to use, any proprietary information of any previous employer or other third party without that party's consent.

13. Governing Law . All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof. Any suit, action or proceeding with respect to this Agreement shall be governed by Section 13.9 of the Plan.

14. Entire Agreement; Amendment . This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter; provided however, that the restrictive covenants contained in Sections 8 through 12 hereof are in addition to and not in lieu of any other restrictive covenants by which the Participant may be bound. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

15. Notices; Electronic Delivery and Acceptance . Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future Options that may be awarded under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting this Option Award, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. No Right to Employment or Service . Any questions as to whether and when there has been a Termination of Employment and the cause of such Termination of Employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

17. Transfer of Personal Data . The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the Option awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

18. Compliance with Laws . The grant of the Option (and the issuance of the Option Shares upon exercise of the Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule, regulation or exchange requirement applicable thereto. The Company shall not be obligated to grant the Option or issue any of the Option Shares pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the issuance of any Option Shares, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

19. Binding Agreement . This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns.

20. Headings . The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

21. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

22. Further Assurances . Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

23. Severability . The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

24. Acquired Rights . The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary compensation, and shall not be considered as part of such compensation in the event of severance, redundancy or resignation.

25. Acceptance of Agreement . Notwithstanding anything herein to the contrary, in order for this Award to become effective, the Participant must acknowledge acceptance of this Agreement no later than the sixtieth (60 th) day following the Grant Date (the " Final Acceptance Date "). If the Participant's acceptance of this Agreement does not occur by the Final Acceptance Date, then the entire Award will be forfeited and cancelled without any consideration therefor, except as otherwise determined in the Committee's sole and absolute discretion.

26. No Waiver . No waiver or non-action by either party hereto with respect to any breach by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

27. No Rights as a Stockholder . The Participant's interest in the Option shall not entitle the Participant to any rights as a stockholder of the Company. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a stockholder of the Company in respect of, the shares of Common Stock unless and until such shares have been issued to the Participant upon exercise in accordance with Section 4 .

28. Section 409A . Notwithstanding anything herein or in the Plan to the contrary, the Option is intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [•].

AVAYA HOLDINGS CORP.

By: _____
Name: Patrick J. O'Malley, III
Title: Senior Vice President and Chief Financial Officer

PARTICIPANT

[To be executed electronically.]

Exhibit 10.14

Other Employees

NONQUALIFIED STOCK OPTION EMERGENCE AWARD AGREEMENT
PURSUANT TO THE
AVAYA HOLDINGS CORP. 2017 EQUITY INCENTIVE PLAN

* * * * *

Participant: **[Participant Name]**

Grant Date: **December 15, 2017**

Grant Number: **[Client Grant ID]**

Per Share Exercise Price: **$19.46**

Number of shares of Common Stock subject to this Non-Qualified Stock Option (" Option "): [Options Granted] [1]

* * * * *

This NON-QUALIFIED STOCK OPTION EMERGENCE AWARD AGREEMENT (this " Agreement "), dated as of the Grant Date specified above, is entered into by and between Avaya Holdings Corp., a corporation organized in the State of Delaware (the " Company "), and the Participant specified above, pursuant to the Avaya Holdings Corp. 2017 Equity Incentive Plan, as in effect and as amended from time to time (the " Plan "), which is administered by the Committee; and

WHEREAS, the Committee has determined under the Plan that it would be in the best interests of the Company to grant the Participant the Option provided herein, subject to the terms and conditions contained herein and in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt . This Agreement is subject in all respects to the terms, conditions and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms, conditions and provisions are made a part of and incorporated into this Agreement as if they were each expressly set forth herein. Except as provided otherwise herein, any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content and agrees to be bound thereby and hereby. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. No part of the Option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Code.

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1 Note to Draft : Number of shares subject to the Option will represent 25% of the Emergence Grant.

2. Grant of Option . The Company hereby grants to the Participant, as of the Grant Date specified above, the Option to acquire from the Company at the Per Share Exercise Price specified above, subject to adjustment as provided for in the Plan, on the terms and conditions set forth in this Agreement and otherwise provided for in the Plan, the aggregate number of shares of Common Stock specified above subject to adjustment as provided for in the Plan (the " Option Shares "). Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall have no rights as a stockholder with respect to any shares of Common Stock covered by the Option unless and until the Participant has become the holder of record of such shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the Option, except as otherwise specifically provided for in the Plan or this Agreement.

3. Vesting and Exercisability .

(a) General . Except as set forth in Sections 3(b) , Section 3(c) , Section 3(d) or Section 3(e) , as applicable, the Option shall vest and become exercisable as follows, provided that the Participant has not incurred a Termination of Employment prior to each such vesting date, and provided , further , that there shall be no proportionate or partial vesting in the periods prior to each such vesting date:

Vesting Dates	Percentage of Option
Six-Month Anniversary of the Grant Date	16.67%
First Anniversary of the Grant Date	16.67%
Last Day of Each Quarter Thereafter	8.33%

Notwithstanding the foregoing, if the number of Option Shares is not evenly divisible, then the portion of the Option represented by any fractional Option Shares shall not vest and the smaller installments shall vest first, and upon vesting of the last installment in accordance with the terms and conditions hereof, 100% of the Option subject to this Award shall be fully vested.

(b) Accelerated Vesting Upon a Qualifying Termination (No Change in Control) . In the event the Participant incurs a Termination of Employment prior to the last vesting date provided for in Section 3(a) as a result of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity without Cause, by the Participant for Good Reason, or due to the Participant's death or Disability (any such Termination of Employment, a " Qualifying Termination "), and such Qualifying Termination does not occur within the twenty-four (24) month period immediately following a Change in Control (such period, the " CIC Period "), James Chirico, while serving as Chief Executive Officer of the Company, may elect, prior to the date of the Participant's Termination of Employment and following consultation with the Board, to vest the balance of the outstanding and unvested Option, which vesting shall occur unless the Committee notifies

Mr. Chirico that it opposes any such vesting within five (5) business days of receiving written notice of such election. Any such additional vesting will be subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 8 through 12 of this Agreement.

(c) Accelerated Vesting Upon a Qualifying Termination (Change in Control) . In the event the Participant incurs a Qualifying Termination within the CIC Period, subject to the Participant's (or the Participant's estate's, if applicable) execution, delivery and non-revocation of a customary release of claims in favor of the Company and its subsidiaries and affiliates within sixty (60) days of such Termination of Employment and, except in the event of a Termination of Employment due to death, continued compliance with Sections 8 through 12 of this Agreement, any outstanding and unvested portion of the Option shall fully vest effective as of the date of such Termination of Employment.

(d) Expiration . Unless earlier terminated in accordance with the terms and provisions of the Plan and/or this Agreement, all outstanding portions of the Option (whether vested or not vested) shall expire and shall no longer be exercisable immediately following the of tenth (10th) anniversary of the Grant Date (such date, the " Option Expiration Date ").

(e) Forfeiture . Except as otherwise expressly provided for in Section 3(b) or Section 3(c) , any outstanding and unvested portion of the Option shall be immediately forfeited upon the Participant's Termination of Employment for any reason. For the avoidance of doubt, in the event that the Participant fails to execute, deliver and not revoke the release of claims provided for in Section 3(b) or Section 3(c) , as applicable, any portion of the Option that remains outstanding and unvested as of the sixtieth (60 th) day following the date on which the Qualifying Termination occurs shall be forfeited and cancelled as of such sixtieth (60 th) day without consideration therefor. Additionally, in the event of the Participant's Termination of Employment by the Company or the Company Entity that is the Participant's actual employing entity for Cause, all outstanding portions of the Option, whether or not vested, shall be forfeited and cancelled without consideration therefor effective as of the date of such Termination of Employment.

4. Exercise Following Termination . Subject to the terms of the Plan and this Agreement, the Option, to the extent vested and non-forfeitable at the time of the Participant's Termination, shall remain exercisable as follows:

(a) Qualifying Termination . In the event of a Qualifying Termination, the vested portion of the Option, including any portion that vests pursuant to and subject to the terms and conditions of Section 3(b) or Section 3(c) above, as applicable, shall remain exercisable until the earlier of (i) the later of (A) the first anniversary of the date of such Termination of Employment and (B) the eighteen (18) month anniversary of the Grant Date, and (ii) the Option Expiration Date.

(b) Resignation without Good Reason . In the event of the Participant's Termination of Employment by the Participant without Good Reason, the vested portion of the Option shall remain exercisable until the earlier of (i) ninety (90) days from the date of such Termination of Employment, and (ii) the Option Expiration Date.

5. Method of Exercise and Payment . Subject to Section 13.4 of the Plan and the terms and conditions of the Plan and this Agreement, to the extent that the Option has become vested and exercisable with respect to a number of shares of Common Stock as provided herein, the Option may thereafter be exercised by the Participant, in whole or in part, at any time or from time to time prior to the expiration of the Option as provided herein and in accordance with Section 6.4(d) of the Plan.

6. Non-Transferability . The Option, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not be sold, exchanged, transferred, assigned, pledged, encumbered or otherwise disposed of or hypothecated in any way by the Participant (or any beneficiary of the Participant who holds the Option as a result of a Transfer by will or by the laws of descent and distribution), other than by testamentary disposition by the Participant or the laws of descent and distribution. Notwithstanding the foregoing, in accordance with Section 6.4(e) of the Plan, the Committee may, in its sole discretion, permit the Option to be Transferred to a Family Member for no value, provided that such Transfer shall only be valid upon execution of a written instrument in form and substance acceptable to the Committee in its sole discretion evidencing such Transfer and the transferee's acceptance thereof signed by the Participant and the transferee, and provided, further, that the Option may not be subsequently Transferred other than by will or by the laws of descent and distribution or to another Family Member (as permitted by the Committee in its sole discretion) in accordance with the terms of the Plan and this Agreement, and shall remain subject to the terms of the Plan and this Agreement. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way the Option, or the levy of any execution, attachment or similar legal process upon the Option, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

7. Restrictive Covenants . By executing this Agreement, the Participant agrees to all of the terms, conditions and restrictions imposed by this Agreement and acknowledges the importance to the Company and its Affiliates (hereinafter referred to collectively as " Avaya ") of protecting their Confidential Information (as defined below) and other legitimate business interests, including, without limitation, the valuable trade secrets and good will that they develop or acquire. The Participant further acknowledges that Avaya is engaged in a highly competitive business, that its success in the marketplace depends upon the preservation of its Confidential Information and industry reputation, and that obtaining agreements such as this one from its employees and other service providers is reasonable and necessary. The Participant undertakes the obligations in this Agreement in consideration of the Participant's relationship with Avaya, this Agreement, the Participant being granted access to trade secrets and other Confidential Information of Avaya, and for other good and valuable consideration, the receipt and sufficiency of which the Participant acknowledges. As used in this Agreement, "relationship" refers to the Participant's employment or association as an employee, advisor or consultant with Avaya, as applicable.

8. Loyalty and Conflicts of Interest .

(a) Exclusive Duty . During the Participant's relationship with Avaya, the Participant will not engage in any other business activity that creates a conflict of interest except as permitted by the Company's Code of Conduct, as in effect from time to time.

(b) Compliance with Avaya Policy . The Participant will comply with all lawful policies, practices and procedures of Avaya, as these may be implemented and/or changed by Avaya from time to time. Without limiting the generality of the foregoing, the Participant acknowledges that Avaya may from time to time have agreements with other Persons which impose obligations or restrictions on Avaya regarding Intellectual Property (as defined below), created during the course of work under such agreements and/or regarding the confidential nature of such work. The Participant will comply with and be bound by all such obligations and restrictions which Avaya conveys to the Participant and will take all actions necessary (to the extent within the Participant's power and authority) to discharge the obligations of Avaya under such agreements.

9. Confidentiality .

(a) Nondisclosure and Nonuse of Confidential Information . All Confidential Information which the Participant creates or has access to as a result of the Participant's relationship with Avaya is and shall remain the sole and exclusive property of Avaya. The Participant will never, directly or indirectly, use or disclose any Confidential Information, except (i) as required for the proper performance of the Participant's regular duties for Avaya, (ii) as expressly authorized in writing in advance by the Company's General Counsel, (iii) as required by applicable law or regulation, or (iv) as may be reasonably determined by the Participant to be necessary in connection with the enforcement of the Participant's rights in connection with this Agreement. This restriction shall continue to apply after the Participant's Termination or any restriction time period set forth in this Agreement, howsoever caused. The Participant shall furnish prompt notice to the Company's General Counsel of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal process or requirement and shall provide the Company with a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure, to the greatest extent time and circumstances permit. " Confidential Information " shall mean any and all information of Avaya, whether or not in writing, that is not generally known by others with whom Avaya competes or does business, or with whom it plans to compete or do business, and any and all information, which, if disclosed, would assist in competition against Avaya, including, but not limited to, (A) all proprietary information of Avaya, including, but not limited to, the products and services, technical data, methods, processes, know-how, developments, inventions, and formulae of Avaya, (B) the development, research, testing, marketing and financial activities and strategic plans of Avaya, (C) the manner in which Avaya operates, (D) its costs and sources of supply, (E) the identity and special needs of the customers, prospective customers and subcontractors of Avaya, and (F) the people and organizations with whom Avaya has business relationships and the substance of those relationships. Without limiting the generality of the foregoing, Confidential Information shall specifically include: (1) any and all product testing methodologies, product test results, research and development plans and initiatives, marketing research, plans and analyses, strategic business plans and budgets, and technology grids; (2) any and all vendor, supplier and purchase records, including, without limitation, the identity of contacts at any vendor, any list of vendors or suppliers, any lists of purchase transactions and/or

prices paid; and (3) any and all customer lists and customer and sales records, including, without limitation, the identity of contacts at purchasers, any list of purchasers, and any list of sales transactions and/or prices charged by Avaya. Confidential Information also includes any information that Avaya may receive or has received from customers, subcontractors, suppliers or others, with any understanding, express or implied, that the information would not be disclosed. Notwithstanding the foregoing, Confidential Information does not include information that (x) is known or becomes known to the public in general (other than as a result of a breach of this S ection 9 by the Participant), (y) is or has been independently developed or conceived by the Participant without use of Avaya's Confidential Information or (z) is or has been made known or disclosed to the Participant by a third party without a breach of any obligation of confidentiality such third party may have to the Participant of which the Participant is aware.

(b) Permissible Disclosure . Nothing in this Agreement shall prohibit or restrict Avaya, the Participant or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement or the Plan, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or the Plan prohibits or restricts Avaya or the Participant from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Trade Secrets . Pursuant to 18 U.S.C. § 1833(b), the Participant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of Avaya that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Participant's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Participant files a lawsuit for retaliation by Avaya for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, so long as the Participant files any document containing the trade secret under seal and does not disclose the trade secret except under court order. Nothing in this Agreement or the Plan is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(d) Use and Return of Documents . All documents, records, and files, in any media of whatever kind and description, relating to the business, present or otherwise, of Avaya, and any copies (including, without limitation, electronic), in whole or in part, thereof (the " Documents ," and each individually, a " Document "), whether or not prepared by the Participant, shall be the sole and exclusive property of Avaya. Except as required for the proper performance of the Participant's regular duties for Avaya or as expressly authorized in writing in advance by Avaya, the Participant will not copy any Documents or remove any Documents or copies or derivatives thereof from the premises of Avaya. The Participant will safeguard, and return to Avaya, immediately upon the Participant's Termination, and at such other times as may be specified by Avaya, all Documents and other property of Avaya, and all documents, records and

files of its customers, subcontractors, vendors, and suppliers (" Third-Party Documents ," and each individually, a " Third-Party Document "), as well as all other property of such customers, subcontractors, vendors and suppliers, then in the Participant's possession or control. Provided, however, if a Document or Third-Party Document is on electronic media, the Participant may, in lieu of surrender of the Document or Third-Party Document, provide a copy on electronic media to Avaya and delete and overwrite all other electronic media copies thereof. Upon request of any duly authorized officer of Avaya, the Participant will disclose all passwords necessary or desirable to enable Avaya to obtain access to the Documents and Third-Party Documents. Notwithstanding any provision of this Section 9(d) to the contrary, the Participant shall be permitted to retain copies of all Documents evidencing the Participant's hire, equity (including this Agreement), compensation rate and benefits, and any other agreements between the Participant and Avaya that the Participant has signed or electronically accepted.

10. Non-Competition, Non-Solicitation, and Other Restricted Activity .

(a) Non-Competition . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, whether paid or not, (i) serve as a partner, principal, licensor, licensee, employee, consultant, officer, director, manager, agent, affiliate, representative, advisor, promoter, associate, investor, or otherwise for, (ii) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, or (iii) build, design, finance, acquire, lease, operate, manage, control, invest in, work or consult for or otherwise join, participate in or affiliate himself or herself with, any business whose business, product(s) or operations are in any respect competitive with or otherwise similar to Avaya's business. The foregoing covenant shall cover the Participant's activities in every part of the Territory. " Territory " shall mean (A) all states of the United States of America from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination; and (B) all other countries from which Avaya derived revenue or conducted business at any time during the two (2)-year period prior to the date of the Participant's Termination. The foregoing shall not prevent: (1) passive ownership by the Participant of no more than two percent (2%) of the equity securities of any publicly traded company; or (2) the Participant providing services to a division or subsidiary of a multi-division entity or holding company, so long as (x) no division or subsidiary to which the Participant provides services is in any way competitive with or similar to the business of Avaya, and (y) the Participant is not involved in, and does not otherwise engage in competition on behalf of, the multi-division entity or any competing division or subsidiary thereof.

(b) Good Will . Any and all good will which the Participant develops during the Participant's relationship with Avaya with any of the customers, prospective customers, subcontractors or suppliers of Avaya shall be the sole, exclusive and permanent property of Avaya, and shall continue to be such after the Participant's Termination, howsoever caused.

(c) Non-Solicitation of Customers . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, directly or indirectly, contact, or cause to be contacted, directly or indirectly, or engage in any form of oral, verbal, written, recorded, transcribed, or electronic communication with any customer of Avaya

for the purposes of conducting business that is competitive with or similar to that of Avaya or for the purpose of disadvantaging Avaya's business in any way; provided that this restriction applies (i) only with respect to those customers who are or have been a customer of Avaya at any time within the immediately preceding one (1)-year period or whose business has been solicited on behalf of Avaya by any of its officers, employees or agents within said one (1)-year period, other than by form letter, blanket mailing or published advertisement, and (ii) only if the Participant has performed work for such customer during the Participant's relationship with Avaya, has been introduced to, or otherwise had contact with, such customer as a result of the Participant's relationship with Avaya, or has had access to Confidential Information which would assist in the solicitation of such customer. The foregoing restrictions shall not apply to general solicitation or advertising, including through media and trade publications.

(d) Non-Solicitation / Non-Hiring of Employees and Independent Contractors . During the Participant's relationship with Avaya and for a period of twelve (12) months immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant will not, and will not assist anyone else to, (i) hire or solicit for hiring any employee of Avaya or seek to persuade or induce any employee of Avaya to discontinue employment with Avaya, or (ii) hire or engage any independent contractor providing services to Avaya, or solicit, encourage or induce any independent contractor providing services to Avaya to terminate or diminish in any substantial respect its relationship with Avaya. For the purposes of this Section 10(d) , an "employee" or "independent contractor" of Avaya is any person who is or was such at any time within the six (6)-month period immediately preceding the date of the prohibited conduct. The foregoing restrictions shall not apply to general solicitation or advertising, including through media, trade publications and general job postings.

(e) Non-Solicitation of Others . The Participant agrees that for a period of twelve (12) months immediately following the Participant's Termination, for any reason, whether voluntary or involuntary, the Participant will not solicit, encourage, or induce, or cause to be solicited, encouraged or induced, directly or indirectly, any franchisee, joint venture, supplier, vendor or contractor who conducted business with Avaya at any time during the two (2)-year period preceding the Participant's Termination, to terminate or adversely modify any business relationship with Avaya, or not to proceed with, or enter into, any business relationship with Avaya, nor shall the Participant otherwise interfere with any business relationship between Avaya and any such franchisee, joint venture, supplier, vendor or contractor.

(f) Non-Disparagement . Except as provided in Section 9 above or in connection with the good faith performance of the Participant's duties, the Participant agrees that, both during and after the Participant's relationship with Avaya, the Participant will not, whether in private or in public, whether orally, in writing, or otherwise, whether directly or indirectly, make, publish, encourage, ratify, or authorize; or aid, assist, or direct any other person or entity in making or publishing, any statements that in any way defame, criticize, malign, impugn, denigrate, reflect negatively on, or disparage the Avaya Parties (which means, collectively, (i) the Company and each of its Affiliates (solely to the extent the Participant has (or could reasonably be expected to have) knowledge that an entity is an Affiliate) and Subsidiaries and (ii) each and all of their respective shareholders, interest holders, unit holders, advisors, managers, officers, directors, partners, principals, members, employees, fiduciaries, representatives and agents (solely to the extent the Participant has (or could reasonably be expected to have) knowledge of their capacity as such)), or place any of the Avaya Parties in a negative light, in any manner whatsoever.

(g) Notice of New Address and Employment . During the twelve (12)-month period immediately following the Participant's Termination for any reason, whether voluntary or involuntary, the Participant shall promptly provide Avaya with pertinent information concerning each new job or other business activity in which the Participant engages or plans to engage during such twelve (12)-month period as Avaya may reasonably request in order to determine the Participant's continued compliance with the Participant's obligations under this Agreement. The Participant shall notify any new employer(s) of the Participant's obligations under this Agreement, and hereby consents to notification by Avaya to such employer(s) concerning the Participant's obligations under this Agreement. Avaya shall treat any such notice and information as confidential and shall not use or disclose the information contained therein except to enforce its rights hereunder. Any breach of this Section 10(g) shall constitute a material breach of this Agreement.

(h) Acknowledgement of Reasonableness; Remedies . In signing this Agreement, the Participant gives Avaya assurance that the Participant has carefully read and considered all the terms and conditions of this Agreement. The Participant acknowledges without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, Confidential Information and other legitimate business interests of Avaya, that each and every one of those restraints is reasonable in respect to subject matter, length of time, and geographic area; and that these restraints will not prevent the Participant from obtaining other suitable employment during the period in which he or she is bound by them. The Participant will never assert, or permit to be asserted on the Participant's behalf, in any forum, any position contrary to the foregoing. Were the Participant to breach any of the provisions of this Agreement, the harm to Avaya would be irreparable. Therefore, in the event of such a breach or threatened breach, Avaya shall, in addition to any other remedies available to it, have the right to obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and the Participant agrees that injunctive relief is an appropriate remedy to address any such breach. Without limiting the generality of the foregoing, or other forms of relief available to Avaya, in the event of the Participant's breach of any of the provisions of this Agreement, the Participant's Award will be forfeited for no consideration and, if payment in respect of the Participant's Award has been made, the Participant will be obligated to return the proceeds to Avaya.

(i) Unenforceability . In the event that any provision of Section 8 , Section 9, Section 10 or Section 11 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. The twelve (12)-month period of restriction set forth in Section 10(a) , Section 10(c) , Section 10(d) and Section 10(e) hereof and the twelve (12)-month period of obligation set forth in Section 10(g) hereof shall be tolled, and shall not run, during any period of time in which the Participant is in violation of the terms thereof, in order that Avaya shall have the agreed-upon temporal protection recited herein.

(j) Limited Exception for Attorneys . Insofar as the restrictions set forth in this Section 10 prohibit the solicitation, inducement or attempt to hire a licensed attorney who is employed at Avaya, they shall not apply if the Participant is a licensed attorney and the restrictions contained herein are illegal, unethical or unenforceable under the laws, rules and regulations of the jurisdiction in which the Participant is licensed as an attorney.

(k) Attorneys ' Fees and Costs . Except as prohibited by law, the Participant shall indemnify Avaya from any and all costs and fees, including attorneys' fees, incurred by Avaya in successfully enforcing the terms of this Agreement against the Participant (including, but not limited to, a court partially or fully granting any application, motion, or petition by Avaya for a temporary restraining order, preliminary injunction, or permanent injunction), as a result of the Participant's breach or threatened breach of any provision contained herein. Avaya shall be entitled to recover from the Participant its costs and fees incurred to date at any time during the course of a dispute (*i.e.* , final resolution of such dispute is not a prerequisite) upon written demand to the Participant.

(l) Enforcement . Avaya agrees that it will not seek to enforce any violation of Section 10(a) , Section 10(c) , Section 10(d) or the portion of Section 10(e) that prohibits the Participant from hiring Avaya employees and independent contractors that primarily takes place in the State of California, during any period of time when such enforcement is contrary to or otherwise prohibited by California law or regulation.

11. Intellectual Property .

(a) In signing this Agreement, the Participant hereby assigns and shall assign to Avaya all of the Participant's rights, title and interest in and to all inventions, discoveries, improvements, ideas, mask works, computer or other apparatus programs and related documentation, and other works of authorship (hereinafter each designated " Intellectual Property "), whether or not patentable, copyrightable or subject to other forms of protection, made, created, developed, written or conceived by the Participant during the period of the Participant's relationship with Avaya, whether during or outside of regular working hours, either solely or jointly with another, in whole or in part, either: (i) in the course of such relationship, (ii) relating to the actual or anticipated business or research development of Avaya, or (iii) with the use of Avaya time, material, private or proprietary information, or facilities, except as provided in Section 11(d) below.

(b) The Participant will, without charge to Avaya, but at its expense, execute a specific assignment of title to Avaya and do anything else reasonably necessary to enable Avaya to secure a patent, copyright or other form of protection for said Intellectual Property anywhere in the world.

(c) The Participant acknowledges that the copyrights in Intellectual Property created within the scope of the Participant's relationship with Avaya belong to Avaya by operation of law.

(d) The Participant has previously provided to Avaya a list (the " Prior Invention List ") describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by the Participant prior to the Participant's relationship with Avaya, which belong to the Participant and which are not assigned to Avaya hereunder (collectively referred to as " Prior Inventions "); and, if no Prior Invention List was previously provided, the Participant represents and warrants that there are no such Prior Inventions.

(e) Exception to Assignments . THE PARTICIPANT UNDERSTANDS THAT THE PROVISIONS OF THIS AGREEMENT REQUIRING ASSIGNMENT OF INTELLECTUAL PROPERTY (AS DEFINED ABOVE) TO AVAYA DO NOT APPLY TO ANY INTELLECTUAL PROPERTY THAT QUALIFIES FULLY UNDER THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870 (SET FORTH IN ITS ENTIRETY BELOW). THE PARTICIPANT WILL ADVISE AVAYA PROMPTLY IN WRITING OF ANY INVENTIONS THAT THE PARTICIPANT BELIEVES MEET THE CRITERIA IN CALIFORNIA LABOR CODE SECTION 2870 AND WHICH WERE NOT OTHERWISE DISCLOSED ON THE PRIOR INVENTION LIST PREVIOUSLY DELIVERED TO AVAYA TO PERMIT A DETERMINATION OF OWNERSHIP BY AVAYA. ANY SUCH DISCLOSURE WILL BE RECEIVED IN CONFIDENCE.

CALIFORNIA LABOR CODE SECTION 2870
INVENTION ON OWN TIME-EXEMPTION FROM AGREEMENT

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

12. Compliance with Other Agreements and Obligations . The Participant represents and warrants that the Participant's employment or other relationship with Avaya and execution and performance of this Agreement, including the restrictive covenants in Section 8 , Section 9 , Section 10 and Section 11 , will not breach or be in conflict with any other agreement to which the Participant is a party or is bound, and that the Participant is not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of the Participant's obligations hereunder or the Participant's duties and responsibilities to Avaya, except as disclosed in writing to the Company's General Counsel no later than the time an executed copy of this Agreement is returned by the Participant. The Participant will not disclose to or use on behalf of Avaya, or induce Avaya to use, any proprietary information of any previous employer or other third party without that party's consent.

13. Governing Law . All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof. Any suit, action or proceeding with respect to this Agreement shall be governed by Section 13.9 of the Plan.

14. Entire Agreement; Amendment . This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter; provided however, that the restrictive covenants contained in Sections 8 through 12 hereof are in addition to and not in lieu of any other restrictive covenants by which the Participant may be bound. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

15. Notices; Electronic Delivery and Acceptance . Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future Options that may be awarded under the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. By accepting this Option Award, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. No Right to Employment or Service . Any questions as to whether and when there has been a Termination of Employment and the cause of such Termination of Employment shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

17. Transfer of Personal Data . The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the Option awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

18. Compliance with Laws . The grant of the Option (and the issuance of the Option Shares upon exercise of the Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities

laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule, regulation or exchange requirement applicable thereto. The Company shall not be obligated to grant the Option or issue any of the Option Shares pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the issuance of any Option Shares, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

19. Binding Agreement . This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns.

20. Headings . The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

21. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

22. Further Assurances . Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

23. Severability . The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

24. Acquired Rights . The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary compensation, and shall not be considered as part of such compensation in the event of severance, redundancy or resignation.

25. Acceptance of Agreement . Notwithstanding anything herein to the contrary, in order for this Award to become effective, the Participant must acknowledge acceptance of this Agreement no later than the sixtieth (60 th) day following the Grant Date (the " Final Acceptance Date "). If the Participant's acceptance of this Agreement does not occur by the Final Acceptance Date, then the entire Award will be forfeited and cancelled without any consideration therefor, except as otherwise determined in the Committee's sole and absolute discretion.

26. No Waiver . No waiver or non-action by either party hereto with respect to any breach by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

27. No Rights as a Stockholder . The Participant's interest in the Option shall not entitle the Participant to any rights as a stockholder of the Company. The Participant shall not be deemed to be the holder of, or have any of the rights and privileges of a stockholder of the Company in respect of, the shares of Common Stock unless and until such shares have been issued to the Participant upon exercise in accordance with Section 4 .

28. Section 409A . Notwithstanding anything herein or in the Plan to the contrary, the Option is intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [•].

AVAYA HOLDINGS CORP.

By: _____
Name: Patrick J. O'Malley, III
Title: Senior Vice President and Chief Financial Officer

PARTICIPANT

[To be executed electronically.]

Exhibit 21.1

Company Name	State or Other Jurisdiction of Incorporation or Organization
3102455 Nova Scotia Company	Nova Scotia
Aurix Limited	United Kingdom
Avaya (China) Communication Co. Ltd.	China
Avaya (Dalian) Intelligent Communications Co., Ltd.	China
Avaya (Gibraltar) Investments Limited	Gibraltar
Avaya (Malaysia) Sdn. Bhd.	Malaysia
Avaya (Shanghai) Enterprise Management Co., Ltd.	China
Avaya Argentina S.R.L.	Argentina
Avaya Australia Pty Ltd	Australia
Avaya Austria GmbH	Austria
Avaya Belgium SPRL	Belgium
Avaya Beteiligungs GmbH	Germany
Avaya Brasil LTDA.	Brazil
Avaya CALA Inc.	Delaware
Avaya Canada Corp.	Nova Scotia
Avaya Capital Ireland	England & Wales
Avaya Capital Ireland Unlimited Company	Ireland
Avaya Chile Limitada	Chile
Avaya CIS LLC	Russian Federation
Avaya Communication de Colombia S.A.	Colombia
Avaya Communication de Mexico, S.A. de C.V.	Mexico
Avaya Communication Israel Ltd.	Israel
Avaya Comunicación España S.L.U.	Spain
Avaya Cyprus Investments Limited	Cyprus
Avaya Czech Republic s.r.o.	Czech Republic
Avaya d.o.o.	Croatia
Avaya Denmark ApS	Denmark
Avaya Deutschland GmbH	Germany
Avaya Dutch Holdco B.V.	Netherlands
Avaya ECS Limited	England & Wales
Avaya Egypt LLC	Egypt
Avaya EMEA Ltd.	Delaware
Avaya Enterprises S.R.L.	Romania
Avaya Federal Solutions, Inc.	Delaware
Avaya Finland Oy	Finland
Avaya France SAS	France
Avaya GCM Sales Limited	Ireland
Avaya German Holdco GmbH	Germany
Avaya Germany GmbH	Germany
Avaya GmbH & Co. KG	Germany
Avaya Holding EMEA BV	Netherlands
Avaya Holdings Limited	Ireland

Avaya Holdings LLC	Delaware
Avaya Holdings Two, LLC	Delaware
Avaya Hong Kong Company Limited	Hong Kong
Avaya Hungary Ltd./Avaya Hungary Communication Limited Liability Company	Hungary
Avaya Inc.	Delaware
Avaya India (SEZ) Pvt Ltd	India
Avaya India Private Limited	India
Avaya Integrated Cabinet Solutions LLC	Delaware
Avaya International Enterprises Ltd.	Ireland
Avaya International Sales Limited	Ireland
Avaya Ireland Limited	Ireland
Avaya Italia S.p.A.	Italy
Avaya Japan Ltd.	Japan
Avaya Korea Ltd.	Korea, Republic Of
Avaya Limited	England & Wales
Avaya Luxembourg Investments S.a.r.l.	Luxembourg
Avaya Luxembourg Sarl	Luxembourg
Avaya Macau Limitada	China
Avaya Management Services Inc.	Delaware
Avaya Mauritius Ltd	Mauritius
Avaya Nederland B.V.	Netherlands
Avaya New Zealand Limited	New Zealand
Avaya Nigeria Limited	Nigeria
Avaya Norway AS	Norway
Avaya Panama Ltda.	Panama
Avaya Peru S.R.L.	Peru
Avaya Philippines, Inc.	Philippines
Avaya Poland Sp. z.o.o.	Poland
Avaya Puerto Rico, Inc.	Puerto Rico
Avaya Services Inc.	New York
Avaya Singapore Pte Ltd	Singapore
Avaya Sweden AB	Sweden
Avaya Switzerland GmbH	Switzerland
Avaya Training and Service Center FZE	Netherlands
Avaya UK	England & Wales
Avaya UK Holdings Limited	England & Wales
Avaya Venezuela S.R.L.	Venezuela
Avaya Verwaltungs GmbH	Germany
Avaya World Services Inc.	Delaware
Esna Technologies Inc.	Ontario
Esna Technologies Ltd	United Kingdom
Global Horizon Holdings Ltd	Israel
Harmatis Ltd.	Israel
KnoahSoft Technologies Private Limited	India
KnoahSoft, Inc.	Delaware

Konftel AB	Sweden
Mosaix Limited	England & Wales
Network Alchemy Ltd.	England & Wales
Nimcat Networks General Partnership	Canada
Octel Communications LLC	Delaware
Octel Communications Ltd.	England & Wales
Octel Communications Services Ltd.	England & Wales
Persony, Inc.	Delaware
PT Sierra Communication Indonesia	Indonesia
Radvision Communication Development Beijing Co. Ltd. (RCD)	Bejing
Radvision Government Services, Inc.	Delaware
Rhetorex Europe Ltd.	England & Wales
Sierra Asia Pacific Inc.	Delaware
Sierra Communication International LLC	Delaware
Sipera Systems Private Limited	India
Sipera Systems Uk Limited	United Kingdom
Spectel (UK) Limited	England & Wales
Spectel Limited	Ireland
Spectel Operations Limited	Ireland
Spectel Research Limited	Ireland
Technology Corporation of America, Inc.	Delaware
Tenovis Direct GmbH	Germany
Tenovis Telecom Frankfurt GmbH & Co. KG	Germany
Ubiquity Software Corporation	Delaware
Ubiquity Software Corporation Limited	England & Wales
VPNet Technologies, Inc.	Delaware
Windward Corp.	Cayman Islands
Zang, Inc.	Delaware
ZangCloud Limited	Ireland