

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

Form 10-K

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

For the fiscal year ended December 31, 2017

OR

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

For the transition period from to

Commission file number 001-38335



Liberty Latin America Ltd.

(Exact name of Registrant as specified in its charter)

Bermuda

(State or other jurisdiction of incorporation or organization)

98-1386359

(I.R.S. Employer Identification No.)

2 Church Street, Hamilton

(Address of principal executive offices)

HM 11

(Zip Code)

Registrant's telephone number, including area code: (441) 295-5950 or (303) 925-6000

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

Title of Each Class	Name of Each Exchange on Which Registered
Class A Shares, par value \$0.01 per share	The NASDAQ Stock Market LLC
Class C Shares, par value \$0.01 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: none

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

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

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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. Check one:

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ 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 ☐

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

The aggregate market value of the voting and non-voting shares held by non-affiliates of Liberty Latin America Ltd. computed by reference to the last sale price of such shares, as of the closing of trading on June 30, 2017, was zero. Liberty Latin America Ltd. was incorporated on July 11, 2017, at which time it was a direct, wholly-owned subsidiary of Liberty Global plc.

The number of outstanding common shares of Liberty Latin America Ltd. as of January 31, 2018 was: 48,429,081 Class A; 1,939,993 Class B; and 120,843,620 Class C.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the Registrant's 2018 Annual General Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K.

LIBERTY LATIN AMERICA LTD.
ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

	Page Number
PART I	
Item 1. Business	<u>I-1</u>
Item 1A. Risk Factors	<u>I-27</u>
Item 1B. Unresolved Staff Comments	<u>I-47</u>
Item 2. Properties	<u>I-47</u>
Item 3. Legal Proceedings	<u>I-47</u>
Item 4. Mine Safety Disclosures	<u>I-47</u>
PART II	
Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	<u>II-1</u>
Item 6. Selected Financial Data	<u>II-2</u>
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	<u>II-3</u>
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	<u>II-38</u>
Item 8. Financial Statements and Supplementary Data	<u>II-42</u>
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	<u>II-42</u>
Item 9A. Controls and Procedures	<u>II-42</u>
Item 9B. Other Information	<u>II-42</u>
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	<u>III-1</u>
Item 11. Executive Compensation	<u>III-1</u>
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	<u>III-1</u>
Item 13. Certain Relationships and Related Transactions, and Director Independence	<u>III-1</u>
Item 14. Principal Accountant Fees and Services	<u>III-1</u>
PART IV	
Item 15. Exhibits, Financial Statement Schedules	<u>IV-1</u>
Item 16. Form 10-K Summary	<u>IV-3</u>

PART I

Item 1. BUSINESS

(a) General Development of Business

Liberty Latin America Ltd. is an international provider of video, broadband internet, fixed-line telephony and mobile services. Through our subsidiaries, we provide residential and business-to-business (**B2B**) services in (i) 18 countries, primarily in Latin America and the Caribbean through Cable & Wireless Communications Limited (**C&W**), (ii) Chile through VTR.com SpA (**VTR**) and (iii) Puerto Rico through Liberty Cablevision of Puerto Rico LLC (**Liberty Puerto Rico**), an entity in which we hold a 60.0% ownership interest (Searchlight Capital Partners L.P. (**Searchlight**) owns the 40% of Liberty Puerto Rico that we do not own). C&W also provides (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale communication services over its sub-sea and terrestrial fiber optic cable networks that connect over 40 markets in that region. In the following text, the terms “**Liberty Latin America**,” “**we**,” “**our**,” “**our company**” and “**us**” may refer, as the context requires, to Liberty Latin America Ltd. or collectively to Liberty Latin America Ltd. and its subsidiaries.

The operations of C&W are provided through various consolidated subsidiaries, including the following subsidiaries where we own less than 100%: Cable & Wireless Panama, SA (**C&W Panama**) (a 49.0%-owned entity that owns most of our operations in Panama); The Bahamas Telecommunications Company Limited (**BTC**) (a 49.0%-owned entity that owns all of our operations in the Bahamas); and Cable & Wireless Jamaica Limited (**C&W Jamaica**) (an 82.0%-owned entity that owns the majority of our operations in Jamaica). On December 28, 2017, one of our subsidiaries made a public take-over offer to purchase all of the outstanding shares in C&W Jamaica not already owned through our subsidiaries at a price of \$1.45 per share (in Jamaican dollars). The offer closes February 28, 2018 unless otherwise extended.

We were originally formed as a Bermuda company on July 11, 2017, as a wholly-owned subsidiary of Liberty Global plc (**Liberty Global**) under the name LatAm Splitco Ltd. and we changed our name to Liberty Latin America Ltd. on September 22, 2017. During October 2017, the Board of Directors of Liberty Global authorized a plan to distribute to the holders of Liberty Global’s LiLAC Shares (as defined and described in note 1 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K) common shares in our company (the **Split-Off**), which was completed on December 29, 2017.

References in the following text to our assets, liabilities or businesses reflect the historical information of (i) certain former subsidiaries of Liberty Global for periods prior to the Split-Off and (ii) Liberty Latin America and its consolidated subsidiaries for the period following the Split-Off. Although Liberty Latin America was previously reported on a combined basis, the financial and operating information presented herein includes Liberty Latin America and its consolidated subsidiaries for all periods presented, unless stated otherwise.

Split-off of Liberty Latin America from Liberty Global

Following the Split-Off, Liberty Latin America and Liberty Global operate as separate, publicly traded companies, and neither has any share ownership, beneficial or otherwise, in the other. In the Split-Off, 48,428,841 Class A common shares, 1,940,193 Class B common shares and 120,843,539 Class C common shares of Liberty Latin America were issued. Several agreements were entered into in connection with the Split-Off between Liberty Latin America, Liberty Global and/or certain of their respective subsidiaries. The following summarizes the material agreements:

- a reorganization agreement, which provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between Liberty Global and Liberty Latin America with respect to and resulting from the Split-Off;
- a tax sharing agreement (the **Tax Sharing Agreement**), which governs the parties’ respective rights, responsibilities and obligations with respect to taxes and tax benefits, the filing of tax returns, the control of audits and other tax matters;
- a services agreement (the **Services Agreement**), pursuant to which, for up to two years following the Split-Off with the option to renew for a one-year period, Liberty Global will provide Liberty Latin America with specified services, including access to Liberty Global’s procurement team and tools to leverage scale and take advantage of joint purchasing opportunities, certain management services, other services to support Liberty Latin America’s legal, tax, accounting and finance departments, and certain technical and information technology services (including software development services associated with the Horizon platform, management information systems, computer, data storage, and network and telecommunications services);

- a sublease agreement (the **Sublease Agreement**), pursuant to which Liberty Latin America will sublease office space from Liberty Global in Denver, Colorado until May 31, 2031, subject to customary termination and notice provisions; and
- a facilities sharing agreement, pursuant to which, for as long as the Sublease Agreement remains in effect, Liberty Latin America will pay a fee for the usage of certain facilities at the office space in Denver, Colorado.

Developments in the Business

We have expanded our footprint through new build projects and strategic acquisitions. Our new build projects consist of network programs pursuant to which we connect additional homes and businesses to our broadband communications network. We are also upgrading networks to make them two-way compatible. During the past three years, we connected or upgraded approximately 900,000 additional homes and commercial premises, including homes and commercial premises connected by C&W prior to its acquisition by Liberty Global on May 16, 2016, to our two way networks. We have made strategic acquisitions to drive scale benefits across our business, enhancing our ability to innovate and deliver quality services, content and products to our customers. Within the last five years, we completed the following acquisitions:

- the acquisition on May 16, 2016 of C&W, a well-recognized and respected brand that has been in use for more than 70 years; and
- the acquisition on June 3, 2015 of Choice Cable TV, a cable and broadband services provider in Puerto Rico, which has been integrated into our Liberty Puerto Rico operations.

For information regarding our material financing transactions, see note 9 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K.

Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. The most extensive damage occurred in Puerto Rico and certain of C&W's markets (collectively, the **Impacted Markets**), including damage to power supply and transmission systems. For information regarding the impacts of Hurricanes Irma and Maria, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Impacts of Hurricanes* included in Part II of this Annual Report on Form 10-K.

Pending Acquisition

On February 12, 2018, we entered into a definitive agreement to acquire 80% of Costa Rican cable operator, Cabletica, which is part of Televisora de Costa Rica S.A. in an all cash transaction. Cabletica is a leading cable operator in Costa Rica that provides analog and digital television, broadband internet and fixed-line telephony services to residential customers. The current owners of Cabletica will retain the remaining 20% interest. The transaction is subject to customary closing adjustments and conditions, including regulatory approvals, and is expected to close during the second half of 2018. For additional information on this acquisition, see note 20 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K.

(b) Financial Information About Operating Segments

Financial information about our reportable segments is provided in note 18 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K.

Forward-looking Statements

Certain statements in this Annual Report on Form 10-K constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. To the extent that statements in this Annual Report on Form 10-K are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under Item 1. *Business*, Item 1A. *Risk Factors*, Item 2. *Properties*, Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and Item 7A. *Quantitative and Qualitative Disclosures About Market Risk* may contain forward-looking statements, including statements regarding our business, product, foreign currency and finance strategies in 2018, the rate, cost and extent of our recovery in certain markets from the impact of Hurricanes Maria and Irma, our property and equipment additions in 2018 (including with respect to network extension and upgrade programs), subscriber growth and retention rates, competitive, regulatory and economic factors, the timing and impacts of proposed transactions, the maturity of our markets, the anticipated impacts of new legislation (or changes to existing rules and regulations), anticipated changes in our revenue, costs or growth rates, our liquidity, credit risks, foreign currency risks, target leverage levels, our future projected contractual commitments and cash flows and other information and statements that are not historical fact. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In evaluating these statements, you should consider the risks and uncertainties discussed under Item 1A. *Risk Factors* and Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*, as well as the following list of some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends in the countries in which we or our affiliates operate;
- the competitive environment in the industries in the countries in which we or our affiliates operate, including competitor responses to our products and services;
- fluctuations in currency exchange rates and interest rates;
- instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- changes in consumer television viewing preferences and habits;
- consumer acceptance of our existing service offerings, including our cable television, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- our ability to manage rapid technological changes;
- our ability to maintain or increase the number of subscriptions to our cable television, broadband internet, fixed-line telephony and mobile service offerings and our average revenue per household;
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, government regulations in the countries in which we or our affiliates operate and adverse outcomes from regulatory proceedings;
- government intervention that requires opening our broadband distribution networks to competitors;
- our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions, and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- our ability to successfully acquire new businesses and, if acquired, to integrate, realize anticipated efficiencies from and implement our business plan with respect to the businesses we have acquired or that we expect to acquire;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.S. or in other countries in which we or our affiliates operate;
- changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks;

- the ability of suppliers and vendors (including our third-party wireless network providers under our mobile virtual network operator (MVNO) arrangement) to timely deliver quality products, equipment, software, services and access;
- the availability of attractive programming for our video services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our ability to adequately forecast and plan future network requirements, including the costs and benefits associated with our planned Network Extensions (as defined below in *Description of Our Business-Products and Services-Residential Services-Internet Services*);
- the availability of capital for the acquisition and/or development of telecommunications networks and services;
- certain factors outside of our control that may impact the timing and extent of the restoration of our networks and services in Puerto Rico and certain of our C&W markets following Hurricanes Irma and Maria;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- the leakage of sensitive customer data;
- the outcome of any pending or threatened litigation;
- the loss of key employees and the availability of qualified personnel;
- changes in the nature of key strategic relationships with partners and joint venturers;
- our equity capital structure; and
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, hurricanes and other natural disasters, pandemics and other similar events.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this Annual Report on Form 10-K are subject to a significant degree of risk. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report on Form 10-K, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind the factors described under Item 1A. *Risk Factors*. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement.

(c) Narrative Description of Business

Overview

We are a leading telecommunications company with operations in Chile, Puerto Rico, the Caribbean and other parts of Latin America. The communications and entertainment services that we deliver to our residential and business customers include video, broadband internet, telephony and mobile services. In most of our operating footprint, we offer a “triple-play” of bundled services of digital video, internet and telephony in one subscription. We are also focused on leveraging our full-service product suite to deliver fixed-mobile convergence offerings. Available fixed service offerings depend on the bandwidth capacity of a particular system and whether it has been upgraded for two-way communications.

Our business products and services also include enterprise-grade connectivity, data center, hosting and managed solutions, as well as IT solutions with customers ranging from small and medium enterprises to international companies and governmental agencies. We also operate an extensive sub-sea and terrestrial fiber optic cable network that connects over 40 markets in the region, providing connectivity solutions both within and outside our operating footprint.

We are the largest fixed-line provider of high-speed broadband and video services across a number of our markets, including Chile, Puerto Rico, Jamaica and Trinidad and Tobago. We also operate the largest telephony network in most of our C&W markets where we provide residential communications services. In addition, we offer mobile services throughout most of our operating footprint. Across C&W’s markets, we are a mobile network operator in Panama and most of our Caribbean markets, including the Bahamas and Jamaica. As a network provider, we are able to offer a full range of voice and data services, including value-added, data-based and fixed-mobile converged services. In Chile, VTR provides mobile services as an MVNO and leases a third-party’s radio access network.

Our operating brands include the following:

<u>C&W</u>	<u>VTR</u>	<u>Liberty Puerto Rico</u>
    		

Operating Data

The following tables present certain operating data as of December 31, 2017, except as otherwise noted in note (a) to the table below. The tables reflect 100% of the data applicable to each of our subsidiaries, regardless of our ownership percentage. For additional information regarding terms used in the following tables, see the *Operating Data Glossary* below.

	Homes Passed	Two-way Homes Passed	Customer Relationships	Total RGUs	Video			Total Video	Internet Subscribers	Telephony Subscribers	Mobile Subscribers (b)
					Basic Video Subscribers	Enhanced Video Subscribers	DTH Subscribers				
C&W:											
Panama	541,500	541,500	179,200	307,300	—	47,900	29,700	77,600	104,500	125,200	1,682,300
Jamaica	458,300	448,300	233,300	447,900	—	102,500	—	102,500	168,500	176,900	953,700
The Bahamas (a)	128,900	128,900	47,400	80,200	—	6,200	—	6,200	26,600	47,400	254,900
Barbados	124,500	124,500	85,500	154,800	—	17,700	—	17,700	62,000	75,100	124,300
Trinidad and Tobago	316,000	316,000	156,300	281,200	—	107,400	—	107,400	124,300	49,500	—
Other (a)	362,400	342,600	207,900	310,400	11,700	66,700	—	78,400	129,200	102,800	401,300
Total C&W	1,931,600	1,901,800	909,600	1,581,800	11,700	348,400	29,700	389,800	615,100	576,900	3,416,500
VTR	3,394,700	2,912,800	1,406,900	2,877,400	67,500	999,900	—	1,067,400	1,181,600	628,400	214,900
Liberty Puerto Rico (a)	1,076,900	1,076,900	377,700	738,500	—	232,100	—	232,100	313,100	193,300	—
Total	6,403,200	5,891,500	2,694,200	5,197,700	79,200	1,580,400	29,700	1,689,300	2,109,800	1,398,600	3,631,400

- (a) During September 2017, Hurricanes Irma and Maria caused significant damage to our operations in Puerto Rico, as well as certain geographies within C&W, including the British Virgin Islands, Dominica and Anguilla, and to a lesser extent, Turks & Caicos, the Bahamas, Antigua and other smaller markets, resulting in disruptions to our telecommunications services within these islands. With the exception of the Bahamas, all of these C&W markets are included in the “Other” category in the accompanying table. For Puerto Rico, British Virgin Islands, Dominica and Anguilla, where we are still in the process of assessing the impacts of the hurricanes on our networks and subscriber counts, (i) the subscriber levels reflect the pre-hurricane RGU (as defined below) counts as of August 31, 2017, adjusted for net known disconnects through December 31, 2017 and (ii) the homes passed levels reflect the pre-hurricane homes passed counts as of August 31, 2017, adjusted for an estimated 30,000 homes in Puerto Rico that were destroyed in geographic areas we currently do not anticipate rebuilding our network. As of December 31, 2017, we have been able to restore service to approximately 340,000 RGUs of our total 738,500 RGUs at Liberty Puerto Rico. Additionally, services to most of our fixed-line customers have not yet been restored in the British Virgin Islands, Dominica and Anguilla. While mobile services have been largely restored in these markets, we are still in the process of completing the restoration of our mobile network infrastructure.

(b) Mobile subscribers are comprised of the following:

	<u>Prepaid</u>	<u>Postpaid</u>	<u>Total</u>
C&W:			
Panama	1,523,600	158,700	1,682,300
Jamaica	934,900	18,800	953,700
The Bahamas	228,100	26,800	254,900
Barbados	97,300	27,000	124,300
Other	346,300	55,000	401,300
Total C&W	3,130,200	286,300	3,416,500
VTR	6,900	208,000	214,900
Total	<u>3,137,100</u>	<u>494,300</u>	<u>3,631,400</u>

Operating Data Glossary

- **Basic Video Subscriber** – A home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. With the exception of RGUs that we count on an equivalent billing unit (**EBU**) basis, we count RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs. We exclude DTH subscribers (as defined below) from basic video subscribers.
- **Direct-to-Home (DTH) Subscriber** – A home, residential multiple dwelling unit or commercial unit that receives our video programming broadcast directly via satellite.
- **Enhanced Video Subscriber** – A home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced video subscribers that are not counted on an EBU basis are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber. An enhanced video subscriber is not counted as a basic video subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our basic video subscribers equal to the increase in our enhanced video subscribers.
- **Fixed-line Customer Relationships** – The number of customers who receive at least one of our video, internet or telephony services that we count as RGUs, without regard to which or to how many services they subscribe. To the extent that RGU counts include EBU adjustments, we reflect corresponding adjustments to our customer relationship counts. For further information regarding our EBU calculation, see —*Additional General Notes to Table* below. Fixed-line customer relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two customer relationships. We exclude mobile-only customers from customer relationships.
- **Homes Passed** – Homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant, except for DTH homes. Certain of our homes passed counts are based on census data that can change based on either revisions to the data or from new census results. We do not count homes passed for DTH.
- **Internet (Broadband) Subscriber** – A home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network. Our internet subscribers do not include customers that receive services from dial-up connections.
- **Mobile Subscribers** – Our mobile subscriber count represents the number of active subscriber identification module (**SIM**) cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after periods of inactivity ranging from 30 to 60 days, based on industry standards within the respective country. In a number of countries, our mobile subscribers receive mobile services pursuant to prepaid contracts.
- **Revenue Generating Unit (RGU)** – RGU is separately a basic video subscriber, enhanced video subscriber, DTH subscriber, internet subscriber or telephony subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in Chile subscribed to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of basic video, enhanced video, DTH, internet and telephony subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g., a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers or free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts. In this regard, our RGU counts exclude our separately reported postpaid and prepaid mobile subscribers.

- Telephony Subscriber – A home, residential multiple dwelling unit or commercial unit that receives voice services over our networks, or that we service through a partner network. Telephony subscribers exclude mobile telephony subscribers.
- Two-way Homes Passed – Homes passed by those sections of our networks that are technologically capable of providing two-way services, including video, internet and telephony services.

Additional General Notes to Table:

Most of our broadband communications subsidiaries provide telephony, broadband internet, data, video or other B2B services. Certain of our B2B service revenue is derived from small office/home office (SOHO) subscribers that pay a premium price to receive enhanced service levels along with video, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. All mass marketed products provided to SOHOs, whether or not accompanied by enhanced service levels and/or premium prices, are included in the respective RGU and customer counts of our broadband communications operations, with only those services provided at premium prices considered to be “SOHO RGUs” or “SOHO customers.” To the extent our existing customers upgrade from a residential product offering to a SOHO product offering, the number of SOHO RGUs or SOHO customers will increase, but there is no impact to our total RGU or customer counts. Due to system limitations, SOHO customers of C&W are not included in our respective RGU and customer counts as of December 31, 2017. With the exception of our B2B SOHO subscribers, we generally do not count customers of B2B services as customers or RGUs for external reporting purposes.

Certain of our residential and commercial RGUs are counted on an EBU basis, including residential multiple dwelling units and commercial establishments, such as bars, hotels and hospitals, in Chile and Puerto Rico. Our EBU's are generally calculated by dividing the bulk price charged to accounts in an area by the most prevalent price charged to non-bulk residential customers in that market for the comparable tier of service. As such, we may experience variances in our EBU counts solely as a result of changes in rates.

While we take appropriate steps to ensure that subscriber statistics are presented on a consistent and accurate basis at any given balance sheet date, the variability from country to country in (i) the nature and pricing of products and services, (ii) the distribution platform, (iii) billing systems, (iv) bad debt collection experience and (v) other factors add complexity to the subscriber counting process. We periodically review our subscriber counting policies and underlying systems to improve the accuracy and consistency of the data reported on a prospective basis. Accordingly, we may from time to time make appropriate adjustments to our subscriber statistics based on those reviews.

Fixed Network and Product Penetration Data (%)

	Chile	Panama	Puerto Rico (1)	Jamaica	Trinidad & Tobago	Barbados	The Bahamas (1)	Other C&W (1)
Network data:								
Two-way homes passed (2)	86%	100%	100%	98%	100%	100%	100%	95%
Homes passed:								
Cable (3)	100%	57%	100%	60%	100%	—%	—%	51%
FTTx (3)	—%	—%	—%	1%	—%	100%	29%	4%
VDSL (3)	—%	43%	—%	39%	—%	—%	71%	45%
Product penetration:								
Television (4)	31%	9%	22%	22%	34%	14%	5%	22%
Enhanced video (5)	94%	100%	100%	100%	100%	100%	100%	85%
Broadband internet (6)	41%	19%	29%	38%	39%	50%	21%	38%
Fixed-line telephony (6)	22%	23%	18%	39%	16%	60%	37%	30%
Double-play (7)	30%	35%	12%	36%	23%	47%	43%	39%
Triple-play (7)	37%	18%	42%	28%	29%	17%	13%	5%

(1) For additional information regarding the impacts of Hurricanes Maria and Irma, see —Operating Data above.

- (2) Percentage of total homes passed that are two-way homes passed.
- (3) Percentage of two-way homes passed served by a cable, fiber-to-the-home/-cabinet/-building/-node (**FTTx**) or digital subscriber line (**DSL**) network, as applicable. “**VDSL**” refers to both our DSL and very high-speed DSL technology networks.
- (4) Percentage of total homes passed that subscribe to cable television services (basic video or enhanced video).
- (5) Percentage of cable television subscribers (basic video and enhanced video subscribers) that are enhanced video subscribers.
- (6) Percentage of two-way homes passed that subscribe to broadband internet or fixed-line telephony services, as applicable.
- (7) Percentage of total customers that subscribe to two services (double-play customers) or three services (triple-play customers) offered by our operations (video, broadband internet and fixed-line telephony), as applicable.

Video, Broadband Internet & Fixed-Line Telephony and Mobile Services

	Chile	Panama	Puerto Rico	Jamaica	Trinidad & Tobago	Barbados	The Bahamas	Other C&W
Video services:								
Network System ⁽¹⁾	HFC	VDSL/HFC	HFC	VDSL/HFC/FTTX	HFC	FTTx	VDSL/FTTx	VDSL/HFC/FTTX
Broadband internet service:								
Maximum download speed offered (Mbps)	300	300	300 ⁽²⁾	100	240 ⁽³⁾	1,000	300	50 ⁽⁴⁾
	—	—	—	—	—	—	—	—
Mobile services:								
Network Technology ⁽⁵⁾	LTE	LTE	—	LTE	—	LTE	LTE	LTE / HSPA+

- (1) These are the primary systems used for delivery of services in the countries indicated. “**HFC**” refers to hybrid fiber coaxial cable networks.
- (2) In certain areas, speeds of up to 400 Mbps are available.
- (3) Speeds of up to 1 Gbps are available in limited areas.
- (4) In certain areas, speeds of up to 300 Mbps are available.
- (5) Fastest available technology. “**LTE**” refers to the Long Term Evolution Standard.

Products and Services

We offer our customers a comprehensive set of converged mobile, broadband, video and fixed-line telephony services. In the table below, we identify the services we offer in each of the countries in the Caribbean and Latin American where we have operations.

	Mobile	Broadband internet	Video ⁽¹⁾	Fixed-line telephony
C&W:				
Anguilla	X	X	X	X
Antigua & Barbuda	X	X	X	X
Barbados	X	X	X	X
British Virgin Islands	X	X	X	X
Cayman Islands	X	X	X	X
Curaçao		X	X	X
Dominica	X	X	X	X
Grenada	X	X	X	X
Jamaica	X	X	X	X
Montserrat	X	X		X
Panama	X	X	X	X
Seychelles	X	X	X	X
St. Kitts & Nevis	X	X	X	X
St. Lucia	X	X	X	X
St. Vincent & the Grenadines	X	X	X	X
The Bahamas	X	X	X	X
Trinidad & Tobago		X	X	X
Turks & Caicos	X	X	X	X
Chile	X	X	X	X
Puerto Rico		X	X	X

(1) Video services are offered through HFC, FTTx, DTH and VDSL delivery platforms.

We believe that our ability to offer our customers greater choice and selection in bundling their services enhances the attractiveness of our service offerings, improves customer retention, minimizes churn and increases overall customer lifetime value.

Residential Services

Mobile Services. We offer mobile services throughout most of our operating footprint. We are a mobile network provider in Panama and most of our Caribbean markets, including the Bahamas and Jamaica. In Chile, we provide mobile services as an MVNO, where VTR leases a third-party's radio access network. As a mobile network provider, we are able to offer a full range of voice and data services, including value-added services. Where available, we expect our mobile services will allow us to provide an extensive converged product offering with video, internet and fixed-line telephony, allowing our customers connectivity in and out of the home. We hold spectrum licenses as a mobile network provider, with terms typically ranging from 10 to 15 years.

Subscribers to our mobile services pay varying monthly fees depending on whether the mobile service is bundled with one of our other services or includes mobile data services over their phones, tablets or laptops. Our mobile services are available on a postpaid or prepaid basis, with most customers purchasing a prepaid plan. We offer our customers the option to purchase mobile handsets with purchase terms typically related to whether the customer selects a prepaid or postpaid plan. Customers selecting a prepaid plan or service pay in advance for a pre-determined amount of airtime or data and generally do not enter into a minimum contract term. Customers subscribing to a postpaid plan generally enter into contracts ranging from 12 to 24 months. The long-term contracts are often taken with a subsidized mobile handset. For each SIM card, we typically charge a one-time activation fee to our prepaid customers. Calls within and out of network incur a separate charge if not covered within a prepaid plan or under a postpaid monthly service plan. Our mobile services include voice, SMS and internet access via data plans.

Telephony Services. C&W is the incumbent fixed-line telephony service provider in many of its Caribbean markets. VTR is the second largest residential fixed-line telephony operator, and a leading provider within our footprint.

We offer multi-feature telephony service over our various fixed networks, including cable, FTTx and copper networks. Depending on location, these services are provided via either circuit-switched telephony or voice-over-internet-protocol (**VoIP**) technology. As the need arises, we are replacing obsolete switches with VoIP technology and older copper networks with modern fiber optics, as we continue to develop and invest in new technologies that will enhance our customers' experiences. These digital telephony services cover international, local and domestic services.

Video Services. We offer video services in Chile, Puerto Rico and in most of our C&W residential markets, including Panama, Jamaica, Trinidad and Tobago, Barbados and the Bahamas. To meet the demands of our customers, we have enhanced our video services with next generation, market leading digital television platforms that enable our customers to control when and where they watch their programming. These advanced services are delivered over our FTTx, VDSL and hybrid fiber coaxial cable networks and include a digital video recorder (**DVR**), a video-on-demand (**VoD**) offering and an advanced electronic programming guide. In certain of our markets, customers can pause their programming while the live broadcast is in progress and access a selection of channels through a mobile application.

In most of our markets, customers have access to VoD, which offers thousands of movies and other video content, including children's programming, documentaries, adult programming, sports and television series. Our VoD service features content available on a transaction basis and content available within the channel tiers, from basic and premium channels. Customers who subscribe to our video service receive a VoD enabled set-top box without an additional monthly charge. We continue to develop our VoD services to provide a growing collection of programming from leading local and international suppliers.

In Chile, we are currently working to implement Horizon Go, which will extend the advanced video viewing experience to connected devices beyond the set-top box, including mobile phones and tablets. In several of our Caribbean markets and Panama, we offer a comprehensive internet streaming video service (branded "Flow ToGo" and "+TV Go") that allows our video customers to stream an increasing number of channels with a broadband connection in and out of the home and on multiple devices. In Puerto Rico, our video customers can access over 70 applications from content providers to watch streamed linear and VoD programming by authenticating as a customer.

All of our operations with fixed video services offer multiple tiers of digital video programming starting with a basic video service (including digital audio channels). In addition, subscribers have the option to select extended and premium subscription tiers. Fixed digital video services require a set-top box provided by us that also enables access to enhanced features such as VoD. Subscribers to our basic video services pay a fixed monthly fee and generally can elect to receive, in most of our markets, a skinny entry tier or take a basic tier with a minimum of 100 video channels, including a number of high definition (**HD**) channels. We also offer a variety of premium channel packages combining channels and VoD. In the few markets where our analog service is still available, subscribers to that service typically receive fewer channels than subscribers to our basic digital service, with the number of channels dependent on their location. Subscribers to our digital services in each case receive the channels available through our analog service. In all of our video operations, we continue to upgrade our systems to expand our digital services and encourage our remaining analog subscribers to convert to a digital or premium digital service. Discounts to our monthly service fees are generally available to any subscriber who selects a bundled service of at least two of the following services: video, internet and fixed-line telephony.

We tailor our video services in each country of operation based on local programming preferences, culture, demographics and local regulatory requirements. Our channel offerings include the most relevant content to our subscribers, combining general entertainment, sports, movies, documentaries, lifestyle, news, adult, children and foreign channels, as well as local, regional and international broadcast networks. We also operate channels in the Caribbean, including the leading Caribbean sports network, Flow Sports.

Internet Services. Our customers are increasingly using online communications. To support our customers' expectations for seamless connectivity, we are expanding our networks to make ultrafast broadband available to more people. This includes investment in the convergence of our fixed and mobile data systems and making wireless systems available in the home. In 2017, we improved the connectivity of over 465,000 homes in Chile, Puerto Rico (prior to the impact of the hurricanes), Panama and other C&W markets through our Network Extension programs (as defined and described below). We initially launched the Connect Box to our subscribers in Chile and Puerto Rico and, in 2017, we began expansion of the Connect Box to various C&W markets. The Connect Box is a next generation WiFi and telephony gateway that enables us to maximize the impact of our ultrafast broadband networks by providing reliable wireless connectivity anywhere in the home. This gateway can be self-installed and has an automatic WiFi optimization function, which selects the best possible wireless frequency at any given time.

The internet speeds we offer are one of our differentiators, as customers spend more time streaming video and other bandwidth-heavy services on multiple devices. As a result, we are continuing to invest in additional bandwidth and technologies to increase internet speeds throughout our Latin America and Caribbean footprint. We have increased the top tier internet speed for our customers in Chile and Puerto Rico to 300 Mbps and, in certain areas of Puerto Rico, download speeds of up to 400 Mbps are available. We have also increased our broadband internet speeds in the C&W footprint following upgrades to our networks, notably in Panama and Jamaica. We plan to continue the upgrade and expansion of our fixed networks so that we can deploy high-speed internet service to additional customers in the coming years.

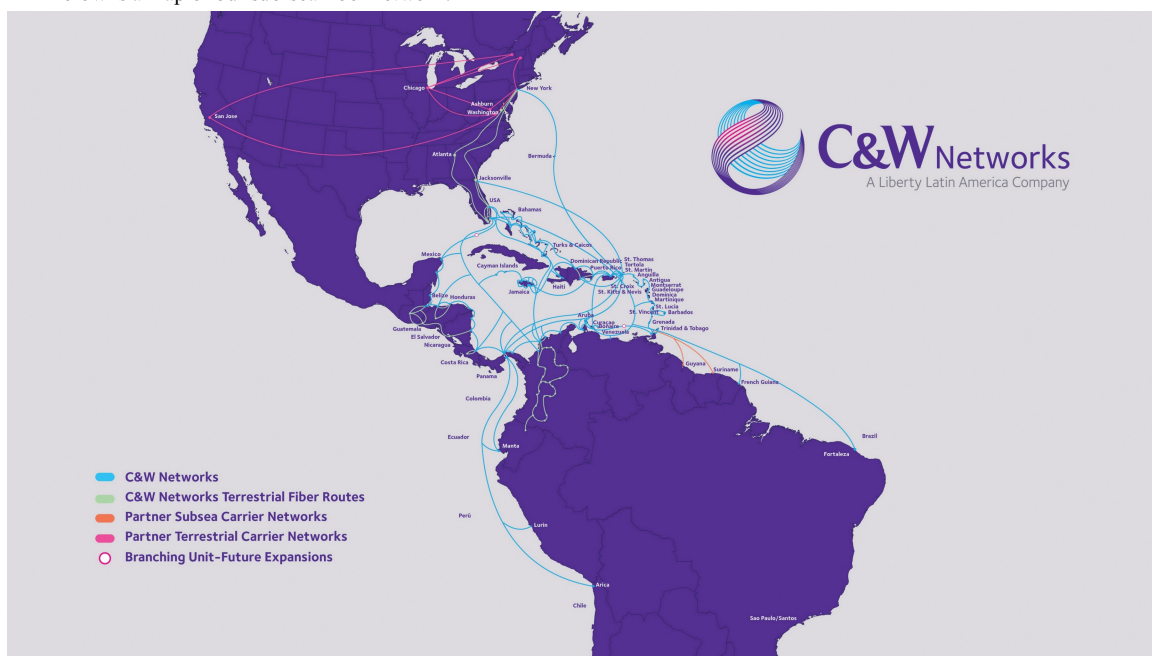
Our residential subscribers access the internet via DSL over our fixed-line telephony networks, FTTx or hybrid fiber coaxial cable networks and with cable modems connected to their internet capable devices, including personal computers, or wirelessly via the Connect Box. In each of our markets, we offer multiple tiers of internet service. The speed of service depends on location and the tier of service selected by our subscribers.

Our internet service generally includes email, address book and parental controls with value-added services available for additional incremental charges. Our value-added services include security measures and online storage. Mobile broadband internet services are also available through our mobile services described above. Subscribers to our internet service pay a monthly fee based on the tier of service selected. In addition to the monthly fee, customers pay an activation service fee upon subscribing to an internet service. This one-time fee may be waived for promotional reasons. We determine pricing for each different tier of internet service through an analysis of speed, market conditions and other factors.

Business Services

C&W is one of the largest business service providers in its markets, and business services represent a significant portion of C&W's revenue. We offer cloud based integrated communication services, connectivity and wholesale solutions to carriers and businesses throughout the Caribbean and in parts of Latin America via our sub-sea and terrestrial fiber optic cable networks. Our systems include long-haul terrestrial backbone and metro fiber networks that provide access to major commercial zones, wireless carrier cell sites and customers in key markets within our operating footprint. Our networks deliver critical infrastructure for the transit of growing traffic from businesses, governments and other telecommunications operators across the region, particularly to the high-traffic destination of the United States.

Below is a map of our sub-sea fiber network.



With over 50,000 km of fiber optic cable, and a capacity of over 3 terabytes per second (**Tbps**), C&W is able to carry large volumes of voice and data traffic on behalf of our customers, businesses and carriers. C&W's networks also allow us to provide point-to-point, clear channel wholesale broadband capacity services and IP transit, superior switching and routing capabilities and local network services to telecommunications carriers, internet service providers (**ISPs**) and large corporations. In case of outages on portions of the cable systems, our network provides inbuilt resiliency due to the capability of re-routing traffic. C&W is highly regarded for its wholesale services. At the 2017 MEF Excellence Awards, C&W received the Best Network and Service Innovation in the Caribbean and Latin America Award. In 2017, it was recognized for its innovation and excellence in wholesale services at the 2017 Global Carrier Awards where it received the Best Latin American Wholesale Carrier Award, having won Best Caribbean Wholesale Carrier the previous four years. In 2017, C&W won the Wholesale Service Innovation worldwide award category in the Global Telecom Business Telecoms Innovation Awards.

Our business operations service small and medium business segments as well as larger corporate and enterprise organizations including multi-national companies and governments. We also target specific industry segments, such as financial institutions, the hospitality sector, education institutions and government ministries and agencies. We offer tailored solutions that combine our standard services with value added features, such as dedicated customer care and enhanced service performance monitoring. Our business products and services include voice, broadband, enterprise-grade connectivity, network security, unified communications and a range of cloud based IT solutions, such as Infrastructure as a Service (**IaaS**), disaster recovery and other service offerings. We also offer a range of data, voice and internet services to carriers, ISPs and mobile operators. Our extensive fiber optic cable networks allow us to typically deliver redundant, end-to-end connectivity. It also allows us to provide business customers our services over fiber lines and local networks; thereby, seamlessly connecting businesses anywhere in the region.

Our business services fall into five broad categories:

- VoIP and circuit-switch telephony, on-premise and hosted private branch exchange solutions and conferencing options, hosted contact center solutions;
- data services for internet access, virtual private networks, high capacity point-to-point, point-to-multi-point and multi-point-to-multi-point services, managed networking services such as wide area networks and WiFi networks;
- wireless services for mobile voice and data;

- interactive TV service with specialized channel lineups for targeted industries; and
- value added services, including cloud IT services such as disaster recovery as a service, backup services, and IaaS; managed network security services; and specialized services such as digital signage, retail analytics and location based marketing.

We offer a comprehensive range of information and communication technology solutions to businesses and governmental agencies, including a broad suite of cloud-based services, as well as a suite of commercial grade triple-play services. Our telephony and telecommunication services include flexible call handling, teleconferencing, voice mail and other premium calling features, as well as security, surveillance and backup services. We believe that the extensive reach of our network and assets, as well as our comprehensive set of capabilities means that we are well-positioned to meet the needs of high-value business and government customers that are increasingly searching for a single provider to manage their ever more complex communications, connectivity and information technology needs.

We work with businesses to customize their information and communications services based on the needs of the business. For these tailored services, we enter into individual multi-year agreements. For SOHO and small business customers, we generally enter into standard service agreements with contractually established prices based on the size of the business, the services received and the volume and duration of the services. We also have agreements to provide our services to our business customers over fully managed and monitored network bandwidth, dedicated fiber lines and third-party fiber networks. Our intermediate to long-term strategy is to enhance our capabilities and offerings in the business sector so we become a preferred provider in the business market. To execute this strategy successfully, customer care is a key driver and, accordingly, we continually strive to improve the capabilities of our shared service support centers.

Technology

In many of our markets, our broadband internet, video and fixed-line telephony services are transmitted over a hybrid fiber coaxial cable network. This network is composed primarily of fiber networks that are connected to the home over the last few hundred meters by coaxial cable. In several of our Caribbean markets, our services are transmitted over a fixed network consisting of FTTx, VDSL or copper lines. Over 90% of our networks allow for two-way communications and are flexible enough to support our current services as well as new services.

We closely monitor our network capacity and customer usage. We continue to take actions and explore improvements to our technologies that will increase our capacity and enhance our customers' connected entertainment experience. These actions include:

- recapturing bandwidth and optimizing our networks by:
 - increasing the number of nodes in our markets;
 - increasing the bandwidth of our hybrid fiber coaxial cable networks;
 - converting analog channels to digital;
 - bonding additional data over cable service interface specification (DOCSIS) 3.0 channels;
 - deploying VDSL over our fixed telephony network;
 - replacing copper lines with modern optic fibers; and
 - using digital compression technologies.
- freeing spectrum for high-speed internet, VoD and other services by encouraging customers to move from analog to digital services;
- increasing the efficiency of our networks by moving headend functions (encoding, transcoding and multiplexing) to cloud storage systems;
- enhancing our network to accommodate further business services;
- using our wireless technologies to extend services outside of the home;
- offering remote access to our video services through laptops, smart phones and tablets;

- expanding the availability of next generation decoder boxes (such as Horizon TV) and related products, as well as developing and introducing online media sharing and streaming or cloud-based video; and
- testing new technologies.

We are engaged in network extension and upgrade programs at C&W, VTR and Liberty Puerto Rico, although the Liberty Puerto Rico program has been interrupted by the impacts of the hurricanes. We collectively refer to these network extension and upgrade programs as the “**Network Extensions**.” Through the Network Extensions, we are expanding our fixed networks pursuant to which we connect or upgrade homes and businesses to our broadband communications network. In addition, we are seeking mobile service opportunities where we have established cable networks and expanding our fixed-line networks where we have a strong mobile offering. This will allow us to offer converged fixed-line and mobile services to our customers.

We deliver high-speed data and fixed-line telephony over our various fixed networks, including cable, FTTx and copper networks. These networks are further connected via our sub-sea and terrestrial fiber optic cable networks that provide connectivity within and outside the region. Our sub-sea network cables terminating in the United States carry over 3 Tbps, which represent less than 10% of their potential capacity based on current deployed technology, presenting us with significant growth opportunities. In Puerto Rico, our network includes a fiber ring around the island that provides enhanced interconnectivity points to the island’s other local and international telecommunications companies. The fiber ring provides enhanced interconnectivity points to the island’s other local and international telecommunications companies.

Supply Sources

Content

With telecommunication companies increasingly offering similar services, content is one of the drivers for customers in selecting a video services provider. Therefore, in addition to providing services that allow our customers to view programming when and where they want, we are investing in content that matters the most to our customers. Our content strategy is based on:

- proposition (meeting and exceeding our customers’ expectations on entertainment);
- product (making available the best content anywhere and anytime);
- acquisition (investment in the best channels, VoD content and exclusive sports); and
- partnering (strategic alignment with content partners and growth opportunities).

Except for our Flow Sports and Flow 1 entertainment services in the Caribbean, we license almost all of our programming and on-demand offerings through distribution agreements with third-party content providers, including broadcasters and cable programming networks. For such licenses, we generally pay a monthly fee on a per subscriber basis, with minimum guarantees in certain cases through long-term programming licenses. For our distribution agreements, we seek to include the rights to offer the licensed channels and programming to our customers through multiple delivery platforms including through our apps for IP connected devices and websites. We also acquire rights to make available, in selected markets, basic and/or premium video services to mobile and/or broadband subscribers that are not TV subscribers.

In seeking licenses for content, our primary focus is on partnering with leading international providers, such as Disney/ESPN, Fox, Time Warner/HBO, Discovery, NBCU and Viacom. We also seek to carry in each of our markets key local broadcasters. For our VoD services, we license a variety of programming, including Hollywood movies, music, children’s programming, documentaries and local productions.

We also use exclusive content in order to differentiate our video proposition. We operate the leading Caribbean sports network, Flow Sports. Since August 2016, Flow Sports has broadcast all of the Premier League games across our Caribbean markets, excluding Puerto Rico, as part of a three-year exclusive agreement, over a combination of a basic service, Flow Sports (also distributed to other pay TV operators), and a premium service, Flow Sports Premier (available exclusively to our customers). In 2017, Flow Sports announced that it acquired, in partnership with another channel, the rights to the UEFA Champions League and Europa Cup in a three-year agreement from June 2018. Flow Sports also broadcasts the other leading sports in the region, including cricket and track and field. Through the Flow Sports app, our video customers are able to watch Flow Sports content exclusively on-the-go and across multiple screens.

In Chile, we are subject to certain regulatory conditions, which were imposed in connection with VTR’s combination with Metropolis Intercom S.A. in April 2005, including a prohibition on VTR obtaining exclusive broadcast rights, except for specific events.

Mobile Handsets and Customer Premises Equipment

We use a variety of suppliers for mobile handsets to offer our customers mobile services. For other customer premises equipment, we purchase from a number of different suppliers with at least two or more suppliers providing our high-volume products. Customer premises equipment includes set-top boxes, modems, WiFi routers, DVRs, tuners and similar devices. For each type of equipment, we retain specialists to provide customer support. For our broadband services, we use a variety of suppliers for our network equipment and the various services we offer.

Software Licenses

We license software products, including email and security software as well as content, such as news feeds, from several suppliers for our internet services. The agreements for these products require us to pay a per subscriber fee for software licenses and a share of advertising revenue for content licenses. For our mobile network operations and our fixed-line telephony services, we license software products, such as voicemail, text messaging and caller ID, from a variety of suppliers. For these licenses we seek to enter into long-term contracts, which generally require us to pay based on usage of the services.

Access Arrangements

For our mobile services provided through the MVNO arrangement at VTR, we are dependent on a third-party wireless network provider, with whom we contract to carry the mobile communications traffic of our customers. We seek to enter into medium to long-term arrangements for this service. Any termination of this arrangement could significantly impact our mobile services provided through VTR.

Regulatory Matters

Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in each of the markets in which we operate, and the scope of regulation varies from market to market. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and type of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing rules and restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

C&W

The video, broadband and telephony services provided by C&W are subject to regulation and enforcement by various governmental and regulatory entities in each of the jurisdictions where such services are provided. The scope and reach of these regulations are distinct in each market. Generally, C&W provides services in accordance with licenses and concessions granted by national authorities pursuant to national telecommunication legislation and associated regulations. Certain of these regulatory requirements are summarized below.

As the incumbent telecommunications provider in many of its jurisdictions, C&W is subject to significant regulatory oversight with respect to the provision of fixed-line and mobile telephony services. Generally, in these markets, C&W operates under a government issued license or concession that enables it to own and operate its telecommunication networks, including the establishment of wireless networks and the use of spectrum. These licenses and concessions are typically non-exclusive and have renewable multi-year terms that include competitive, qualitative and rate regulation. Licenses and concessions are scheduled to expire over the next two years in Jamaica, the Cayman Islands and Barbados. We believe we have complied with all local requirements to have existing licenses renewed and have provided all necessary information to enable local authorities to process applications for renewal in a timely manner. In addition, in some of the ECTEL (as defined below) states we are operating under expired licenses and have applied for renewal of such licenses. We expect that such licenses will be granted or renewed, as applicable, on the same or substantially similar terms and conditions in a timely manner. Pending issuance of new or renewed licenses or concessions, we continue to operate on the same terms and conditions as prior to the licenses expiring. With respect to licenses for mobile spectrum, the initial grant of the spectrum is typically subject to an auction process, but in some cases may be granted on the basis of an administrative process at a set level of fees for a fixed period of time, typically to coincide with carrier licenses, subject to annual fees and compliance with applicable license requirements.

Rate regulation of C&W's telephony services typically includes price caps that set the maximum rates C&W may charge to customers, or legislation that requires consent from a regulator prior to any price increases. In addition, all regulators determine and set the rates that may be charged by all telephony operators, including C&W, for interconnect charges, access charges between

operators for calls originating on one network that are completed through connections with one or more networks of other providers, and charges for network unbundling services. In addition, in certain markets, regulators set, or are seeking to set, mobile roaming rates.

In recent years, a number of markets in which C&W operates have demonstrated an increased interest in regulating various aspects of broadband internet services due to the increasing importance and availability of high speed broadband. As broadband internet access has become a national priority for many of C&W's markets, national regulators have demonstrated an increased focus on the issues of network resilience, broadband affordability and penetration, quality of services and consumer rights. Certain regulators are also seeking to mandate third-party access to C&W's network infrastructure, including dark fiber and landing stations, as well as to regulate wholesale services and prices. Any such decision and application to grant access to our network infrastructure may strengthen our competitors by granting them the ability to access our network to offer competing products and services without making the corresponding capital intensive infrastructure investment. In addition, any resale access granted to competitors on favorable economic terms that are not set by the free market could adversely impact our ability to maintain or increase our revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to our network, the pricing mandated by regulatory authorities and other competitive factors or market developments.

As examples of infrastructure sharing, the Office of Utilities Regulation in Jamaica is in the process of conducting a consultation that could result in telecom facilities sharing rules that could require us to share our infrastructure (including dark fiber, ducts, sub-sea cable landing stations and mobile network towers) with third parties, including our competitors without any requirement of making a corresponding capital intensive infrastructure investment. We intend to appeal and dispute any such ruling. In addition, the Eastern Caribbean Telecommunications Authority (**ECTEL**), the regulatory body for telecommunications in five Eastern Caribbean States (Commonwealth of Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent and the Grenadines), has adopted an Electronic Communications Bill that may have a material adverse impact on C&W's operations in the ECTEL member states. The proposed Electronic Communications Bill includes provisions relating to:

- net neutrality principles mandating equal access to all content and applications regardless of the source and without favoring, degrading, interrupting, intercepting, blocking access or throttling speeds;
- subscription television rate regulation;
- regulations implementing market dominance rules;
- network unbundling at regulated rates; and
- mandated unbundled access to all landing station network elements at cost-based rates.

We currently cannot determine the impact these provisions will have on our operations because national regulators are required to conduct extensive market reviews before adopting specific measures and these measures might be reconsidered in accordance with the market reviews. It is currently unclear as to when the new legislation will be enacted. To become law, the legislation will need to be passed by the Parliament of each ECTEL state, and there remains some concerns by St. Lucia and Grenada about the impact of the legislation on operators like C&W. We expect that consensus on the final version of the bill will take some time. As such, the timing and ultimate effect of the bill is unclear.

In Panama, as a result of a public consultation process, the regulator issued new guidelines and new quality goals for the Internet Public Service, by Resolution AN No.11370-Telco of June 26, 2017 and its modification, which went into effect in February 2018.

In addition to rate regulation, several markets in which C&W operates have imposed, or are considering imposing, regulations designed to further encourage competition, including introducing requirements related to unbundling, network access to third parties, and local number portability (**LNP**). LNP has been implemented in Panama, the Bahamas, the Cayman Islands and Jamaica and is currently being contemplated or implemented in other jurisdictions, including Barbados and Trinidad and Tobago.

The pay television service provided in certain C&W markets is subject to, among other things, subscriber privacy regulations, data protection laws and regulations, and the must-carry rule (as defined below) and retransmission consent rights of broadcast stations.

C&W is subject to universal service obligations in a number of markets. These obligations vary in specificity and extent, but they are generally related to ensuring widespread geographic coverage of networks and that the populations of C&W's individual markets have access to basic telecommunication services at minimum quality standards. In a number of cases, C&W is required

to support universal access/service goals through contributions to universal service funds or participate in universal service-related projects. A bill to modify the Panama Universal Service Law (Law 59) has been submitted for consideration to the National Assembly and a sub-commission has been formed to review it.

Another relevant bill in Panama relates to the consolidation of the Mobile Market, which has been approved in the first reading and pending on the second and third reading in the National Assembly. The proposed bill would allow mobile consolidation to three operators, which is currently set by law at four.

In addition to the industry-specific regimes discussed above, C&W's operating companies must comply with both specific and general legislation concerning, among other matters, data retention, consumer protection and electronic commerce. These operating companies are also subject to national level regulations on competition and on consumer protection.

The C&W Acquisition (as defined below) triggered regulatory approval requirements in certain jurisdictions in which C&W operates. The regulatory authorities in certain of these jurisdictions, including the Bahamas, Trinidad and Tobago and the Seychelles, have not completed their review of the C&W Acquisition or granted their approval. While we expect to receive all outstanding approvals, such approvals may include binding conditions or requirements that could have an adverse impact on C&W's operations and financial condition.

In Trinidad and Tobago, C&W was required by the Telecommunications Authority of Trinidad and Tobago (**TATT**), in connection with TATT's approval of C&W's acquisition of Columbus International Inc. in March 2015, to dispose of its 49% shareholding in the Telecommunications Services of Trinidad and Tobago Limited (**TSTT**). The disposal of C&W's stake in TSTT is not complete and the deadline set by TATT for such completion was recently extended to June 30, 2018. We cannot predict when, or if, we will be able to dispose of this investment at an acceptable price. As such, no assurance can be given that we will be able to recover the carrying value of our investment in TSTT.

Chile

VTR is subject to regulation and enforcement by various governmental entities in Chile including the Chilean Antitrust Authority, the Ministry of Transportation and Telecommunications (the **Ministry**) through the Chilean Undersecretary of Telecommunications (**SubTel**), the National Television Council (**CNTV**) and the National Consumer Service (**Sernac**).

In addition to the specific regulations described below, VTR is subject to certain regulatory conditions which were imposed by the Chilean Antitrust Authority in connection with VTR's combination with Metrópolis Intercom SA in April 2005. These conditions are indefinite and include, among others, (i) prohibiting VTR and its control group from participating, directly or indirectly through a related person, in Chilean satellite or microwave television businesses, (ii) prohibiting VTR from obtaining exclusive broadcast rights, except for specific events, and (iii) requiring VTR to offer its broadband capacity for resale of internet services on a wholesale basis.

Video. The provision of pay television services requires a permit issued by the Ministry. Cable pay television permits are granted for an indefinite term and are non-exclusive. As these permits do not involve radio electric spectrum, they are granted without ongoing duties or royalties. VTR has permits to provide cable pay television services in the major cities, including Santiago, and in most of the medium-sized markets in Chile.

Cable television service providers in Chile are free to define the channels and content included in their services and are not required to carry any specific programming, except as described below. However, CNTV may impose sanctions on providers who are found to have run programming containing excessive violence, pornography or other objectionable content. Pay television operators are directly responsible for violation of such prohibitions. Additionally, the Chilean Television Act (the **Television Act**) requires pay television operators to offer a certain quota of cultural content and to distribute public interest campaigns.

The Television Act establishes a retransmission consent regime between broadcast television concessionaires and pay television operators. This regime provides that once a broadcast operator achieves digital coverage of 85% of the population within its concession areas, the broadcast operator may require that pay television operators enter into an agreement for the retransmission of its digital signal. In addition, the Television Act requires that the technical or commercial conditions imposed by broadcast operators not discriminate among pay television operators. Also, the Television Act establishes a must carry regime requiring pay television operators to distribute up to four local broadcast television channels in each operating area. The channels that must be carried by any particular pay television operator are to be selected by CNTV. The full implementation of the retransmission and must carry regimes are still pending.

VTR's ability to change its channel lineup is restricted by an agreement reached with Semac in July 2012 and the general regulation established by SubTel in February 2014 (by the Telecommunication Services General Rulemaking). This framework

allows VTR to change one or more channels from its lineup after a 60-day notice period to its subscribers. In such cases, VTR shall offer a channel of similar content and quality or a proportional compensation. Despite this, after certain channel adjustments were applied in July 2016, the excluded programmers as well as social media have questioned VTR's ability to unilaterally modify its channel grid, arguing that content and quality of new channels should be identical to the excluded channels. A final position on this issue is pending.

Internet. A law passed in November 2017 requires all ISPs to apply for a public service concession for data transmission within three months of the passage of such law. Because VTR operates via networks that were previously approved by SubTel, VTR will use a fast-track procedure with respect to this concession.

A law on internet neutrality prohibits "arbitrary blockings" of legal content, applications or services and the provision of differentiated service conditions according to the origin or ownership of the content or service provided through the internet. Additionally, the law authorizes ISPs to take measures to ensure the privacy of their users and provide virus protection and safety processes over their network, as long as these measures do not infringe antitrust laws. Additional measures have been implemented, including obligations related to consumer information, traffic management policies, internet quality of service requirements and notices required by law concerning the effective maximum and minimum traffic speeds offered under internet access plans.

In order to protect the constitutional rights of privacy and safety of communications, ISPs are prohibited from undertaking surveillance measures over data content on their networks. Also, special summary proceedings have been created in order to safeguard intellectual property rights against violations committed through networks or digital systems. These proceedings include measures designed to withdraw, disqualify or block infringing content in the ISP's network or systems. The law also provides for the right of intellectual property owners to judicially request from ISPs the delivery of necessary information to identify the provider of infringing content.

A law passed in November 2017 requires all fixed and mobile ISPs to meet levels of quality of service to be defined in a future SubTel regulation. The law also requires ISPs to guarantee a minimum broadband throughput based on the offered speed and to provide their subscribers a certified measurement tool allowing subscribers to verify this minimum service level, and imposes on ISPs fines or penalties if the service level is not fulfilled.

Fixed-Line Telephony and Mobile Services. The provision of fixed-line telephony and mobile services requires a public telecommunications service concession. With respect to mobile services, in 2009, SubTel awarded VTR a license for 30 MHz of spectrum in the 1700/2100 MHz frequency band for the provision of wireless telephony services. The license has a 30-year renewable term. On January 15, 2014, SubTel initiated a proceeding against VTR based on its having allegedly "altered an essential element of its concession, particularly the type of service." In this proceeding, SubTel asserted that VTR was not in compliance with the terms of its wireless license. SubTel alleged that the terms of the wireless license require VTR to comply with certain minimum network coverage and traffic levels. VTR disagreed with SubTel's assertions regarding the terms of the wireless license and contested such assertions vigorously. The maximum possible sanctions include "the termination of the concession." The final ruling regarding this case is still pending.

VTR has concessions to provide fixed-line telephony in most major and medium-sized markets in Chile. Telephony concessions are non-exclusive and have renewable 30-year terms. The original term of VTR's fixed-line telephony concessions expires in November 2025. Long distance telephony services are considered intermediate telecommunications services and, as such, are also regulated by the Ministry. VTR has concessions to provide this service, which is non-exclusive, for a 30-year renewable term expiring in September 2025.

There are no universal service obligations in Chile. However, local service concessionaires are obligated to provide telephony service to all customers that are within their service area or are willing to pay for an extension to receive service. All local service providers, including VTR, must give long distance telephony service providers equal access to their network connections at regulated prices and must interconnect with all other public service concessionaires whose systems are technically compatible.

As a general rule, fixed-line telephony service providers are free to establish the rates directly charged to their customers, unless the Chilean Antitrust Authority concludes that due to a lack of sufficient competition in the market, rates should be fixed by SubTel. However, SubTel sets the maximum rates that may be charged by each operator for interconnect charges, access charges between operators for calls originating on one network that are completed through connections with one or more networks of other providers, and charges for network unbundling services. Rate regulation on interconnection charges is applicable to all fixed-line and mobile telephony companies, including VTR. The determination of the maximum rates that may be charged by operators for their fixed-line or mobile services are made on a case-by-case basis by SubTel and are effective for five years.

Other Chilean Regulation

Price Increase. The Consumer Rights Protection Law has been interpreted to require that any raise in rates exceeding inflation must be previously accepted and agreed to by subscribers. Although VTR disagrees with this interpretation, in July 2012, VTR reached an agreement with Sernac that permits VTR to make adjustments to its published prices twice per year to adjust for inflation, except those services that are subject to rate regulation. VTR is generally prohibited from increasing the rates over the inflation adjustment. VTR may, however, cancel a subscriber's contract after 12 months and propose a new contract with new rate provisions. Once a year VTR may propose to its existing subscribers additional changes to their rates, which must be accepted by the subscriber for the rates to go into effect.

Bundling. In 2012, the Chilean Antitrust Authority issued its regulation governing the on-net/off-net pricing practice in the mobile industry and the offering of bundled telecommunication services. Pursuant to the terms of this regulation, as revised by the Chilean Supreme Court, mobile services may be sold jointly with fixed-line services. However, promotional discounts are not permitted for these double-play offers. As for traditional bundling over the same platform (e.g., bundled fixed-line services such as our double-play and triple-play packages, or bundled mobile services), this regulation provides that such services may be bundled, subject to certain price limitations. These limitations require that the total price for a bundle must be greater than the standalone price for the most expensive service included in the bundle. Also, when three or more services are bundled, the price for the bundle must be greater than the sum of the standalone prices for each service in the bundle, excluding the lowest priced service.

Telecommunication Services Proposal. In February 2014, SubTel published a General Telecommunication Services Ruling that regulates the offer of telecommunication services, including voice, internet access, and pay television, either alone or in bundles, from a consumer protection point of view. The regulation introduced service billing, significant changes in contracts with customers, requirements regarding compensation in case of service failure, and rules regarding treatment of customers' personal information.

Minimum Standards on Quality of Service and Operation. Since 2013, SubTel has been drafting a proposed regulation regarding the Technical Fundamental Plan on Maintenance and Public Service Telecommunications Network Managing. This draft seeks to impose minimum standards on quality of service and operation of telecommunications networks, in general, and in some particular services: voice services; text and multimedia messages services; data transmission services; minimum coverage for mobile services; and digital terrestrial television minimum coverage. We are uncertain when SubTel will publish the final version of the plan.

Consumer's Rights Protection Law Amendment. In 2017, the Chilean Congress passed a bill assigning significant new powers to Sernac including a material increase in its ability to levy fines and compensations. However, it remains uncertain how or whether Sernac and SubTel will redefine their respective powers.

Puerto Rico

Liberty Puerto Rico is subject to regulation in Puerto Rico by various governmental entities at the Puerto Rico and the U.S. federal level, including the Federal Communications Commission (**FCC**). The Puerto Rico Telecommunications Regulatory Board (**TRB**), which was established in 1996, has primary regulatory jurisdiction in Puerto Rico at the local level and is responsible for awarding franchises to cable operators for the provision of cable service in Puerto Rico and regulating cable television and telecommunications services.

Our business in Puerto Rico is subject to comprehensive regulation under the United States Communications Act of 1934, as amended (the **Communications Act**), which regulates communication, telecommunication and cable television services. The Communications Act also provides the general legal framework for, among other things, the provision of telephone services, services related to interconnection between telephone carriers, and television, radio, cable television and direct broadcast satellite services.

The FCC and/or the TRB have the authority to impose sanctions, including warnings, fines, license revocations and, in certain specific cases, termination of the franchise, although license revocation and franchise termination are rare. The Communications Act specifies causes for the termination of FCC licenses, including, for example, the failure to comply with license requirements and conditions or to pay fines or fees in a timely manner. Such sanctions by the TRB and/or FCC can be appealed to, and reviewed by, Puerto Rican courts and U.S. federal courts.

In Puerto Rico, antitrust regulation is governed by the U.S. Sherman Act, other federal antitrust legislation, and the Puerto Rico Anti-Monopoly Law. In particular, the Sherman Act seeks to prevent anti-competitive practices in the marketplace and requires governmental review of certain business combinations, among other things. The Puerto Rico Anti-Monopoly Law substantially

parallels the Sherman Act and authorizes the Puerto Rico Department of Justice to investigate and impose competition-related conditions on transactions.

Puerto Rico Law 5 of 1973, as amended, created the Puerto Rico Department of Consumer Affairs, which regulates marketing campaigns, publicity, and breach of service contracts, and prohibits false advertising. The Puerto Rico Telecommunications Act of 1996 (**Law 213**), which created the TRB, requires that rates for telecommunication services be cost-based, forbids cross-subsidies and focuses on encouraging, preserving and enforcing competition in the cable and telecommunications markets. Although Law 213 does not require Liberty Puerto Rico to obtain any approval of rate increases for cable television or telecommunication services, any such increases must be in compliance with Law 213's requirements, including notification to the TRB before such increases take effect.

The video, internet and fixed-line telephony services that Liberty Puerto Rico provides are all subject to regulation:

- *Video.* The provision of cable television services requires a franchise issued by the TRB. Franchises are subject to termination proceedings in the event of a material breach or failure to comply with certain material provisions set forth in the franchise agreement governing a franchisee's system operations, although such terminations are rare. In addition, franchises require payment of a franchise fee as a requirement to the grant of authority. Franchises establish comprehensive facilities and service requirements, as well as specific customer service standards and monetary penalties for non-compliance. Franchises are generally granted for fixed terms of up to ten years and must be periodically renewed.

Our pay television service in Puerto Rico is subject to, among other things, subscriber privacy regulations and must-carry and retransmission consent rights of broadcast stations. The Communications Act and FCC rules govern aspects of the carriage relationship between broadcast television stations and cable companies. To ensure that every qualifying local television station can be received in its local market without requiring a cable subscriber to switch between cable and off-air signals, the FCC allows every qualifying full-power television broadcast station to require that all local cable systems transmit that station's primary digital channel to their subscribers within the station's market (the "**must-carry**" rule) pursuant to the Cable Television Consumer Protection and Competition Act of 1992. Alternatively, a station may elect every three years to forego its must carry rights and seek a negotiated agreement to establish the terms of its carriage by a local cable system, referred to as retransmission consent.

- *Internet.* Liberty Puerto Rico offers high-speed internet access throughout its entire footprint. In March 2015, the FCC issued an order classifying mass-market broadband internet access service as a "telecommunications service," changing its long-standing treatment of this offering as an "information service," which the FCC traditionally has subjected to limited regulation. The rules adopted by the FCC prohibited, among other things, broadband providers from: (i) blocking access to lawful content, applications, services or non-harmful devices; (ii) impairing or degrading lawful internet traffic on the basis of content, applications, services or non-harmful devices; and (iii) favoring some lawful internet traffic over other lawful internet traffic in exchange for consideration (collectively, **2015 Restrictions**). In addition, the FCC prohibited broadband providers from unreasonably interfering with users' ability to access lawful content or use devices that do not harm the network, or with edge providers' ability to disseminate their content, and imposed more detailed disclosure obligations on broadband providers than were previously in place. On December 14, 2017, the FCC adopted a Declaratory Ruling, Report and Order (the **2017 Order**) that, in large part, reversed the regulations issued by the FCC in 2015. The 2017 Order, among other things, restores the classifications of broadband Internet access as an information service under Title I of the Communications Act, and mobile broadband Internet access service as a private mobile service, and eliminates the 2015 Restrictions. The 2017 Order does require ISPs to disclose information to consumers regarding practices such as throttling, paid prioritization and affiliated prioritization, and restores broadband consumer protection authority to the Federal Trade Commission. The formal period for filing petitions for judicial review of the 2017 Order in federal court and petitions for reconsideration at the FCC will begin on the date that a summary of the 2017 Order is published in the Federal Register, which has not occurred. A number of state Attorneys General and public interest groups already have filed preliminary appeals of the 2017 Order in federal courts. Additional judicial appeals and petitions for reconsideration of the 2017 Order likely will be filed in federal courts and at the FCC, respectively, during the formal filing period. Legislative proposals regarding the net neutrality rules also are pending in Congress.
- *Fixed-Line Telephony Services.* Liberty Puerto Rico offers fixed-line telephony services, including both circuit-switched telephony and VoIP. Its circuit-switched telephony services are subject to FCC and local regulations regarding the quality and technical aspects of service. All local telecommunications providers, including Liberty Puerto Rico, are obligated to provide telephony service to all customers within the service area, subject to certain exceptions under FCC regulations, and must give long distance telephony service providers equal access to their network. Under the Communications Act, competitive local exchange carriers (**CLECs**), like us, may require interconnection with the incumbent local exchange carrier (**ILEC**), and the ILEC must negotiate a reasonable and nondiscriminatory interconnection agreement with the

CLEC. Such arrangement requires the ILEC to interconnect with the CLEC at any technically feasible point within the ILEC's network, provide access to unbundled network elements of the ILEC's network, offer for resale at wholesale rates any telecommunication services the ILEC provides to its own retail clients, and allow physical collocation of the CLEC's equipment in the ILEC's facilities to permit interconnection or access to unbundled network element services. Therefore, we have the right to interconnect with the incumbent local exchange carrier Puerto Rico Telcom (PRTC). We have negotiated an interconnection agreement with PRTC, and the physical interconnection between both companies has been activated.

All of the circuit-switched telephony and VoIP services of Liberty Puerto Rico are subject to a charge for the Federal Universal Service Fund (USF), which is a fund created under the Communications Act to subsidize telecommunication services in high-cost areas, to provide telecommunications services for low-income consumers, and to provide certain subsidies for schools, libraries and rural healthcare facilities. The FCC has redirected the focus of USF to support broadband deployment in high-cost areas. In addition, our circuit-switched telephony and VoIP services are subject to a charge for a local Puerto Rico Universal Service Fund, which was created by law to subsidize telecommunications services for low-income families under the Federal USF Lifeline and Link-Up programs.

The FCC has adopted other regulations for VoIP services, including the requirement that interconnected VoIP providers and facilities-based broadband internet access providers must comply with the Communications Assistance for Law Enforcement Act, which requires carriers to provide certain assistance to federal law enforcement authorities. VoIP providers are also required to offer basic and enhanced 911 emergency calling services, which requires disclosure to all VoIP customers. VoIP providers are also subject to federal customer proprietary network information rules related to customer privacy.

Competition

We operate in an emerging region of the world, where market penetration of telecommunication services such as broadband and mobile data is lower than in more developed markets. Generally, our markets are at a nascent stage of the global shift to a "data-centric" world. Although there has been strong growth in data consumption in our key markets, data consumption in our operating regions still lags significantly when compared to international benchmarks. We believe that we have the opportunity to capitalize upon this underlying growth trend in the majority of our markets, and benefit from increasing penetration of our data services, as well as economic growth, in all of our markets.

However, technological advances and product innovations have increased and are likely to continue to increase giving customers several options for the provision of their telecommunications services. Our customers want access to high quality telecommunication services that allow for seamless connectivity. Accordingly, our ability to offer converged services (video, internet, fixed telephony and mobile) is a key component of our strategy. In many of our markets, we compete with companies that provide converged services, as well as companies that are established in one or more communication products and services. Consequently, our businesses face significant competition. In all markets, we seek to differentiate our telecommunications services by focusing on customer service, competitive pricing and offering quality high-speed internet.

Mobile and Telephony Services

Consumers are increasingly moving to mobile services. In many of our markets we are either the leading or one of the leading mobile providers, except in Chile where we are a relatively new entrant in the provision of mobile services. In the markets where we are one of the top mobile providers, we continue to seek additional bandwidth to deliver our wide range of services to our customers and increase our LTE services. We face competition in all of our markets. We also offer various calling plans, such as unlimited network, national or international calling, unlimited off-peak calling and minute packages, including calls to fixed and mobile phones. In addition, we use our bundled offers with our video and high-speed internet services to gain mobile subscribers. Our ability to offer fixed-mobile convergence services is a key driver. In several of our markets, we expect to increase focus on converged services, including mobile, fixed-line, broadband and video. We are also exploring opportunities to offer mobile services in markets where we currently only deliver fixed products and mobility applications to our other services.

The market for fixed-line telephony services is mature in almost all of our markets. Changes in market share are driven by the combination of price and quality of services provided and the inclusion of telephony services in bundled offerings. In most of our C&W markets, we are the incumbent telecommunications provider with long established customer relationships. In our other markets, our fixed-line telephony services compete against the incumbent telecommunications operator in the applicable market. In these markets, the incumbent operators have substantially more experience in providing fixed-line telephony, greater resources to devote to the provision of such services and long-standing customer relationships. In all of our markets, we also compete with VoIP operators offering services across broadband lines and over-the-top (OTT) telephony providers, such as WhatsApp. In many

countries, our businesses also face competition from other cable telephony providers, FTTx-based providers or other indirect access providers.

Competition exists in both the residential and business fixed-line telephony products due to market trends, the offering of carrier pre-select services, number portability, the replacement of fixed-line with mobile telephony and the growth of VoIP services, as well as continued deregulation of telephony markets and other regulatory action, such as general price competition. Carrier pre-select allows the end user to choose the voice services of operators other than the incumbent while using the incumbent's network. Our fixed-line telephony strategy is focused around value leadership, and we position our services as "anytime" or "any destination." Our portfolio of calling plans includes a variety of innovative calling options designed to meet the needs of our subscribers. In many of our markets, we provide product innovation, such as telephone applications that allow customers to make and receive calls from their fixed-line call packages on smart phones. In addition, we offer varying plans to meet customer needs and, similar to our mobile services, we use our telephony bundle options with our digital video and internet services to help promote our telephony services and flat rate offers are standard.

VTR faces competition from the incumbent telecommunications operator, Movistar (as defined below), and other telecommunications operators. Movistar has substantial experience in providing telephony services, resources to devote to the provision of telephony services and long-standing customer relationships. Price is a key factor as are bundles with quality services. We distinguish our services by delivering reliable market leading internet access speeds with attractive bundled offers.

Movistar, Claro (as defined below) and Entel (as defined below) are the primary companies that offer mobile telephony in Chile. In mid-2015, WOM S.A. (**WOM**) entered the mobile services market through its acquisition of the Nextel Chile network. WOM is exerting significant competitive pressure in the mobile market with its very aggressive price offers. Such pricing is driving down sales and increasing churn in the mobile market. As an MVNO, VTR offers its mobile services on a standalone basis. To attract and retain customers, VTR focuses on its triple-play customer base, offering them postpaid mobile accounts at an attractive price.

With respect to mobile services, we face competition from Digicel Group Ltd. (**Digicel**) in most of our C&W residential markets and in Panama. We also compete with subsidiaries of Telefónica, S.A. (e.g., the incumbent Chilean telecommunications operator under the brand name Movistar (**Movistar**)) and América Móvil, S.A.B. de C.V. (**Claro**) in Chile and Panama. In addition, in the Bahamas, where C&W had previously been the only provider of mobile services, competition has increased significantly due to the commercial launch of mobile services by a competitor during the fourth quarter of 2016. We also face competition in the provision of broadband services from Cable Onda S.A. (**Cable Onda**) in Panama, Digicel in our Caribbean markets and Cable Bahamas Limited (**Cable Bahamas**) in the Bahamas. These companies all have competitive pricing on similar services, and the intensified level of competition we are experiencing in several of our markets has added increased pressure on the pricing of our services. To attract and retain customers, C&W focuses on providing quality services and premium content, as well as converged services where customers can access content in and out-of-the home.

Video Distribution

Our video services compete primarily with traditional free-to-air (**FTA**) broadcast television services, DTH satellite service providers and other fixed-line telecommunications carriers and broadband providers, including operations offering (i) services over hybrid fiber coaxial networks, (ii) DTH satellite services, (iii) internet protocol television (**IPTV**) over broadband internet connections using asymmetric DSL or VDSL or an enhancement to VDSL called "vectoring," (iv) IPTV over FTTx networks, or (v) LTE Services. Many of these competitors have a national footprint and offer features, pricing and video services individually and in bundles comparable to what we offer. In certain markets, we also compete with other cable or FTTx based providers who have overbuilt portions of our systems.

OTT aggregators utilizing our or our competitors' high-speed internet connections are also a significant competitive factor as are other video service providers that overlap our service areas. The OTT video aggregators (such as HBO Go, Amazon Prime and Netflix) offer VoD service for television series and movies, catch-up television and linear channels from broadcasters. In some cases, these OTT services are provided free-of-charge. The content library of such services is offered on an unlimited basis for a monthly fee. Typically these services are available on multiple devices in and out of the home. To enhance our competitive position, we are developing cloud-based, next generation user interfaces based on advanced technologies and are providing our subscribers with TV everywhere products and premium OTT video services. Our businesses also compete to varying degrees with other sources of information and entertainment, such as online entertainment, newspapers, magazines, books, live entertainment/concerts and sporting events.

Piracy and other unauthorized uses and distribution of content, including through web-based OTT applications, devices and online platforms, also present challenges for our video business. These platforms illegally stream copyrighted content, for example, Premier League games that can be viewed by anyone with an internet connection. While piracy is a challenge in most jurisdictions

in which we operate, it is particularly prevalent in jurisdictions that lack developed copyright laws and effective enforcement of copyright laws.

We believe that our deep-fiber access, where available, provides us with several competitive advantages. For instance, our cable networks allow us to concurrently deliver internet access, together with real-time television and VoD content, without impairing our high-speed internet service. In addition, our cable infrastructure in most of our footprint allows us to provide triple-play bundled services of broadband internet, television and fixed-line telephony services without relying on a third-party service provider or network. Where mobile is available, our mobile networks, together with our fixed fiber-rich networks, allow us to provide a comprehensive set of converged mobile and fixed-line services. Our capacity is designed to support peak consumer demand. In serving the business market, many aspects of the network can be leveraged at very low incremental costs given that business demand peaks at a time when consumer demand is low, and peaks at lower levels than consumer demand. In response to the continued growth in OTT viewing, we have launched a number of innovative video services, including Flow ToGo and +TV Go in a number of C&W markets.

Our ability to continue to attract and retain customers depends on our continued ability to acquire appealing content and services on acceptable terms and to have such content available on multiple devices and outside the home. Some competitors have obtained long-term exclusive contracts for certain sports programs, which limits the opportunities for other providers to offer such programs. Other competitors also have obtained long-term exclusive contracts for programs, but our operations have limited access to certain of such programming through select contracts with those companies. If exclusive content offerings increase through other providers, programming options could be a deciding factor for subscribers on selecting a video service.

In this competitive environment, we enhance our offers with advanced digital services, such as DVR functionality, HD channels, VoD and multiscreen services. In addition, we offer attractive content packages tailored to the particular market and discounts for bundled services. To improve the quality of the programming in our packages, our operations periodically modify their digital channel offerings. Where mobile is available, we are focusing on our converged service offerings at attractive prices. We use these services, as well as bundles of our fixed-line services, as a means of driving video and other products where convenience and price can be leveraged across the portfolio of services.

- *C&W.* C&W competes with a variety of pay TV service providers, with several of these competitors offering double-play and triple-play packages. Fixed-mobile convergence services are not a significant factor in most of C&W's residential markets. In several of C&W's other markets, including Jamaica, Trinidad and Tobago and Barbados, C&W is the largest or one of the largest video service providers. In these markets, C&W's primary competition is from DTH providers, such as DIRECTV Latin America Holdings, Inc. (**DirectTV**), and operators of IPTV services over VDSL and FTTx, such as Digicel. In Panama, C&W competes primarily with Cable Onda, which offers video, internet and fixed-line telephony over its cable network, and with the DTH services of Claro Americas. To compete effectively, C&W invests in leading mobile and fixed networks, and in content, where the Premier League is a main attraction for Flow Sports.
- *VTR.* VTR competes primarily with DTH service providers, including the incumbent Chilean telecommunications operator Movistar, Claro Chile S.A., a subsidiary of Claro, Empresa Nacional de Telecomunicaciones S.A. (**Entel**), GTD Manquehue (**GTD**) and DirecTV, among others. Movistar offers double-play and triple-play packages using DTH for video and DSL for internet and fixed-line telephony and offers mobile services. On a smaller scale, Movistar also offers IPTV services over FTTx networks in Chile. Claro offers triple-play packages using DTH and, in most major cities in Chile, through a hybrid fiber coaxial cable network. It also offers mobile services. To a lesser extent, VTR also competes with video services offered by or over networks of fixed-line telecommunication providers using DSL technology. To compete effectively, VTR focuses on enhancing its subscribers viewing options in and out of the home. It offers VoD, catch-up television, DVR functionality, Horizon TV and a variety of premium channels. These services and its variety of bundled options, including internet and telephony, enhance VTR's competitive position.
- *Liberty Puerto Rico.* Liberty Puerto Rico is the largest provider of fixed-line video services in Puerto Rico. Liberty Puerto Rico's primary competition for video customers is from DTH satellite providers DirecTV and Dish Network Corporation (**Dish Network**). Dish Network is an aggressive competitor, offering low introductory offers, free HD channels and, in its top tier packages, a multi-room DVR service for free. DirecTV is also a significant competitor offering similar programming in Puerto Rico compared to Dish Network. In order to compete, Liberty Puerto Rico focuses on offering video packages with attractive programming, including HD and Spanish language channels, plus a specialty video package of Spanish-only channels that has gained popularity. In addition, Liberty Puerto Rico uses its bundled offers that include high-speed internet with download speeds of up to 300 Mbps to drive its video services.

Internet

With respect to broadband internet services and online content, our businesses face competition in a rapidly evolving marketplace from incumbent and non-incumbent telecommunications companies, mobile operators and cable-based ISPs, many of which have substantial resources. The internet services offered by these competitors include both fixed-line broadband internet services using cable, DSL or FTTx networks and wireless broadband internet services. These competitors have a range of product offerings with varying speeds and pricing, as well as interactive services, data and other non-video services offered to homes and businesses. With the demand for mobile internet services increasing, competition from wireless services using various advanced technologies is a competitive factor. In several of our markets, competitors offer high-speed mobile data via LTE wireless networks. In addition, other wireless technologies, such as WiFi, are available in almost all of our markets. In this intense competitive environment, speed and pricing are key drivers for customers.

Our strategy is speed leadership. Our focus is on increasing the maximum speed of our connections as well as offering varying tiers of service, prices and a variety of bundled product offerings and a range of value added services. We update our bundles and packages on an ongoing basis to meet the needs of our customers. Our top download speeds generally range from 100 Mbps to speeds of up to 300 Mbps. In Barbados, we also have speeds of up to 1 Gbps available. In many of our markets, we offer the highest download speeds available via our cable and FTTx networks. The focus is on high-end internet products to safeguard our high-end customer base and allow us to become more aggressive at the low- and medium-end of the internet market. By fully utilizing the technical capabilities of DOCSIS 3.0 technology on our cable systems, we can compete with local FTTx initiatives and create a competitive advantage compared to DSL infrastructures and LTE initiatives on a national level. With the commercial deployment of our next generation gateways that will enable DOCSIS 3.1 on our cable networks, we plan to further increase our high-speed internet offers.

In several of our C&W markets, we are the incumbent phone company offering broadband internet products using various DSL-based technologies. In these markets and our other Latin American markets, our key competition for internet services is from cable and IPTV operators and mobile data service providers. To compete effectively, we are expanding our LTE service areas and increasing our download speeds. In most of our markets, we offer our internet service through bundled offerings that include video and fixed-line telephony. We also offer a wide range of mobile products either on a prepaid or postpaid basis.

- *C&W.* Where C&W is the incumbent telecommunications provider, it competes with cable operators, the largest of which are Cable Onda in Panama and Cable Bahamas in the Bahamas. To a lesser extent, C&W experiences competition from Digicel in certain of its markets. To distinguish itself from these competitors, C&W uses its bundled offers with video and telephony to promote its broadband internet services.
- *VTR.* VTR faces competition primarily from non-cable-based ISPs, such as Movistar and Entel, and from other cable-based providers, such as Claro and GTD. Competition is particularly intense with each of these companies offering competitively priced services, including bundled offers with high-speed internet services. Mobile broadband competition is significant as well. Movistar, Claro and Entel have launched LTE networks for high-speed mobile data. To compete effectively, VTR is expanding its two-way coverage and offering attractive bundling with fixed-line telephony and digital video service and high-speed internet with download speeds of up to 300 Mbps.
- *Liberty Puerto Rico.* Liberty Puerto Rico competes primarily with mobile broadband providers. Most of these providers, including the incumbent telecommunications company, offer these services over their LTE networks. To compete with mobile broadband providers, Liberty Puerto Rico offers its high-speed internet with download speeds of up to 300 Mbps. Liberty Puerto Rico also competes with the DSL services of Claro in providing fixed-line internet services.

Business and Wholesale Services

Through C&W, we provide a variety of advanced, point-to-point, clear channel broadband capacity, IP, Multiprotocol Label Switching, Ethernet and managed services over our owned and operated, technologically advanced, sub-sea fiber optic cable network. Our sub-sea and terrestrial fiber routes combine to form a series of fully integrated networks that typically provide complete operational redundancy, stability and reliability, allowing us in most cases to provide our clients with superior service and minimal network downtime. Given the advanced technical state of the network combined with the challenges in securing the necessary governmental and environmental licenses in all of our operating markets, we believe the network is unlikely to be replicated in the region. Competing networks in the region connect fewer countries than we do and are either linear in design, or if ringed, have high latency protection routes. In addition, our network as of December 31, 2017, utilized less than 10% of its design capacity, and we believe that our ability to take advantage of this large unused carrying capacity, as well as the financial and time investment required to build a similar network, and the potential delays associated with acquiring governmental permissions, makes it unlikely that our network will be replicated in the near term.

We compete in the provision of B2B services with residential telecommunications operators as noted above, in addition to regional and international service providers, particularly when addressing larger customers.

Employees

As of December 31, 2017, we, including our consolidated subsidiaries, had an aggregate of approximately 10,300 full-time equivalent employees, certain of whom belong to organized unions and works council. We believe that our employee relations are good.

Financial Information About Geographic Areas

Financial information related to the geographic areas in which we do business appears in note 18 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K.

Available Information

All our filings with the Securities and Exchange Commission (SEC), as well as amendments to such filings, are available on our internet website free of charge generally within 24 hours after we file such material with the SEC. Our website address is www.lla.com. The information on our website is not part of this Annual Report on Form 10-K and is not incorporated by reference herein.

Item 1A. RISK FACTORS

In addition to the other information contained in this Annual Report on Form 10-K, you should consider the following risk factors in evaluating our results of operations, financial condition, business and operations or an investment in the shares of our company.

The risk factors described in this section have been separated into six groups:

- risks that relate to our corporate history and structure;
- risks that relate to the competition we face and the technology used in our businesses;
- risks that relate to our operating in overseas markets and being subject to foreign and domestic regulation;
- risks that relate to certain financial matters;
- risks relating to the Split-Off; and
- risks relating to our common shares and the securities market.

Although we describe below and elsewhere in this Annual Report on Form 10-K the risks we consider to be the most material, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our results of operations, financial condition, businesses or operations in the future. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the events described below, individually or in combination, were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected.

Risks that Relate to Our Corporate History and Structure

The consolidated financial statements of Liberty Latin America are not necessarily representative of Liberty Latin America's future financial position, future results of operations or future cash flows nor does it reflect what Liberty Latin America's financial position, results of operations or cash flows would have been as a standalone company during the periods presented.

Because the consolidated financial statements reflect the historical results of Liberty Latin America, as conducted by Liberty Global prior to the Split-Off, it is not necessarily representative of Liberty Latin America's future financial position, future results of operations or future cash flows, nor does it necessarily reflect what Liberty Latin America's financial position, results of operations or cash flows would have been as a standalone company, pursuing independent strategies, during the periods presented.

We are a holding company, and we could be unable in the future to obtain cash in amounts sufficient to service our financial obligations or meet our other commitments.

Our ability to meet our financial obligations at the parent company level depends upon our ability to access cash. As a holding company, our sources of cash are limited to our available cash balances, net cash from the operating activities of our wholly-owned subsidiaries that are available to us, any cash dividends and cash interest we may receive from our other subsidiaries and cash proceeds from any asset sales we may undertake in the future. The ability of our operating subsidiaries to pay cash dividends or to make other cash payments or advances to us depends on their individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject.

We have no operating history as a separate company upon which you can evaluate our performance.

We do not have operating history as a separate public company. Accordingly, there can be no assurance that our business strategy will be successful on a long-term basis. We may not be able to grow our businesses as planned and may not be profitable.

We have not performed an evaluation of our internal control over financial reporting as set forth in Section 404 of the Sarbanes-Oxley Act of 2002.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States. As we are a new company, we are currently in the process of reviewing, documenting and testing our internal control over financial reporting. We have not performed an evaluation of our internal control over financial reporting, as set forth in Section 404 of the Sarbanes-Oxley Act of 2002, nor have we engaged an independent registered public accounting firm to perform an audit of our internal control over financial reporting as of any balance sheet date or for any period reported in our financial statements.

Risks that Relate to the Competition we Face and the Technology Used in Our Businesses

We operate in increasingly competitive markets, and there is a risk that we will not be able to effectively compete with other service providers.

The markets for cable television, broadband internet, telephony and mobile services are highly competitive. In the provision of video services, we face competition from FTA and digital terrestrial television (DTT) broadcasters, DTH satellite providers, networks using DSL, VDSL or vectoring technology, Multi-channel Multipoint Distribution System operators, FTTx networks, OTT video content aggregators, and, in some countries where parts of our systems are overbuilt, cable networks, among others. Our operating businesses are facing increasing competition from video services provided by, or over the networks of, other telecommunications operators and service providers. As the availability and speed of broadband internet increases, we also face competition from OTT providers, including telephony providers such as WhatsApp, utilizing our or our competitors' high-speed internet connections. Some of these content providers offer services without charging a fee, which erodes relationships with customers and leads to a downward pressure on prices and returns for telecommunication services providers. In the provision of telephony and broadband internet services, we are experiencing increasing competition from other telecommunications operators and other service providers in each country in which we operate, as well as other mobile providers of voice and data. Many of the other operators offer double-play, triple-play and quadruple-play bundles of services. In many countries, we also compete with other facilities-based operators and wireless providers. Developments in wireless technologies, such as LTE (the next generation of ultra-high-speed mobile data) and WiFi, are creating additional competitive challenges.

In almost all cases, our licenses are not exclusive. As a result, our competitors have similar licenses and have and may continue to build systems and provide services in areas in which we hold licenses. In the case of cable- and broadband-enabled services, the existence of more than one cable system operating in the same territory is referred to as an "overbuild." Overbuilds could increase competition or create competition where none existed previously, either of which could adversely affect our growth, financial condition and results of operations.

In some of our markets, national and local government agencies may seek to become involved, either directly or indirectly, in the establishment of FTTx networks, DTT systems or other communications systems. We intend to pursue available options to restrict such involvement or to ensure that such involvement is on commercially reasonable terms. There can be no assurance, however, that we will be successful in these pursuits. As a result, we may face competition from entities not requiring a normal commercial return on their investments. In addition, we may face more vigorous competition than would have been the case if there were no such government involvement.

We expect the level and intensity of competition to continue to increase from both existing competitors and new market entrants as a result of changes in the regulatory framework of the industries in which we operate, advances in technology, the influx of new market entrants and strategic alliances and cooperative relationships among industry participants. Increased competition could result in increased customer churn, reductions of customer acquisition rates for some products and services and significant price and promotional competition. In combination with difficult economic environments, these competitive pressures could adversely impact our business, results of operations and cash flows.

Changes in technology may limit the competitiveness of and demand for our services.

Technology in the video, telecommunications and data services industries is changing rapidly, including advances in current technologies and the emergence of new technologies. New technologies, products and services may impact consumer behavior and therefore demand for our products and services. Our ability to anticipate changes in technology and consumer tastes and to develop and introduce new and enhanced products and services on a timely basis will affect our ability to continue to grow, increase our revenue and number of customers and remain competitive. New products and services, once marketed, may not meet consumer expectations or demand, can be subject to delays in development and may fail to operate as intended. A lack of market acceptance of new products and services that we may offer, or the development of significant competitive products or services by others, could have a material adverse impact on our results of operations and cash flows.

Our significant property and equipment additions may not generate a positive return.

Significant additions to our property and equipment are, or in the future may be, required to add customers to our networks and to upgrade or expand our broadband communications networks and upgrade customer premises equipment to enhance our service offerings and improve the customer experience. Additions to our property and equipment, which are currently underway, including in connection with Network Extensions, require significant capital expenditures for equipment and associated labor costs to build out and/or upgrade our networks as well as for related customer premises equipment. Additionally, significant competition, the introduction of new technologies, the expansion of existing technologies, such as FTTx and advanced DSL technologies, the impact of natural disasters like hurricanes, or adverse regulatory developments could cause us to decide to undertake previously unplanned builds or upgrades of our networks and customer premises equipment. For example, in September 2017, Hurricanes Irma and Maria caused significant destruction to our networks in certain markets, including Puerto Rico, the British Virgin Islands, Dominica and Antigua, which will require us to rebuild portions of our networks in those markets. For more information regarding the impact of Hurricanes Irma and Maria, see Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Impacts of Hurricanes*.

No assurance can be given that any rebuilds, upgrades or extensions of our network will increase penetration rates, increase average monthly subscription revenue per average cable RGU or mobile subscriber, as applicable, or otherwise generate positive returns as anticipated, or that we will have adequate capital available to finance such rebuilds, upgrades or extensions. Additionally, costs related to our Network Extensions and property and equipment additions could end up being greater than originally anticipated or planned. If this is the case, we may require additional financing sooner than anticipated or we may have to delay or abandon some or all of our development and expansion plans or otherwise forego market opportunities. Additional financing may not be available on favorable terms, if at all, and our ability to incur additional debt will be limited by our debt agreements. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding, extending or upgrading our networks or making other planned or unplanned additions to our property and equipment, or are delayed in making such investments, our growth could be limited and our competitive position could be harmed.

We depend almost exclusively on our relationships with third-party programming providers and broadcasters for programming content, and a failure to acquire a wide selection of popular programming on acceptable terms could adversely affect our business.

The success of our video subscription business depends, in large part, on our ability to provide a wide selection of popular programming to our subscribers. We generally do not produce our own content and we depend on our agreements, relationships and cooperation with public and private broadcasters and collective rights associations to obtain such content. If we fail to obtain a diverse array of popular programming for our pay television services, including a sufficient selection of HD channels as well as non-linear content (such as a selection of attractive VoD content and rights for ancillary services such as DVRs and catch up or 'Replay' services), on satisfactory terms, we may not be able to offer a compelling video product to our customers at a price they are willing to pay. Additionally, we are frequently negotiating and renegotiating programming agreements and our annual costs for programming can vary. There can be no assurance that we will be able to renegotiate or renew the terms of our programming agreements on acceptable terms or at all. We expect that programming and copyright costs will continue to rise in future periods as a result of (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events and rate increases, and (ii) the growth in the number of our enhanced video subscribers.

If we are unable to obtain or retain attractively priced competitive content, demand for our existing and future television services could decrease, thereby limiting our ability to attract new customers, maintain existing customers and/or migrate customers from lower tier programming to higher tier programming, thereby inhibiting our ability to execute our business plans. Furthermore, we may be placed at a competitive disadvantage if certain of our competitors obtain exclusive programming rights, particularly with respect to popular sports and movie programming, and as certain entrants in the OTT market increasingly produce their own exclusive content.

In addition, we are party to several legal proceedings arising out of the regular course of our business, including legal proceedings before regulatory and tax authorities, proceedings that programmers may institute against us and proceedings that may arise from acquisitions and other transactions we may consummate. For example, certain copyright agencies have asserted, and may in the future assert, claims against us and our subsidiaries regarding the transmission of any of the musical works within such agencies' repertoire. Such claims seek injunctive relief as well as monetary damages. We cannot assure you that we will obtain a final favorable decision with regard to any particular proceeding. A negative outcome in one or more pending proceedings or any future proceedings could have a material adverse effect on our business, financial condition and results of operations.

We depend on third-party suppliers and licensors to supply and maintain necessary equipment, software and certain services required for our businesses.

We rely on third-party vendors for the equipment (including customer premises equipment, network infrastructure and mobile handsets), software and services that we require in order to provide services to our customers. Our suppliers often conduct business worldwide and their ability to meet our needs is subject to various risks, including political and economic instability, natural calamities, interruptions in transportation systems, terrorism and labor issues. In addition, we rely on third parties (in particular, local municipalities, power companies and other telecommunications companies) for access to poles to attach our network equipment, and their ability to provide such access is subject to similar risks. As a result, we may not be able to obtain the equipment, software, access and services required for our businesses on a timely basis or on satisfactory terms. Any shortfall in our equipment could lead to delays in completing extensions to our networks and in connecting customers to our services and, accordingly, could adversely impact our ability to maintain or increase our RGUs, revenue and cash flows. Also, if demand exceeds the suppliers' and licensors' capacity or if they experience financial difficulties, the ability of our businesses to provide some services may be materially adversely affected, which in turn could affect our businesses' ability to attract and retain customers. To the extent that we have minimum order commitments, we would be adversely affected in the event that we were unable to resell committed products or otherwise decline to accept committed products. Although we actively monitor the creditworthiness of our key third-party suppliers and licensors, the financial failure of a key third-party supplier or licensor could disrupt our operations and have an adverse impact on our revenue and cash flows. We rely upon intellectual property that is owned or licensed by us to use various technologies, conduct our operations and sell our products and services. Legal challenges could be made against our use of our owned or licensed intellectual property rights (such as trademarks, patents and trade secrets) and we may be required to enter into licensing arrangements on unfavorable terms, incur monetary damages or be enjoined from use of the intellectual property rights in question.

In addition, the operation, administration, maintenance and repair of our network, including our sub-sea cable network, requires the coordination and integration of sophisticated and highly specialized hardware and software technologies and equipment located throughout the Caribbean and Latin America and requires operating and capital expenses. Events outside of our control, such as natural disasters, technological failures, vandalism, war, terrorism, inadvertent cuts or extraordinary social or political events, could impact the continued operation of our network. We cannot assure you that our systems will continue to function as expected in a cost-effective manner.

VTR, which offers mobile telephony and data services, relies on the radio access network of a third-party wireless network provider to carry its mobile communications traffic.

VTR's services to mobile customers in Chile rely on the use of an MVNO arrangement in which VTR utilizes the radio access network of a third-party wireless network provider to carry its mobile communications traffic. If the MVNO arrangement is terminated, or if the third-party wireless network provider fails to provide the services required under the MVNO arrangement, or if a third-party wireless network provider fails to deploy and maintain its network, and VTR is unable to find a replacement network operator on a timely and commercially reasonable basis or at all, VTR could be prevented from continuing the mobile services relying on such MVNO arrangement.

Failure in our technology or telecommunications systems from security attacks or natural disasters could significantly disrupt our operations, which could reduce our customer base and result in lost revenue.

Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems as well as our customer service centers. The hardware supporting a large number of critical systems for our cable network

in a particular country or geographic region is housed in a relatively small number of locations. Our systems and equipment (including our routers and set-top boxes) are vulnerable to damage or security breach from a variety of sources, including a cut in our terrestrial network or sub-sea cable network, telecommunications failures, power loss, malicious human acts, security flaws and natural disasters.

In particular, our systems and equipment are in regions prone to hurricanes, earthquakes and other natural disasters, and they have been impacted by hurricanes in the recent past. In early October 2016, our fixed-line and mobile networks in the Bahamas suffered extensive damage as a result of Hurricane Matthew, which caused our customers to experience significant outages. In September 2017, Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. The most extensive damage occurred in Puerto Rico and certain markets within our C&W reportable segment. In Puerto Rico, the damage caused by Hurricane Maria, and to a lesser extent Hurricane Irma, was extensive and widespread. Liberty Puerto Rico's broadband communications network suffered extensive damage. As of December 31, 2017, we have been able to restore service to approximately 340,000 RGUs of our total 738,500 RGUs at Liberty Puerto Rico. Our assessment of the losses attributable to the hurricanes in Puerto Rico is ongoing and is subject to a number of uncertainties, including the length of time it will take to restore Puerto Rico's power and transmission system and fully restore our network, the number of customers and potential customers that will choose to leave Puerto Rico for an extended period or permanently, and the ability of the Puerto Rico and U.S. governments to effectively oversee the recovery process. We estimate that approximately \$130 million of property and equipment additions is required to restore nearly all of Liberty Puerto Rico's broadband communications network, approximately \$50 million of which was incurred during the fourth quarter. In certain of our C&W markets, most notably in the British Virgin Islands, Dominica and Anguilla, portions of our fixed and mobile networks were significantly damaged by Hurricanes Maria and Irma. Services to most of our fixed-line customers in these C&W markets have not yet been restored. We currently estimate that approximately \$50 million of property and equipment additions is required to restore nearly all of the damaged networks in C&W's impacted markets, approximately \$13 million of which was incurred during the fourth quarter. Although these negative impacts will decline as the networks are restored and customers are reconnected, we expect that the adverse impacts of the hurricanes on C&W's revenue and Adjusted OIBDA (as defined in note 18 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K) will continue through 2018 and beyond.

Moreover, despite security measures, our servers, systems and equipment are potentially vulnerable to physical or electronic break-ins, computer viruses, worms, phishing attacks and similar disruptive actions. Furthermore, our operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems and networks and those of our third-party vendors, including customer, personnel and vendor data. As a result of the increasing awareness concerning the importance of safeguarding personal information, the potential misuse of such information and legislation that has been adopted or is being considered across all of our markets regarding the protection, privacy and security of personal information, information-related risks are increasing, particularly for businesses like ours that handle a large amount of personal customer data. Failure to comply with these data protection laws may result in, among other consequences, fines.

Our disaster recovery, security and service continuity protection measures include back-up power systems, resilient ring network systems, procuring capacity in competing networks to further strengthen our reliability profile and network monitoring. We also are party to the Atlantic Cable Maintenance and Repair Agreement, which provides us with certain dedicated repair vessels and timely call out services with respect to our sub-sea cables through to the present. We cannot assure you, however, that these precautions will be sufficient to prevent loss of data or prolonged network downtime or that we will be able to renegotiate arrangements with the Atlantic Cable Maintenance and Repair Agreement on successful terms.

Despite the precautions we have taken, unanticipated problems affecting our systems could cause failures in our information technology systems or disruption in the transmission of signals over our networks or similar problems. Any disruptive situation that causes loss, misappropriation, misuse or leakage of data could damage our reputation and the credibility of our operations. Further, sustained or repeated system failures that interrupt our ability to provide service to our customers or otherwise meet our business obligations in a timely manner could adversely affect our reputation and result in a loss of customers and revenue.

We rely on information technology to operate our business and maintain our competitiveness, and any failure to invest in and adapt to technological developments and industry trends could harm our business.

We depend on the use of sophisticated information technologies and systems, including technology and systems used for website and mobile applications, network management systems, financial reporting, human resources and various other processes and transactions. As our operations grow in size, scope and complexity, we must continuously improve and upgrade our systems and infrastructure to offer an increasing number of customers enhanced products, services, features and functionality, while maintaining or improving the reliability and integrity of our systems and infrastructure.

Our future success also depends on our ability to adapt our services and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our services in response to competitive service and product offerings. The emergence of alternative platforms such as smartphone and tablet computing devices and the emergence of niche competitors who may be able to optimize products, services or strategies for such platforms have, and will continue to, require new and costly investments in technology. We may not be successful, or may be less successful than our current or new competitors, in developing technology that operates effectively across multiple devices and platforms and that is appealing to consumers, either of which would negatively impact our business and financial performance. New developments in other areas, such as cloud computing and software as a service provider, could also make it easier for competition to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as customers would like or in a cost-effective manner.

Unauthorized access to our network resulting in piracy could result in a loss of revenue.

We rely on the integrity of our technology to ensure that our services are provided only to identifiable paying customers. Increasingly, sophisticated means of illicit piracy of television, broadband and telephony services are continually being developed in response to evolving technologies. Furthermore, billing and revenue generation for television services rely on the proper functioning of encryption systems. While we continue to invest in measures to manage unauthorized access to our networks, any such unauthorized access to our cable television service could result in a loss of revenue, and any failure to respond to security breaches could raise concerns under our agreements with content providers, all of which could have a material adverse effect on our business and results of operations.

If we are unable to retain key employees, our ability to manage our business could be adversely affected.

Our operational results depend upon the retention and continued performance of our management team. Our ability to retain and hire new key employees for management positions could be impacted adversely by the competitive environment for management talent in the broadband communications industry. The loss of the services of key members of management and the inability or delay in hiring new key employees could adversely affect our ability to manage our business and our future operational and financial results.

Risks that Relate to Our Operating in Overseas Markets and Being Subject to Foreign and Domestic Regulation

Our businesses are conducted almost exclusively outside of the U.S., which gives rise to numerous operational risks.

Our businesses operate almost exclusively in countries outside the U.S., and we have substantial physical assets and derive a substantial portion of our revenues from operations in Latin America and the Caribbean. Therefore, we are subject to the following inherent risks:

- fluctuations in foreign currency exchange rates;
- difficulties in staffing and managing operations consistently through our several operating areas;
- export and import restrictions, custom duties, tariffs and other trade barriers;
- burdensome tax, customs, duties or regulatory assessments based on new or differing interpretations of law or regulations, including increases in taxes and governmental fees;
- economic and political instability;
- changes in foreign and domestic laws and policies that govern operations of foreign-based companies;
- interruptions to essential energy inputs;
- direct and indirect price controls;
- cancellation of contract rights and licenses;
- delays or denial of governmental approvals;
- a lack of reliable security technologies;
- privacy concerns; and

- uncertainty regarding intellectual property rights and other legal issues.

Operational risks that we may experience in certain countries include uncertain and rapidly changing political, regulatory and economic conditions, including the possibility of disruptions of services or loss of property or equipment that are critical to overseas businesses as a result of vandalism, expropriation, nationalization, war, insurrection, terrorism or general social or political unrest.

In certain countries and territories in which we operate, political, security and economic changes may result in political and regulatory uncertainty and civil unrest. Governments may expropriate or nationalize assets or increase their participation in the economy generally and in telecommunications operations in particular. In addition, certain countries and territories in which we operate, or in which we may operate in the future, face significant challenges relating to the lack, or poor condition, of physical infrastructure, including transportation, electricity generation and transmission. Such countries and territories may also be subject to a higher risk of inflationary pressures, which could increase our operating costs and decrease consumer demand and spending power. Each of these factors could, individually or in the aggregate, have a material adverse effect on our business, financial condition, results of operations and prospects.

Moreover, in many foreign countries, particularly in certain developing economies, it is not uncommon to encounter business practices that are prohibited by certain regulations, such as the Foreign Corrupt Practices Act and similar laws. Although our subsidiaries and business affiliates have undertaken, and will continue to undertake, compliance efforts with respect to these laws, their respective employees, contractors and agents, as well as those companies to which they outsource certain of their business operations, may take actions in violation of their policies and procedures. Any such violation could result in penalties imposed on, and adversely affect the reputation of, these subsidiaries and business affiliates. Any failure by these subsidiaries and business affiliates to effectively manage the challenges associated with the international operation of their businesses could materially adversely affect their, and hence our, financial condition.

We are exposed to foreign currency exchange rate risk.

We are exposed to foreign currency exchange rate risk with respect to our debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements, wherever possible and when cost effective to do so, by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency.

In addition to the exposure that results from unmatched debt, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our operating subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases and programming contracts. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheet related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward contracts to hedge certain of these risks. Certain non-functional currency risks related to our direct costs of services and other operating and selling, general and administrative expenses and property and equipment additions were not hedged as of December 31, 2017.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings or loss as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings or loss and equity with respect to our holdings solely as a result of foreign currency translation. Our reported operating results are impacted by changes in the exchange rates for the Chilean peso and, to a much lesser extent, the Jamaican dollar, Trinidad and Tobago dollar, Seychelles Rupee and Colombian Peso. We

generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our operating subsidiaries and affiliates into U.S. dollars.

Failure to comply with economic and trade sanctions, and similar laws could have a materially adverse effect on our reputation, results of operations or financial condition, or have other adverse consequences.

We operate in the Caribbean and Latin America, and similar to other international companies, we are subject to economic and trade sanctions programs, including certain of which that are administered by the U.S. Treasury Department's Office of Foreign Assets Control (**OFAC**), which prohibit or restrict transactions or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially designated. For example, certain of our companies provide (and may in the future provide), directly or indirectly, certain services to governmental entities in Cuba (e.g., C&W sells IP and international transport telecommunication services to La Empresa de Telecomunicaciones de Cuba S.A. (**ETECSA**), the Cuba state-owned telecommunications provider and to three international telecommunications providers that in turn sell telecom services to ETECSA). All these services are provided outside of Cuba and the provision of non-facilities based telecom services to Cuba are permissible under a general license from OFAC. Any violations of applicable economic and trade sanctions could limit certain of our business activities until they are satisfactorily remediated and could result in civil and criminal penalties, including fines, that could damage our reputation and have a materially adverse effect on our results of operation or financial condition.

Our businesses are subject to risks of adverse regulation.

Our businesses are subject to the unique regulatory regimes of the countries in which they operate. Video distribution, broadband internet, telephony and mobile businesses are subject to licensing or registration eligibility rules and regulations, which vary by country. Our ability to provide telecommunications services depends on applicable law, telecommunications regulations and the terms of the licenses and concessions we are granted under such laws and regulations. In particular, we are reliant on access with mutually beneficial terms to spectrum for both existing and next generation telecommunication services, entrance into interconnection agreements with other telecommunications companies and are subject to a range of decisions by regulators, including in respect of pricing, for example, for termination rates. The provision of electronic communications networks and services requires our licensing from, or registration with, the appropriate regulatory authorities. It is possible that countries in which we operate may adopt laws and regulations regarding electronic commerce, which could dampen the growth of the internet services being offered and developed by these businesses. In a number of countries, our ability to increase the prices we charge for our cable television service or make changes to the programming packages we offer is limited by regulation or conditions imposed by competition authorities, or is subject to review by regulatory authorities or termination rights of customers. In addition, regulatory authorities may grant new licenses to third parties and, in any event, in most of our markets new entry is possible without a license, although there may be registration eligibility rules and regulations, resulting in greater competition in territories where our businesses may already be active. More significantly, regulatory authorities may require us to grant third parties access to our bandwidth, frequency capacity, infrastructure, facilities or services to distribute their own services or resell our services to end customers. Consequently, our businesses must adapt their ownership and organizational structure as well as their pricing and service offerings to satisfy the rules and regulations to which they are subject. A failure to comply with applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse conditions. We may continue to operate in jurisdictions where governments fail to grant or renew licenses for our operations, which could result in penalties, fines or restrictions that could have a material adverse impact on our business and financial condition.

Adverse changes in rules and regulations could:

- impair our ability to use our bandwidth in ways that would generate maximum revenue and cash flow;
- create a shortage of capacity on our networks, which could limit the types and variety of services we seek to provide our customers;
- impact our ability to access spectrum for our mobile services;
- strengthen our competitors by granting them access and lowering their costs to enter into our markets; and
- otherwise have a significant adverse impact on our results of operations.

Businesses, including ours, that offer multiple services, such as video distribution as well as internet, telephony, and/or mobile services, often face close regulatory scrutiny from competition authorities in countries in which they operate. This is particularly the case with respect to any proposed business combinations, which will often require clearance from national competition

authorities. The regulatory authorities in several countries in which we do business have considered from time to time what access rights, if any, should be afforded to third parties for use of existing cable television networks and have imposed access obligations in certain countries. This has resulted, for example, in video must carry obligations in many markets in which we operate. For more information, see Item 1. *Business—Narrative Description of Business—Regulatory Matters*.

Regulations may be especially strict in the markets of those countries in which we are considered to hold a significant market position. We have been, in the past, and may be in the future, subject to allegations and complaints by our competitors and other third parties regarding our competitive behavior as a significant market operator.

When we acquire additional communications companies, these acquisitions may require the approval of governmental authorities, which can block, impose conditions on, or delay an acquisition, thus hampering our opportunities for growth. In the event conditions are imposed and we fail to meet them in a timely manner, the governmental authority may impose fines and, if in connection with an acquisition transaction, may require restorative measures, such as mandatory disposition of assets or divestiture of operations. Most recently, the acquisition of C&W in May 2016 triggered regulatory approval requirements in certain jurisdictions in which C&W operates. The regulatory authorities in certain of these jurisdictions, including the Bahamas, Trinidad and Tobago and the Seychelles, have not completed their review of the May 16, 2016 acquisition of C&W (**the C&W Acquisition**) or granted their approval. While we expect to receive all outstanding approvals, such approvals may include binding conditions or requirements that could have an adverse impact on C&W's operations and financial condition.

Furthermore, the governments in the countries and territories in which we operate differ widely with respect to political structure, constitution, economic philosophy, stability and level of regulation. Many of our operations depend on governmental approval and regulatory decisions, and we provide services to governmental organizations in certain markets (and in certain cases, like Venezuela, governmental organizations are our biggest customers). Moreover, in several of C&W's key markets, including Panama and the Bahamas, governments are C&W's partners and co-owners. The Government of the Bahamas is a part-owner in BTC and the Government of Panama is a part-owner in C&W Panama, and each of the governments have the right to appoint members to the board of directors of the respective entity. In both the Bahamas and Panama, we hold licenses or have received concessions from the government or independent regulatory bodies to operate our business, including our mobile and fixed networks. Consequently, we may not be able to fully utilize C&W's contractual or legal rights or all options that may otherwise be available, where to do so might conflict with broader regulatory or governmental considerations.

Changes to existing legislation and new legislation may significantly alter the regulatory regime applicable to us, which could adversely affect our competitive position and profitability, and we may become subject to more extensive regulation if we are deemed to possess significant market power in any of the markets in which we operate.

Significant changes to the existing regulatory regime applicable to the provision of cable television, telephony and internet services have been and are still being introduced. In addition, we are subject to review by competition or national regulatory authorities in certain countries concerning whether we exhibit significant market power. A finding of significant market power could result in us becoming subject to access and pricing obligations and other requirements that could provide a more favorable operating environment for existing and potential competitors. Government regulation or administrative policies may change unexpectedly and negatively affect our interests. For example, there has been a general trend for governments to seek greater access to telecommunications records and to communications for law enforcement purposes and a trend in certain countries experiencing civil unrest to restrict access to telecommunications on national security grounds. Adverse regulatory developments could subject our businesses to a number of risks. For more information, see Item 1. *Business—Narrative Description of Business—Regulatory Matters*.

For various reasons, governments may seek to increase the regulation of the use of the internet, particularly with respect to user privacy and data protection, content, pricing, copyrights, consumer protection, distributions and characteristics and quality of products and services. Application of existing laws, including those addressing property ownership and personal privacy in the context of rapidly evolving technological developments remains uncertain and in flux. New interpretations of such laws could have an adverse effect on our business. Governments may also seek to regulate the content of communications in all of our revenue streams, which could reduce the attractiveness of our services. Governments may also change their attitude towards foreign investment or extract extra concessions from businesses. Accordingly, our operations may be constrained by the relevant political environment and may be adversely affected by such constraints, as well as by changes to the political structure or government in any of the markets in which we operate.

Future changes to regulation or changes in political administrations or a significant deterioration in our relationship with relevant regulators in the jurisdictions in which we operate, as well as failure to acquire and retain the necessary consents and approvals or in any other way comply with regulatory requirements, or excessive costs of complying with new or more onerous

regulations and restrictions could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

We may not be successful in acquiring future spectrum or other licenses that we need to offer new mobile data or other services.

We offer mobile data services through licensed spectrum in a number of markets. While these licenses, and other licenses that we possess, enable us to offer mobile data services today, as technology develops and customer needs change, it may be necessary to acquire new spectrum or other licenses in the future to provide us with additional capacity and/or offer new technologies or services. While we actively engage with regulators and governments to ensure that our spectrum needs are met, there can be no guarantee that future spectrum licenses will be made available in certain or all territories or that they will be made available on commercially viable terms. We will likely require additional spectrum licenses for LTE networks, and there may be competition for their acquisition. In addition, we may need other types of licenses for the new products and services that we contemplate or will consider offering. Failure to acquire necessary new spectrum licenses or other required licenses for new services or products, or to do so on commercially viable terms, could have a material adverse effect on our business, financial condition and results of operations.

We cannot be certain that we will be successful in acquiring new businesses or integrating acquired businesses with our existing operations, or that we will achieve the expected returns on our acquisitions.

Part of our business strategy is to grow and expand our businesses, in part, through selective acquisitions that enable us to take advantage of existing networks, local service offerings and region-specific management expertise. Our ability to acquire new businesses may be limited by many factors, including availability of financing, debt covenants, the prevalence of complex ownership structures among potential targets, government regulation and competition from other potential acquirers, including private equity funds. Even if we are successful in acquiring new businesses, the integration of these businesses may present significant costs and challenges associated with: realizing economies of scale in interconnection, programming and network operations; eliminating duplicative overheads; integrating personnel, networks, financial systems and operational systems; greater than anticipated expenditures required for compliance with regulatory standards or for investments to improve operating results; and failure to achieve the business plan with respect to any such acquisition. We cannot be assured that we will be successful in acquiring new businesses or realizing the anticipated benefits of any completed acquisition.

In addition, we anticipate that any companies we may acquire will be located in the Caribbean or Latin America. Such companies may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by U.S. securities laws. While we intend to conduct appropriate due diligence and to implement appropriate controls and procedures as we integrate acquired companies, we may not be able to certify as to the effectiveness of these companies' disclosure controls and procedures or internal controls over financial reporting until we have fully integrated them.

We may not be successful in renewing the necessary regulatory licenses, concessions or other operating agreements needed to operate our businesses upon expiration, and such licenses may be subject to termination, revocation or material alteration in the event of a breach or to promote the public interest or as a result of triggering a change of control clause.

While we actively engage with the applicable governments and other regulatory bodies in advance of the expiry of our licenses, concessions and operating agreements, there can be no guarantee that when such licenses, concessions and operating agreements expire, we will be able to renew them on similar or commercially viable terms, or at all. For instance, C&W's licenses in Jamaica, the Cayman Islands and Barbados are scheduled to expire in the next two years. In addition, in some of the ECTEL states, we are operating under expired licenses and have applied for renewal of such licenses.

Some of these licenses may also include clauses that allow the grantor to terminate or revoke or alter them in the event of a default or other failure by us to comply with applicable conditions of the license or to promote the public interest. Further, a number of our operating licenses include change of control clauses, which may be triggered by the sale of a business to which those clauses relate, or certain types of corporate restructurings. Some of these change of control clauses may restrict our strategic options, including the ability to complete any potential disposal of individual businesses, a combination of businesses or the entire company unless a consent or waiver is obtained, and, if triggered, may lead to some licenses being terminated. Failure to hold or to continue to hold or obtain the necessary licenses, concessions and other operating agreements required to operate our businesses could have a material adverse effect on our business, financial condition, results of operations and prospects.

We do not have complete control over the prices that we charge.

Our businesses are in some countries subject to regulation or review by various regulatory, competition or other government authorities responsible for the regulation or the review of the charges to our customers for our services. Such authorities, in certain cases, could potentially require us to repay such fees to the extent they are found to be excessive or discriminatory. We also may not be able to enforce future changes to our subscription prices. Additionally, in certain markets, our ability to bundle or discount our services may be constrained if we are held to be dominant with respect to any product we offer. This may have an adverse impact on our revenue, profitability of new products and services and our ability to respond to changes in the markets in which we operate.

Strikes, work stoppages and other industrial actions could disrupt our operations or make it more costly to operate our businesses.

We are exposed to the risk of strikes, work stoppages and other industrial actions. In the future we may experience lengthy consultations with labor unions or strikes, work stoppages or other industrial actions. Strikes and other industrial actions, as well as the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt our operations and make it more costly to operate our facilities. In addition, strikes called by employees of any of our key providers of materials or services could result in interruptions of the performance of our services. The occurrence of any of the above risks could have a material adverse effect on our business, financial condition and results of operations. We depend on third-party suppliers and licensors to supply necessary equipment, software and certain services required for our businesses.

We may have exposure to additional tax liabilities.

We are subject to income taxes as well as non-income based taxes in the U.S., the U.K., the Caribbean and parts of Latin America. In addition, most tax jurisdictions that we operate in have complex and subjective rules regarding the valuation of intercompany services, cross-border payments between affiliated companies and the related effects on income tax and transfer tax. Significant judgment is required in determining our provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. In addition, our business has undertaken acquisitions, restructurings and other transactions in prior years where the ultimate tax determination resulting from these transactions remains uncertain. We are regularly under audit by tax authorities in many of the jurisdictions in which we operate. Although we believe that our tax estimates are reasonable, any material differences as a result of final determinations of tax audits or tax disputes could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

We are subject to changing tax laws, treaties and regulations in and between countries in which we operate or otherwise have a presence. Also, various income tax proposals in the jurisdictions in which we operate could result in changes to the existing laws on which our deferred taxes are calculated. A change in these tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher income or non-income tax expense. Any such material changes could cause a material change in our effective tax rate.

Further changes in the tax laws of the foreign jurisdictions in which we operate could arise as a result of the base erosion and profit shifting project being undertaken by the Organization for Economic Cooperation and Development (**OECD**). The OECD, which represents a coalition of member countries that includes Chile and the United States, has undertaken studies and is publishing action plans that include recommendations aimed at addressing what they believe are issues within tax systems that may lead to tax avoidance by companies. The OECD has extended inclusion to non-OECD countries under their Inclusive Framework on Base Erosion and Profit Shifting (**BEPS**), bringing together over 100 countries to collaborate on the implementation of the OECD BEPS Package. This framework allows interested countries and jurisdictions to work with the OECD and G20 members on developing standards on BEPS-related issues and reviewing and monitoring the implementation of the whole BEPS Package. Included within this expanded group of countries are several jurisdictions in which we do business. It is possible that additional jurisdictions in which we do business could react to these initiatives or their own concerns by enacting tax legislation that could adversely affect us or our shareholders through increasing our tax liabilities.

Risks that Relate to Certain Financial Matters

Our substantial leverage could limit our ability to obtain additional financing and have other adverse effects.

Our businesses are highly leveraged. At December 31, 2017, the outstanding principal amount of our debt, together with our capital lease obligations, aggregated \$6,398 million, including \$263 million that is classified as current in our consolidated balance sheet and \$5,664 million that is not due until 2022 or thereafter. In addition, we may incur substantial additional debt in the future, including in connection with any future acquisitions. Notwithstanding our negative working capital position at December 31, 2017,

we believe that we have sufficient resources to repay or refinance the current portion of our debt and capital lease obligations and to fund our foreseeable liquidity requirements during the next 12 months. However, as our debt maturities grow in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete refinancing transactions or otherwise extend our debt maturities. In this regard, it is difficult to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in our credit agreements is dependent primarily on our ability to maintain or increase the cash flow of our operating subsidiaries and to achieve adequate returns on our property and equipment additions and acquisitions. Accordingly, if our cash provided by operations declines or we encounter other material liquidity requirements, we may be required to seek additional debt or equity financing in order to meet our debt obligations and other liquidity requirements as they come due. In addition, our current debt levels may limit our ability to incur additional debt financing to fund working capital needs, acquisitions, property and equipment additions, or other general corporate requirements. We can give no assurance that any additional debt or equity financing will be available on terms that are as favorable as the terms of our existing debt or at all or that we will be able to maintain compliance with the leverage covenants in our credit agreements, which could have a material adverse effect on our business, liquidity and results of operations.

In particular, Hurricanes Irma and Maria are expected to have a significant impact on Liberty Puerto Rico's cash flows and liquidity. Liberty Puerto Rico's ability to access debt financing on favorable terms will be compromised for the foreseeable future as we work through our recovery from the hurricanes and the related impacts on our liquidity and ability to comply with the terms of the LPR Bank Facility (as defined below). For additional information, see — *Our ability to comply with the financial covenants in Liberty Puerto Rico's credit facility has been adversely impacted by Hurricanes Irma and Maria* below, as well as Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Impacts of Hurricanes* and note 9 to our consolidated financial statements, each included in Part II of this Annual Report on Form 10-K.

We may not be able to generate sufficient cash to meet our debt service obligations.

Our ability to meet our debt service obligations or to refinance our debt, depends on our future operating and financial performance, which will be affected by our ability to successfully implement our business strategy as well as general macroeconomic, financial, competitive, regulatory and other factors beyond our control. In addition, we are dependent on customers, in particular local, municipal and national governments and agencies, to pay us for the services we provide in order for us to generate cash to meet our debt service obligations and to maintain our business. Accordingly, we are exposed to the risk that our government customers could default on their obligations to us and we cannot rule out the possibility that unexpected circumstances in a particular country's economic condition may render such government unable to meet its obligation to us. Any such event could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity. If we cannot generate sufficient cash to meet our debt service requirements or to maintain our business, we may, among other things, need to refinance all or a portion of our debt, obtain additional financing, delay planned capital expenditures or investments or sell material assets.

If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations. In that event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions with respect to other indebtedness of relevant members of each of our three borrowing groups (i.e. C&W, VTR and Liberty Puerto Rico) may become payable on demand and we may not have sufficient funds to repay all of our debts. See Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*.

Certain of our subsidiaries are subject to various debt instruments that contain restrictions on how we finance our operations and operate our businesses, which could impede our ability to engage in beneficial transactions.

Certain of our subsidiaries are subject to significant financial and operating restrictions contained in outstanding credit agreements, indentures and similar instruments of indebtedness. These restrictions will affect, and in some cases significantly limit or prohibit, among other things, the ability of those subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends or make other upstream distributions;
- make investments;
- transfer, sell or dispose of certain assets, including their stock;

- merge or consolidate with other entities;
- engage in transactions with us or other affiliates; or
- create liens on their assets.

As a result of restrictions contained in these debt instruments, the companies party thereto, and their subsidiaries, could be unable to obtain additional capital in the future to:

- fund property and equipment additions or acquisitions that could improve our value;
- meet their loan and capital commitments to their business affiliates;
- invest in companies in which they would otherwise invest;
- fund any operating losses or future development of their business affiliates;
- obtain lower borrowing costs that are available from secured lenders or engage in advantageous transactions that monetize their assets; or
- conduct other necessary or prudent corporate activities.

In addition, most of the credit agreements or indentures to which these subsidiaries are parties include financial covenants that require them to maintain certain financial ratios. Their ability to meet these financial covenants may be affected by adverse economic, competitive, or regulatory developments and other events beyond their control, and we cannot assure you that these financial covenants will be met. In the event of a default under such subsidiaries' credit agreements or indentures, the lenders may accelerate the maturity of the indebtedness under those agreements or indentures, which could result in a default under other outstanding credit facilities or indentures. We cannot assure you that any of these subsidiaries will have sufficient assets to pay indebtedness outstanding under their credit agreements and indentures. Any refinancing of this indebtedness is likely to contain similar restrictive covenants.

We are exposed to interest rate risks and other adverse changes in the credit market. Shifts in such rates may adversely affect the debt service obligation of our subsidiaries.

We require a significant amount of capital to operate and grow our business. We fund our capital needs in part through borrowings in the public and private credit markets. Adverse changes in the credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness. In addition, our borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by customary credit metrics. A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which we do business, and such instability could also affect our access to financing.

In particular, we are exposed to the risk of fluctuations in interest rates, primarily through the credit facilities of certain of our subsidiaries, which are indexed to the London Interbank Offered Rate (**LIBOR**) or other base rates. Although we enter into various derivative transactions to manage exposure to movements in interest rates, there can be no assurance that we will be able to continue to do so at a reasonable cost or at all. If we are unable to effectively manage our interest rate exposure through derivative transactions, any increase in market interest rates would increase our interest rate exposure and debt service obligations, which would exacerbate the risks associated with our leveraged capital structure. Regulators in the U.K. have announced that LIBOR will be phased out by the end of 2021. Our loan documents contain customary provisions that contemplate alternative calculations of the applicable base rate once LIBOR is no longer available. We do not expect that these alternative calculations will be materially different from what would have been calculated under LIBOR.

We are subject to increasing operating costs and inflation risks, which may adversely affect our results of operations.

While our operations attempt to increase our subscription rates to offset increases in programming and operating costs, there is no assurance that they will be able to do so. In certain countries in which we operate, our ability to increase subscription rates is subject to regulatory controls. For example, VTR is generally prohibited from increasing subscription rates over the rate of inflation. Also, our ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs

may rise faster than associated revenue, resulting in a material negative impact on our cash flow and results of operations. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs in certain of our markets.

Uncertainties and challenging conditions in the global economy and in the countries in which we operate may adversely impact our business, financial condition and results of operations.

The macroeconomic environment can be highly volatile, and instability in global markets has contributed, and could in the future contribute, to a challenging global economic environment. Future developments are dependent upon a number of political and economic factors, and as a result, we cannot predict when challenging conditions will exist or the extent to which the markets in which we operate may deteriorate. Unfavorable economic conditions may impact a significant number of our customers and/or the prices we are able to charge for our products and services, and, as a result, it may be more difficult for us to attract new customers and more likely that customers will downgrade or disconnect their services. Countries may also seek new or increased revenue sources due to fiscal deficits, including increases in regulatory levels, and any such actions may adversely affect our company. In addition, as countries seek to recover from natural disasters like hurricanes, they may seek new or increased revenue sources from businesses such as ours, including by increasing taxes and levies. Accordingly, our results of operations and cash flows may be adversely affected if the macroeconomic environment becomes uncertain or declines or governments increase taxes or levies as a result of fiscal deficits or natural disasters. We are currently unable to predict the extent of any of these potential adverse effects.

Additional factors that could influence customer demand include access to credit, unemployment rates, affordability concerns, consumer confidence, capital and credit markets volatility, geopolitical issues and general macroeconomic factors. Certain of these factors drive levels of disposable income, which in turn affect many of our revenue streams. Business solutions customers may delay purchasing decisions, delay full implementation of service offerings or reduce their use of services. Our residential customers may similarly elect to use fewer higher margin services, switch from fixed to mobile services resulting in the so-called traffic substitution effect, reduce their consumption of our video services or similarly choose to obtain products and services under lower cost programs offered by our competitors. In addition, adverse economic conditions may lead to a rise in the number of our customers who are not able to pay for our services.

Adverse economic conditions can also have an adverse impact on tourism, which in turn can adversely impact our business. In tourist destinations, levels of gross domestic products and levels of foreign investment linked to tourism are closely tied to levels of tourist arrivals and length of stay. In addition to having a direct impact on our revenue, due, for example, to reduction of roaming charges incurred by tourists, these factors will in turn drive disposable income, with the corresponding impact on use of our products and services.

Due to the Caribbean's heavy reliance on tourism, the Caribbean economy has suffered during previous periods of global recession and fluctuations in exchange rates and is likely to be adversely affected if major economies again find themselves in recession or if consumer and/or business confidence in those economies erodes in the face of trends in the global financial markets and economies. Recent hurricanes in the Caribbean are also expected to have an adverse effect on tourism during 2018.

Should current economic conditions deteriorate, there may be volatility in exchange rates, increases in interest rates or inflation, liquidity shortfalls and a adverse effect on our revenue and profits. Recessionary pressures or country-specific issues could, among other things, affect products and services, the level of tourism experienced by some countries and the level of local consumer and business expenditure on telecommunications. In addition, most of our operations are in developing economies, which historically have experienced more volatility in their general economic conditions. The impact of poor economic conditions, globally or at a local or national level in the countries and territories in which we operate, could have a material adverse effect on our business, financial condition, results of operations.

We are exposed to sovereign debt and currency instability risks that could have an adverse impact on our liquidity, financial condition and cash flows.

Our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S., Puerto Rico and several other countries in which we operate, combined with weak growth and high unemployment, could potentially lead to fiscal reforms (including austerity measures), tax and levy increases, sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company.

We are facing challenging economic environments in many of our markets, most notably in Trinidad and Tobago, Barbados and Puerto Rico. In Puerto Rico, this environment is due in part to the government's liquidity issues. In this regard, the Puerto Rico government has failed to make significant portions of its scheduled debt payments during 2016 and 2017. Although the Puerto Rico government had implemented tax increases and other measures to improve its solvency and the U.S. had implemented

legislation designed to help manage Puerto Rico's debt crisis, the Puerto Rico government filed for a form of bankruptcy protection in May 2017, and Puerto Rico's public utility followed suit in July 2017. In addition, myriad austerity measures, including with respect to public spending on pensions, public healthcare and education, have been either recommended, mandated by the fiscal oversight board charged with overseeing Puerto Rico's recovery and/or adopted by the Puerto Rico government. Notwithstanding the potential short-term uplift in Puerto Rico's economy resulting from the recovery efforts, if the fiscal and economic conditions in Puerto Rico were to continue to worsen, including with respect to the longer term impact of the hurricanes discussed above, the population of Puerto Rico could continue to decline and the demand and ability of customers to pay for Liberty Puerto Rico's services could be impaired, both of which could have a negative impact on Liberty Puerto Rico's results of operations, cash flows and financial condition.

Our ability to comply with the financial covenants in Liberty Puerto Rico's credit facility has been adversely impacted by Hurricanes Irma and Maria.

Hurricanes Irma and Maria caused extensive damage to our broadband communications network in Puerto Rico, as well as to homes, businesses and infrastructure in that market. The operations of Liberty Puerto Rico support the \$983 million principal amount of debt outstanding under a first and second lien term loan and a revolving credit facility (collectively, the **LPR Bank Facility**), which contain, among other covenants, financial covenants relating to Liberty Puerto Rico's debt to earnings ratio. If we are unable to meet these financial covenants in any particular quarter and we are unable to cure such shortfall or are not otherwise able to obtain further relief from the lenders, we would be in default under the LPR Bank Facility. On December 20, 2017, the term loans under the LPR Bank Facility were amended to provide, among other things, Liberty Puerto Rico with relief from complying with leverage covenants through December 31, 2018. Although we expect to fully comply with the terms of the LPR Bank Facility as of March 31, 2019, no assurance can be provided that Liberty Puerto Rico will be able to comply with its leverage covenants in future periods following the aforementioned covenant relief period. Any failure to remain in compliance with the terms of the LPR Bank Facility could have a material adverse impact on our or Liberty Puerto Rico's business, liquidity and results of operations.

We are exposed to the risk of default by the counterparties to our derivative and other financial instruments, undrawn debt facilities and cash investments.

Although we seek to manage the credit risks associated with our derivative and other financial instruments, cash investments and undrawn debt facilities, we are exposed to the risk that our counterparties could default on their obligations to us. Also, even though we regularly review our credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee. At December 31, 2017, our exposure to counterparty credit risk included (i) derivative assets with an aggregate fair value of \$17 million, (ii) cash and cash equivalents and restricted cash balances of \$568 million and (iii) aggregate undrawn debt facilities of \$938 million. While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity. In this regard, (i) the financial failure of any of our counterparties could reduce amounts available under committed credit facilities and adversely impact our ability to access cash deposited with any failed financial institution, thereby causing a default under one or more derivative contracts, and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

The liquidity and value of our interests in certain of our partially-owned subsidiaries, as well as the ability to make decisions related to their operations, may be adversely affected by shareholder agreements and similar agreements to which we are a party.

We indirectly own equity interests in a variety of international video, broadband internet, telephony, mobile and other communications businesses. Certain of these equity interests, such as our interests in our operating subsidiaries of Liberty Puerto Rico, C&W Panama and BTC, are held pursuant to concessions or agreements that provide the terms of the governance of the subsidiaries as well as the ownership of such interests. These agreements contain provisions that affect the liquidity, and therefore the realizable value, of those interests by subjecting the transfer of such equity interests to consent rights or rights of first refusal of the other shareholders or partners or similar restrictions on transfer. In certain cases, a change in control of the subsidiary holding the equity interest will give rise to rights or remedies exercisable by other shareholders or partners. All of these provisions will restrict the ability to sell those equity interests and may adversely affect the prices at which those interests may be sold. Additionally, these agreements contain provisions granting us and the other shareholders or partners certain liquidity rights as well as certain governance rights, for example, with respect to material matters, including but not limited to acquisitions, mergers, dispositions, shareholder distributions, incurrence of debt, material expenditures and issuances of equity interests, which may prevent the respective subsidiary from making decisions or taking actions that would protect or advance the interests of our company, and

could even result in such subsidiary making decisions or taking actions that adversely impact our company. For instance, we and Searchlight each have certain liquidity rights in relation to Liberty Puerto Rico, including Searchlight's ability, so long as Searchlight owns at least 20% of Liberty Puerto Rico's parent entities, to force a sale of Liberty Puerto Rico or its parent entities, subject to certain conditions, including among others, our right of first offer and our ability to stop a forced sale and instead conduct a dividend recapitalization in which Searchlight would receive cash. Furthermore, our ability to access the cash of these non-wholly-owned subsidiaries may be restricted in certain circumstances under the respective shareholder, joint venture, partnership or similar agreements.

Risks Relating to the Split-Off

We may have a significant indemnity obligation to Liberty Global, which is not limited in amount or subject to any cap, if the Split-Off is treated as a taxable transaction, or the internal restructuring is subject to tax in one or more jurisdictions. In addition, we will be responsible for, and have agreed to indemnify Liberty Global for, certain taxes that relate to our operations.

Pursuant to the Tax Sharing Agreement that we entered into with Liberty Global in connection with the Split-Off, subject to certain limited exceptions relating to actions of Liberty Global, we are required to indemnify Liberty Global and its subsidiaries, for taxes resulting from the failure of the Split-Off or certain transactions that comprise the internal restructuring of Liberty Global to qualify for favored tax treatment under Section 355 of the Internal Revenue Code of 1986, as amended (the **Code**) and related provisions, including taxes that result from Section 355(e) of the Code applying to the Split-Off or such internal restructuring transactions as a result of the Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the shares of Liberty Latin America or any successor. Although Liberty Global generally should not be subject to U.S. federal income tax because Liberty Global generally is not a U.S. taxpayer, certain subsidiaries or affiliates of Liberty Global that are U.S. companies could incur significant U.S. federal income tax liabilities if favored tax treatment under Section 355 is not available with respect to certain transactions that comprise the internal restructuring.

Pursuant to the Tax Sharing Agreement, we are also required to indemnify Liberty Global and its subsidiaries for taxes imposed by the U.S. or other jurisdictions resulting from (i) certain transactions that were undertaken to effect the separation of our businesses from Liberty Global in connection with the Split-Off, including the internal restructuring of Liberty Global and (ii) certain prior acquisitions, restructurings and other transactions that arise from tax audits or tax disputes and are attributable to or otherwise relate to our businesses. The ultimate tax determination for some of these transactions may be uncertain and the amount of any indemnification obligations to Liberty Global and its subsidiaries could be substantial.

Our indemnification obligations to Liberty Global and its subsidiaries are not limited in amount or subject to any cap. If we are required to indemnify Liberty Global and its subsidiaries under the circumstances set forth in the Tax Sharing Agreement, we may be subject to substantial liabilities, which could materially adversely affect our financial position.

We may determine to forgo certain transactions in order to avoid the risk of incurring significant tax-related liabilities.

In the Tax Sharing Agreement, we covenant not to take any action, or fail to take any action, following the Split-Off, which action or failure to act is inconsistent with the Split-Off qualifying for favored tax treatment under Section 355 of the Code and related provisions. Further, the Tax Sharing Agreement requires that we generally indemnify Liberty Global for any taxes or losses incurred by Liberty Global (or its subsidiaries) resulting from breaches of such covenants or resulting from Section 355(e) of the Code applying to the Split-Off because of acquisitions of a 50-percent or greater interest (measured by vote or value) in our shares that are part of a plan that includes the Split-Off. As a result, we might determine to forgo certain transactions that might have otherwise been advantageous in order to preserve the favored tax treatment of the Split-Off.

In particular, we might determine to continue to operate certain of our business operations for the foreseeable future even if a sale or discontinuance of such business might have otherwise been advantageous. Moreover, in light of the requirements of Section 355(e) of the Code, we might determine to forgo certain transactions, including share repurchases, share issuances, certain asset dispositions or other strategic transactions for some period of time following the Split-Off. In addition, our indemnity obligation under the Tax Sharing Agreement might discourage, delay or prevent a change of control transaction for some period of time following the Split-Off.

Prior to the Split-Off, we were not an independent company and we may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as an independent company.

Prior to the Split-Off, our business was operated by Liberty Global as part of its broader corporate organization, rather than as an independent company and there can be no assurance that our business strategy will be successful on a standalone basis. As part of Liberty Global, our business enjoyed certain economies of scale, including in the areas of procurement and information technology. Liberty Global's senior management oversaw the strategic direction of our businesses and Liberty Global performed various corporate functions for us, including, but not limited to:

- certain management services; and
- services typically performed by Liberty Global's legal, investor relations, tax, accounting, procurement and finance departments.

Following the Split-Off, neither Liberty Global nor any of its affiliates have any obligation to provide these functions to us other than those services that are provided pursuant to the Services Agreement. If, once the Services Agreement terminates, we do not have in place our own systems and business functions, we do not have agreements with other providers of these services or we are not able to make these changes cost effectively, we may not be able to operate our business effectively and our financial condition and results of operations may decline. If Liberty Global does not continue to perform effectively the services that are called for under the Services Agreement with us, we may not be able to operate our business effectively.

We may not realize the potential benefits from the Split-Off in the near term or at all.

The Split-Off was consummated on the expectation that it would better position us to take advantage of business opportunities, strategic alliances and acquisitions through Liberty Latin America's management's ability to focus on strategic transactions that benefit Liberty Latin America and its expected enhanced acquisition currency. There was also an expectation that the Split-Off would enable Liberty Latin America to provide its employees with more attractive equity incentive awards. However, we may not realize these potential benefits from the Split-Off in the near term or at all. No assurance can be given that any investment, acquisition or other strategic opportunities will become available following the Split-Off on terms that Liberty Latin America finds favorable or at all. Additionally, given the added costs associated with the completion of the Split-Off, including the separate accounting, legal and other compliance costs of being a separate public company, our failure to realize the anticipated benefits of the Split-Off in the near term or at all could adversely affect the company.

Certain of the company's directors and an executive officer overlap with Liberty Global, and certain directors and officers have financial interests in Liberty Global, which may lead to conflicting interests.

As a result of the Split-Off, John C. Malone, Miranda Curtis and Paul A. Gould, who serve as directors of Liberty Global, and Liberty Global's chief financial officer, also serve as directors of Liberty Latin America. Additionally, the chief executive officer of Liberty Global, Michael Fries, also serves as our executive chairman. Our directors (including the executive chairman) have fiduciary duties to our company. Likewise, any such persons who serve in similar capacities at Liberty Global or any other public corporation have fiduciary duties to that corporation or to that corporation's shareholders. For example, there may be the potential for a conflict of interest when the company or Liberty Global pursues acquisitions and other corporate opportunities that may be suitable for each of them. In addition, all of our directors and executive officers, other than our directors Alfonso de Angoitia Noriega and Eric L. Zinterhofer, have financial interests in Liberty Global as a result of their ownership of Liberty Global Shares (as defined in note 1 to our consolidated financial statements included in Part II of this Annual Report on Form 10-K) and/or equity awards. As a result of these multiple fiduciary duties and financial interests, these directors and executive officers may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting more than one of the companies to which they owe fiduciary duties or in which they have financial interests.

Our bye-laws provide that, to the fullest extent permitted by applicable law, we have waived and renounced on behalf of ourselves and our subsidiaries any breach of a fiduciary duty by each of our directors by reason of the fact that such person directs a corporate opportunity to another person or entity (such as Liberty Global) instead of the company, or does not refer or communicate information regarding such corporate opportunity to the company, unless such opportunity was expressly offered to such person solely in his or her capacity as a director of our company and such opportunity relates to a line of business in which we or any of our subsidiaries are then directly engaged. The waiver given to our directors in respect of the diversion of corporate opportunities does not amount to a general authorization to our directors to subordinate Liberty Latin America's interests to their personal interests. Our directors will continue to be bound by their common law and statutory duties under the Bermuda Companies Act to act honestly and in good faith with a view to the best interests of Liberty Latin America and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Furthermore, our bye-laws contain a general waiver by shareholders for any claim or right of action a shareholder might have (whether individually or by or in the right of the

company) against any director or officer of the company, arising from any action or inaction by such director or officer in the performance of their duties for us or any of our subsidiaries (but excluding any matter involving fraud or dishonesty). This general waiver does not eliminate directors' or officers' fiduciary duties to Liberty Latin America under Bermuda law. Rather, it prohibits actions from being taken by shareholders against directors or officers in the event of a breach of such duties, unless the breach involves fraud or dishonesty.

In addition, any potential conflict that qualifies as a "related party transaction" (as defined in Item 404 of Regulation S-K) is subject to review by an independent committee of the applicable company's board in accordance with its corporate governance guidelines. Any other potential conflicts that arise will be addressed on a case-by-case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each company. From time to time, we may enter into transactions with Liberty Global and/or any of its subsidiaries or other affiliates. In the event of any potential conflict that qualifies as a "related party transaction" (as defined in Item 404 of Regulation S-K) involving Liberty Global and/or any of its subsidiaries or other affiliates, the audit committee or another independent body of Liberty Latin America would be required to review and approve the transaction. If the potential conflict or transaction involved an executive officer of Liberty Latin America, the audit committee of our company would be the independent committee charged by our corporate governance guidelines with this duty, and if the potential conflict or transaction involved a director of Liberty Latin America, a committee of the disinterested independent directors of Liberty Latin America would be the independent committee charged by our corporate governance guidelines with this duty. There can be no assurance that the terms of any such transactions will be as favorable to the company or any of its subsidiaries or affiliates as would be the case where there is no overlapping director or officer or where there are no financial interests in Liberty Global.

Our intercompany agreements were negotiated while we were a subsidiary of Liberty Global.

We entered into a number of intercompany agreements covering matters such as tax sharing and our responsibility for certain liabilities previously undertaken by Liberty Global for certain of our businesses. In addition, we entered into the Services Agreement with Liberty Global pursuant to which it provides us with specified services, including certain management services, other services typically performed by Liberty Global's legal, tax, accounting, procurement and finance departments and other services, for which we will pay Liberty Global a services fee. The terms of all of these agreements were established while we were a wholly-owned subsidiary of Liberty Global, and hence may not be the result of arms' length negotiations. Although we believe that the negotiations with Liberty Global were at arms' length, the persons negotiating on behalf of Liberty Latin America also serve as officers of Liberty Global. We believe that the terms of these intercompany agreements are commercially reasonable and fair to all parties under the circumstances; however, conflicts could arise in the interpretation or any extension or renegotiation of the foregoing agreements.

Risks Relating to Our Common Shares and the Securities Market

Our share price may fluctuate significantly.

The market price of our common shares may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and share price performance of comparable companies; and
- domestic and foreign economic conditions.

Furthermore, in recent years the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. As such, the price of our common shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our common shares and materially affect the value of your investment.

If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or our internal control over financial reporting is not effective, the reliability of our financial statements may be questioned and our share price may suffer.

Section 404 of the Sarbanes-Oxley Act of 2002 requires any company subject to the reporting requirements of the U.S. securities laws to include in its annual report on Form 10-K an assessment of its and its consolidated subsidiaries' internal control

over financial reporting. To comply with this statute, we will be required to perform a formal assessment of our internal controls over financial reporting, including testing the design and operating effectiveness of our internal controls; our management will be required to issue a statement as to whether or not our internal control over financial reporting is effective; and our independent auditors will be required to issue an audit opinion on our internal control over financial reporting.

Our compliance with Section 404 of the Sarbanes-Oxley Act will be required for the first time in connection with the filing of our Annual Report on Form 10-K for the fiscal year ending December 31, 2018. The criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, on which management's assessment of our internal control over financial reporting will be based, is complex and may require substantial resources and effort to apply. During the course of our assessment, management may identify material weaknesses or deficiencies which may not be remedied in time to make a favorable assessment of our internal control over financial reporting. If our management cannot favorably assess the effectiveness of our internal control over financial reporting or our auditors identify material weaknesses in our internal controls, investor confidence in our financial results may weaken, and our share price may suffer.

Different classes of our common shares have different voting rights, but all common shares vote together as one class; if you hold Class C common shares you will have no significant voting rights.

Holders of our Class A common shares are entitled to one vote per share; holders of our Class B common shares are entitled to 10 votes per share; and holders of our Class C common shares are not entitled to any votes in respect of their common shares, unless such common shares are required to carry the right to vote under applicable law, in which case holders of our Class C common shares will be entitled to 1/100 of a vote per share. Our bye-laws prescribe that all classes of common shares vote together as one class, meaning that those holding Class C common shares will have little to no ability to influence the outcome of a shareholder vote as they will be consistently outvoted by holders of our Class A and Class B common shares.

The division of our common shares into different classes with different relative voting rights does not affect the fiduciary duties owed by our directors. As a Bermuda company, our directors' fiduciary duties are owed primarily to Liberty Latin America rather to holders of our common shares, or any class of our common shares.

It may be difficult for a third-party to acquire us, even if doing so may be beneficial to our shareholders.

Certain provisions of our bye-laws and Bermuda law may discourage, delay or prevent a change in control of the company that a shareholder may consider favorable. These provisions include the following:

- authorizing a capital structure with multiple classes of shares: a Class B that entitles the holders to ten votes per share, a Class A that entitles the holders to one vote per share and a Class C that entitles the holder to no voting rights, except as otherwise required by applicable law (in which case, the holder is entitled to 1/100 of a vote per share);
- authorizing the issuance of "blank check" preferred shares, which could be issued by our board to increase the number of outstanding shares and thwart a takeover attempt;
- classifying our board with staggered three-year terms, which may lengthen the time required to gain control of our board;
- prohibiting shareholder action by written consent, thereby requiring all shareholder actions to be taken at a meeting of the shareholders;
- establishing advance notice requirements for nominations of candidates for election to our board or for proposing matters that can be acted upon by shareholders at shareholder meetings;
- requiring supermajority shareholder approval with respect to certain extraordinary matters, such as certain mergers, amalgamations, or consolidations of the company, or in the case of amendments to our bye-laws; and
- the existence of authorized and unissued shares which would allow our board to issue shares to persons friendly to current management, thereby protecting the continuity of its management, or which could be used to dilute the share ownership of persons seeking to obtain control of us.

Although our Class B common shares are quoted on the OTC Markets, there is no meaningful trading market for these shares.

Our Class B common shares are not widely held, with over 75% of the outstanding shares beneficially owned by John C. Malone, a director of our company. Although our Class B common shares are quoted on the OTC Markets, they are sparsely traded and do not have an active trading market. The OTC Markets tend to be highly illiquid, in part, because there is no national quotation

system by which potential investors can track the market price of shares, and may only do so through information received or generated by a limited number of broker-dealers that make markets in particular shares. There is also a greater chance of market volatility for securities that trade on the OTC Markets as opposed to a national exchange or quotation system, including as a result of a lack of readily available price quotations, lower trading volume, absence of consistent administrative supervision of “bid” and “ask” quotations, and similar market conditions. Each Class B common share is convertible, at any time at the option of the holder, into one Class A common share.

We may be significantly influenced by one principal shareholder.

As of January 31, 2018, John C. Malone beneficially owned a number of our common shares representing approximately 25% of the aggregate voting power of our outstanding common shares. As a result, Mr. Malone has significant influence over Liberty Latin America. Mr. Malone’s rights to vote or dispose of his equity interest in Liberty Latin America are not subject to any restrictions in favor of Liberty Latin America other than as may be required by applicable law and except for customary transfer restrictions pursuant to incentive award agreements.

Bermuda law may, in certain circumstances, afford less protection to our shareholders than the laws in effect in other jurisdictions.

We are incorporated and organized under the laws of Bermuda. As a result, our corporate affairs are governed by the Bermuda Companies Act. Bermuda law permits a company to specify thresholds for shareholder approval different from those applicable by default, either generally or for specific corporate actions. Our bye-laws prescribe a shareholder approval threshold that is higher than the default of a simple majority of votes cast at a quorate general meeting of shareholders for certain corporate actions. With respect to a Bermuda company’s directors, there is no requirement for shareholder approval for transactions between directors and companies or their subsidiaries of which they are directors (except in the case of loans, guarantees or the provision of security by a company to its directors or certain connected persons in their personal capacity). In addition, the rights of our shareholders and the fiduciary responsibilities of our directors under Bermuda law are not as clearly established as under statutes or judicial precedent in other jurisdictions, where directors’ duties are sometimes codified under applicable law. Therefore, our shareholders may have more difficulty protecting their interests than would shareholders of a public company incorporated in another jurisdiction.

We are a Bermuda company and it may be difficult for you to enforce judgments against us or our directors and executive officers.

We are a Bermuda exempted company organized under the laws of Bermuda. As a result, the rights of holders of our common shares are governed by Bermuda law and our memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions, including the U.S. and the U.K. Certain of our directors are not residents of the United States, and a substantial portion of our assets are located outside the United States. As a result, it may be difficult for investors to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, or entertain actions in Bermuda against us or our directors or officers under the securities laws of those jurisdictions.

Our bye-laws generally restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a general waiver by shareholders for any claim or right of action a shareholder might have (whether individually or by or in the right of the company) against any director or officer of the company, arising from any action or inaction by such director or officer in the performance of their duties for us or any of our subsidiaries (but excluding any matter involving fraud or dishonesty). Consequently, this waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

There are regulatory limitations on the ownership and transfer of our common shares.

Our common shares may be offered or sold in Bermuda only in compliance with the provisions of the Bermuda Companies Act and the Bermuda Investment Business Act 2003, which regulates the sale of securities in Bermuda. In addition, the Bermuda Monetary Authority must approve all issues and transfers of shares of a Bermuda exempted company. However, the Bermuda Monetary Authority has, pursuant to its statement of June 1, 2005, given its general permission under the Exchange Control Act 1972 and related regulations for the issue and free transfer of our common shares to and among persons who are non-residents of Bermuda for exchange control purposes as long as any class of our common shares are listed on an appointed stock exchange, which includes Nasdaq. This general permission would cease to apply if none of our common shares were to be listed on Nasdaq or another appointed stock exchange.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

At December 31, 2017, we leased our corporate office in Denver, Colorado, U.S. Additionally, we own our sub-sea network in the Caribbean region (see Item 1. *Business—Narrative Description of Business—Products and Services—Business Services*). Also, our subsidiaries either own or lease the fixed assets necessary for the operation of their respective businesses, including office space, transponder space, headend facilities, rights of way, cable television and telecommunications distribution equipment, telecommunications switches, base stations, cell towers and customer premises equipment and other property necessary for their operations. The physical components of their broadband networks require maintenance and periodic upgrades to support the new services and products they introduce. Subject to these maintenance and upgrade activities, our management believes that our current facilities are suitable and adequate for our business operations for the foreseeable future.

Item 3. LEGAL PROCEEDINGS

From time to time, our subsidiaries and affiliates have become involved in litigation relating to claims arising out of their operations in the normal course of business. For additional information, see note 17 to our consolidated financial statements in Part II of this Annual Report on Form 10-K.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

General

The capitalized terms used in Part II of this Annual Report on Form 10-K are defined in the consolidated financial statements and the notes thereto. In the following text, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Latin America Ltd. or collectively to Liberty Latin America Ltd. and its subsidiaries.

Market Information

Our outstanding share capital comprises Class A, Class B and Class C common shares. Our Class A and Class C common shares trade on the NASDAQ Global Select Market under the symbols “LILA” and “LILAK,” respectively, and began trading effective January 2, 2018 following the consummation of the Split-Off. Our Class B common shares are quoted on the OTC Markets under the symbol “LILAB,” although they are not actively traded.

Holders

As of January 31, 2018 we had the following number of holders of our common stock: 11,070 Class A; 29 Class B; and 25,202 Class C. The foregoing does not include the number of shareholders whose shares are nominally held by banks, brokerage houses or other institutions, but include each such institution as one record holder.

Dividends

We have not paid any cash dividends on any of our shares, and we have no present intention of doing so. Any future payment of cash dividends will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations. Except as noted in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and note 9 to our consolidated financial statements, there are currently no contractual restrictions on our ability to pay dividends in cash or shares. The credit facilities to which certain of our subsidiaries are parties restrict our ability to access their cash for, among other things, our payment of cash dividends.

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item is incorporated by reference to our definitive proxy statement for our 2018 Annual General Meeting of Shareholders.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

None.

Item 6. SELECTED FINANCIAL DATA

The following tables present selected historical financial information of Liberty Latin America. The selected financial data (i) as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 has been derived from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K, (ii) as of December 31, 2015 and for the year ended December 31, 2014 has been derived from our audited consolidated financial statements that are not included in this Annual Report on Form 10-K and (iii) as of December 31, 2014 and 2013 and for the year ended December 31, 2013 has been derived from our unaudited consolidated financial statements that are not included in this Annual Report on Form 10-K. This information is only a summary and should be read in conjunction with Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and our consolidated financial statements.

	December 31,				
	2017	2016	2015	2014	2013
	in millions				
Summary Balance Sheet Data (a):					
Goodwill	\$ 5,673.6	\$ 6,353.5	\$ 775.6	\$ 787.3	\$ 855.5
Property and equipment, net	\$ 4,169.2	\$ 3,860.9	\$ 843.5	\$ 824.6	\$ 869.1
Total assets	\$13,616.9	\$14,143.9	\$ 3,238.1	\$ 2,738.4	\$ 3,409.4
Debt and capital lease obligations, including current portion	\$ 6,371.5	\$ 6,047.9	\$ 2,305.4	\$ 2,040.9	\$ 1,319.9
Total equity	\$ 4,690.6	\$ 5,660.4	\$ 270.8	\$ 69.1	\$ 1,499.3

	Year ended December 31,				
	2017	2016	2015	2014	2013
	in millions, except per share amounts				
Summary Statement of Operations Data (a):					
Revenue	\$ 3,590.0	\$ 2,723.8	\$ 1,217.3	\$ 1,204.6	\$ 1,288.8
Operating income (loss)	\$ (148.4)	\$ 319.1	\$ 248.1	\$ 228.4	\$ 22.9
Net earnings (loss) (b)	\$ (798.7)	\$ (404.0)	\$ 45.8	\$ 9.7	\$ (53.0)
Net earnings (loss) attributable to Liberty Latin America shareholders	\$ (778.1)	\$ (432.3)	\$ 38.0	\$ 12.0	\$ (39.1)
Basic and diluted net earnings (loss) per share attributable to Liberty Latin America shareholders (c)	\$ (4.53)	\$ (3.44)	\$ 0.87	\$ 0.27	\$ (0.89)

- (a) We acquired C&W on May 16, 2016 and Choice on June 3, 2015.
- (b) Includes net earnings (loss) attributable to noncontrolling interests of (\$20.6 million), \$28.3 million, \$7.8 million, (\$2.3 million) and (\$13.9 million), respectively.
- (c) Amounts are calculated based on weighted average number of shares outstanding of 171,850,041, 125,627,811, 43,920,678, 43,925,871 and 43,925,871, respectively. The 2017 amount represents (i) the weighted average number of LiLAC Shares outstanding during the year prior to the Split-Off and (ii) the weighted average number of Liberty Latin America Shares outstanding during the year subsequent to the Split-Off. The 2016 amount represents the actual weighted average number of LiLAC Shares outstanding, as adjusted to reflect the total 117,430,965 Class A and Class C LiLAC Shares issued to holders of Class A and Class C Liberty Global Shares pursuant to the LiLAC Distribution as if such distribution was completed on the May 16, 2016 date of the C&W Acquisition. The 2015 amount represents the actual weighted average number of LiLAC Shares outstanding for the period from July 1, 2015 through December 31, 2015, as adjusted to reflect the LiLAC Transaction as if such transaction was completed on January 1, 2015. The share amounts for 2014 and 2013, represent the number of LiLAC Shares issued on July 1, 2015 upon completion of the LiLAC Transaction as if such shares were issued since January 1, 2013.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis, which should be read in conjunction with our consolidated financial statements, is intended to assist in providing an understanding of our results of operations and financial condition and is organized as follows:

- *Overview.* This section provides a general description of our business and recent events.
- *Results of Operations.* This section provides an analysis of our results of operations for the years ended December 31, 2017, 2016 and 2015.
- *Liquidity and Capital Resources.* This section provides an analysis of our liquidity, consolidated statements of cash flows and contractual commitments.
- *Critical Accounting Policies, Judgments and Estimates.* This section discusses those material accounting policies that involve uncertainties and require significant judgment in their application.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated, and operational data (including subscriber statistics) is presented, as of December 31, 2017.

Overview

General

We are an international provider of video, broadband internet, fixed-line telephony and mobile services. We provide residential and B2B communications services in (i) 18 countries, primarily in Latin America and the Caribbean, through C&W, (ii) Chile through VTR and (iii) Puerto Rico through Liberty Puerto Rico. C&W also provides (i) B2B communication services in certain other countries in Latin America and the Caribbean and (ii) wholesale communication services over its sub-sea and terrestrial fiber optic cable networks that connect over 40 markets in that region.

Impacts of Hurricanes

In September 2017, Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. The most extensive damage occurred in the Impacted Markets, which include Puerto Rico and certain markets within our C&W reportable segment. During the three months ended June 30, 2017, the last full quarter that was not impacted by the hurricanes, Liberty Puerto Rico accounted for 11.8% and 14.6% of our consolidated revenue and Adjusted OIBDA, respectively, while the operations in C&W's Impacted Markets collectively accounted for 3.0% and 2.1% of our consolidated revenue and Adjusted OIBDA, respectively. Below we have included the net impact of the hurricanes on the revenue and Adjusted OIBDA of the Impacted Markets during the three and twelve months ended December 31, 2017. Our assessment of the losses attributable to the hurricanes is ongoing, and as discussed below, we expect to incur additional costs and losses as we restore the damaged networks and reconnect customers. We continue to be uncertain as to the extent and ultimate completion of our restoration and reconnection efforts in the Impacted Markets.

We maintain an integrated group property and business interruption insurance program covering all Impacted Markets up to a limit of \$75 million per occurrence, which is generally subject to \$15 million per occurrence of self-insurance. Although we are continuing to assess the alternatives under our insurance policy, we currently believe that the hurricanes will result in at least two occurrences. This policy is subject to the normal terms and conditions applicable to this type of insurance. We expect that the insurance recovery will only cover a portion of the incurred losses of each of our impacted businesses. See note 6 to our consolidated financial statements for additional information regarding estimated insurance recoveries recorded during the fourth quarter of 2017.

Further details regarding the impacts of Hurricanes Irma and Maria are discussed below. For information regarding impairment charges that have been recorded as a result of Hurricanes Irma and Maria, see notes 6 and 8 to our consolidated financial statements. For information regarding the impacts of Hurricanes Irma and Maria on the outstanding debt of Liberty Puerto Rico, see note 9 to our consolidated financial statements.

Liberty Puerto Rico. In Puerto Rico, the damage caused by Hurricanes Maria and, to a lesser extent Hurricane Irma, was extensive and widespread. Individuals and businesses across Puerto Rico continue to deal with significant challenges caused by the severe damage to essential infrastructure, including damage to Puerto Rico's power supply and transmission system. Similarly, Liberty Puerto Rico's broadband communications network suffered extensive damage. As of December 31, 2017, we have been able to restore service to approximately 340,000 RGUs (as defined below) of our total estimated 738,500 RGUs at Liberty Puerto

Rico. Additionally, we estimate that approximately \$130 million of property and equipment additions is required to restore nearly all of Liberty Puerto Rico's broadband communications network, approximately \$50 million of which was incurred during the fourth quarter.

During the three and twelve months ended December 31, 2017, the effects of the hurricanes negatively impacted Liberty Puerto Rico's revenue by an estimated \$90 million and \$109 million, respectively, and Adjusted OIBDA by an estimated \$65 million and \$80 million, respectively. Although these negative impacts will decline as the network is restored and customers are reconnected, we expect that the adverse impacts of the hurricanes on Liberty Puerto Rico's revenue and Adjusted OIBDA will continue through 2018 and beyond. The severity of the hurricanes impact on Liberty Puerto Rico's future revenue and Adjusted OIBDA will be influenced in part by the following uncertainties:

- the length of time that it will take to restore Puerto Rico's power and transmission system and to fully restore our network;
- the number of people that will choose to leave Puerto Rico for an extended period or permanently; and
- the ability of the Puerto Rico and U.S. governments to effectively oversee the recovery process in Puerto Rico.

In terms of liquidity for Liberty Puerto Rico, the cash provided by its operations was a significant source of pre-hurricane liquidity. As a result of the hurricane impacts, we do not expect Liberty Puerto Rico will generate positive cash from operations, inclusive of capital expenditures, until at least the latter half of 2018. In this regard, Liberty Puerto Rico's immediate liquidity needs are being funded by available cash on hand, which includes \$40 million that was drawn under the LPR Bank Facility during the fourth quarter of 2017. No further amounts are available to be borrowed under the LPR Bank Facility. Other than cash on hand and any cash flow from operations, future liquidity sources are expected to include insurance proceeds and an equity commitment through December 31, 2018 of up to \$60 million from Liberty Puerto Rico's shareholders to fund any potential liquidity shortfalls. Based on our 60% ownership in Liberty Puerto Rico, we are obligated for \$36 million of this equity commitment. For additional information regarding the \$60 million equity commitment, see *Liquidity and Capital Resources* below. While there are still uncertainties with respect to Liberty Puerto Rico's recovery from the hurricanes, and no assurance can be given as to the ultimate amount or timing of liquidity to be received from cash from operations or insurance proceeds, we expect these existing and potential sources of liquidity will be sufficient to satisfy Liberty Puerto Rico's liquidity requirements over the next twelve months.

C&W. C&W offers services over fixed and mobile networks, and portions of these networks in its Impacted Markets were significantly damaged as a result of the hurricanes, most notably in the British Virgin Islands, Dominica and Anguilla. Services to most of our fixed-line customers in these markets have not yet been restored. While mobile services have been largely restored in C&W's Impacted Markets, we are still in the process of completing the restoration of our mobile network infrastructure. In addition to network damage, these markets are also dealing with extensive damage to homes, businesses and essential infrastructure.

During the three and twelve months ended December 31, 2017, the effects of the hurricanes negatively impacted C&W's revenue by an estimated \$7 million and \$10 million, respectively and Adjusted OIBDA by an estimated \$8 million and \$17 million, respectively. We currently estimate that approximately \$50 million of property and equipment additions is required to restore nearly all of the damaged networks in C&W's Impacted Markets, approximately \$13 million of which was incurred during the fourth quarter. Although these negative impacts will decline as the networks are restored and customers are reconnected, we expect that the adverse impacts of the hurricanes on C&W's revenue and Adjusted OIBDA will continue through 2018 and beyond.

Operations

As described above, Hurricanes Irma and Maria caused significant damage to our operations in Puerto Rico, resulting in disruptions to our telecommunications services. As we are still in the process of assessing the operational impacts of the hurricanes in Puerto Rico, we are unable to accurately estimate our homes passed and subscriber numbers as of December 31, 2017. Accordingly, and as described in Item 1. *Narrative Description of Business—Operating Data* above, the December 31, 2017 subscriber numbers for the Impacted Markets reflect the subscribers amounts as of August 31, 2017 as adjusted for net voluntary disconnects through December 31, 2017 and the homes passed reflect the August 31, 2017 levels adjusted for approximately 30,000 homes that were destroyed in geographic areas we may not rebuild.

At December 31, 2017, we (i) owned and operated networks that passed 6,403,200 homes and served 5,197,700 revenue generating units (**RGUs**), comprising 2,109,800 broadband internet subscribers, 1,689,300 video subscribers and 1,398,600 fixed-line telephony subscribers and (ii) served 3,631,400 mobile subscribers.

Strategy and Management Focus

From a strategic perspective, we are seeking to build broadband communications and mobile businesses that have strong prospects for future growth. As discussed further under *Liquidity and Capital Resources—Capitalization* below, we also seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk.

We strive to achieve organic revenue and customer growth in our operations by developing and marketing bundled entertainment and information and communications services, and extending and upgrading the quality of our networks where appropriate. As we use the term, organic growth excludes foreign currency translation effects (**FX**) and the estimated impact of acquisitions. While we seek to increase our customer base, we also seek to maximize the average revenue we receive from each household by increasing the penetration of our digital video, broadband internet, fixed-line telephony and mobile services with existing customers through product bundling and upselling.

We are engaged in network extension and upgrade programs at C&W, VTR and Liberty Puerto Rico, although the Liberty Puerto Rico program has been interrupted by the impacts of the hurricanes. We collectively refer to these network extension and upgrade programs as the “**Network Extensions**.” The Network Extensions will be completed in phases with priority given to the most accretive expansion opportunities. During 2017, approximately 465,000 homes and commercial premises were connected to our networks or upgraded. Depending on a variety of factors, including the financial and operational results of the programs, the Network Extensions may be continued, modified or cancelled at our discretion. See Item 1. *Business—Products and Services—Residential Services—Internet Services*.

For information regarding our expectation with regard to property and equipment additions as a percent of revenue during 2018, see *Liquidity and Capital Resources—Consolidated Statements of Cash Flows* below.

Competition and Other External Factors

We are experiencing significant competition from other telecommunications operators, DTH operators and other providers in all of our markets, particularly in many of C&W's markets. In the Bahamas, where C&W previously was the only provider of mobile services, competition has increased significantly due to the commercial launch of mobile services by a competitor during the fourth quarter of 2016. In addition, fixed-line competition has increased in a number of C&W's markets in the Caribbean, including Trinidad and Tobago, Jamaica and Barbados. In certain of its markets, C&W is also experiencing increased regulatory intervention that would, if implemented, facilitate increased competition. The significant competition we are experiencing, together with macroeconomic factors, has adversely impacted our revenue, RGUs and/or average monthly subscription revenue per average cable RGU or mobile subscriber, as applicable, (**ARPU**) in a number of C&W's markets. For additional information regarding the revenue impact of changes in the RGUs and ARPU of our reportable segments, see *Discussion and Analysis of our Reportable Segments* below.

In addition, high levels of sovereign debt in the U.S. and several countries in which we or our affiliates operate, combined with weak growth and high unemployment, could potentially lead to fiscal reforms (including austerity measures), tax increases, sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company. The occurrence of any of these events could have an adverse impact on, among other matters, our liquidity and cash flows.

We are facing challenging economic environments in many of our markets, most notably in Trinidad and Tobago, Barbados and Puerto Rico. In Puerto Rico, this environment is due in part to the government's liquidity issues. In this regard, the Puerto Rico government has failed to make significant portions of its scheduled debt payments during 2016 and 2017. Although the Puerto Rico government had implemented tax increases and other measures to improve its solvency and the U.S. had implemented legislation designed to help manage Puerto Rico's debt crisis, the Puerto Rico government filed for a form of bankruptcy protection in May 2017, and Puerto Rico's public utility followed suit in July 2017. In addition, myriad austerity measures, including with respect to public spending on pensions, public healthcare and education, have been either recommended, mandated by the fiscal oversight board charged with overseeing Puerto Rico's recovery and/or adopted by the Puerto Rico government. Notwithstanding the potential short-term uplift in Puerto Rico's economy resulting from the recovery efforts, if the fiscal and economic conditions in Puerto Rico were to continue to worsen, including with respect to the longer term impact of the hurricanes discussed above, the population of Puerto Rico could continue to decline and the demand and ability of customers to pay for Liberty Puerto Rico's services could be impaired, both of which could have a negative impact on Liberty Puerto Rico's results of operations, cash flows and financial condition.

Results of Operations

In the following discussion, we quantify the estimated impact of acquisitions (the **Acquisition Impact**) on our operating results. The Acquisition Impact represents our estimate of the difference between the operating results of the periods under comparison that is attributable to an acquisition. Effective December 31, 2017, we revised the method in which we estimate the Acquisition Impact to reflect the actual operating results of the acquired entity during the first 12 months following its acquisition. Accordingly, in the following discussion, (i) organic increases exclude the operating results of an acquired entity during the first 12 months following the date of acquisition and (ii) the calculation of our organic change percentages exclude the Acquisition Impact of such entity.

Changes in foreign currency exchange rates may have a significant impact on our operating results as VTR and certain entities within C&W have functional currencies other than the U.S. dollar. Our primary exposure to FX risk during 2017 was to the Chilean peso as 26.5% of our revenue during the period was derived from VTR, whose functional currency is the Chilean peso. In addition, our operating results are impacted by changes in the exchange rates for other local currencies in Latin America and the Caribbean. The impacts to the various components of our results of operations that are attributable to changes in FX are highlighted under *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* below and assume that the exchange rates remained constant at the prior year rate during the comparative periods. For information concerning our foreign currency risks and applicable foreign currency exchange rates, see Item 7A. *Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk* below.

The amounts presented and discussed below represent 100% of each reportable segment's revenue and Adjusted OIBDA. As we have the ability to control Liberty Puerto Rico and certain subsidiaries of C&W that are not wholly owned, we include 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners' interests in the operating results of Liberty Puerto Rico and certain subsidiaries of C&W are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

Prior to the Split-Off, Liberty Global allocated a portion of their corporate function costs to us, based primarily on the estimated percentage of time spent by corporate personnel providing services to us. Such costs were not intended to reflect the costs of operating as a standalone public company. Accordingly, we expect our corporate-related SG&A costs to increase significantly during 2018 as a result of operating as a standalone company and incurring certain public company-related costs. These costs are expected to include executive employee and board of directors expenses; insurance; costs related to the compliance with federal securities laws (including compliance with the Sarbanes-Oxley Act of 2002); and costs for financial reporting, tax administration, human resources functions and centralization of certain other corporate functions. These expected increases in costs are inclusive of costs that Liberty Global will charge us in connection with certain of the Split-Off Agreements, as further described in note 12 to our consolidated financial statements.

Discussion and Analysis of our Reportable Segments

General

All of the reportable segments derive their revenue primarily from (i) residential broadband communications services, including video, broadband internet and fixed-line telephony services, (ii) B2B communications services and (iii) with the exception of Liberty Puerto Rico, residential mobile services. For detailed information regarding the composition of our reportable segments, see note 18 to our consolidated financial statements.

The tables presented below in this section provide a separate analysis of each of the line items that comprise Adjusted OIBDA, as further discussed in note 18 to our consolidated financial statements, as well as an analysis of Adjusted OIBDA by reportable segment. As discussed under Item 7A. *Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk* below, we have significant exposure to movements in foreign currency exchange rates. We also provide a table showing the Adjusted OIBDA margins (Adjusted OIBDA divided by revenue) of our reportable segments for the years ended 2017, 2016 and 2015 at the end of this section under *Adjusted OIBDA of our Reportable Segments*. We do not include share-based compensation in the discussion and analysis of our other operating and SG&A expenses as share-based compensation expense is not included in our performance measures. Share-based compensation expense is discussed under *Discussion and Analysis of our Consolidated Operating Results* below.

A significant portion of our revenue is derived from jurisdictions that administer VAT or similar revenue-based taxes. Any increases in these taxes could have an adverse impact on our ability to maintain or increase our revenue to the extent that we are unable to pass such tax increases on to our customers. In the case of revenue-based taxes for which we are the ultimate taxpayer, we will also experience increases in our operating costs and expenses and corresponding declines in our Adjusted OIBDA and Adjusted OIBDA margins to the extent of any such tax increases.

We pay interconnection fees to other telephony providers when calls or text messages from our subscribers terminate on another network, and we receive similar fees from such providers when calls or text messages from their customers terminate on our networks or networks that we access through MVNO or other arrangements. The amounts we charge and incur with respect to fixed-line telephony and mobile interconnection fees are subject to regulatory oversight. To the extent that regulatory authorities introduce fixed-line or mobile termination rate changes, we would experience prospective changes and, in very limited cases, we could experience retroactive changes in our interconnect revenue and/or costs. The ultimate impact of any such changes in termination rates on our Adjusted OIBDA would be dependent on the call or text messaging patterns that are subject to the changed termination rates.

We are subject to inflationary pressures with respect to certain costs and foreign currency exchange risk with respect to costs and expenses that are denominated in currencies other than the respective functional currencies of our reportable segments (**non-functional currency expenses**). Any cost increases that we are not able to pass on to our subscribers through rate increases would result in increased pressure on our operating margins.

Revenue of our Reportable Segments

General. While not specifically discussed in the below explanations of the changes in the revenue of our reportable segments, we are experiencing significant competition in all of our markets. This competition has an adverse impact on our ability to increase or maintain our RGUs and/or ARPU.

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of RGUs or mobile subscribers during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (i) changes in prices, (ii) changes in bundling or promotional discounts, (iii) changes in the tier of services selected, (iv) variances in subscriber usage patterns and (v) the overall mix of cable and mobile products within a segment during the period. In the following discussion, we discuss ARPU changes in terms of the net impact of the above factors on the ARPU that is derived from our video, broadband internet, fixed-line telephony and mobile products. At Liberty Puerto Rico and C&W, variances in revenue during 2017, as compared with 2016, were also impacted by Hurricanes Maria and Irma. We have separately identified the impacts of the hurricanes in our below discussion of revenue in order to provide more meaningful comparisons resulting from changes in RGUs and ARPU. For additional information regarding the impact of the hurricanes on our subscriber counts, see Item 1. *Business—Narrative Description of Business—Operating Data*.

Effective April 1, 2017, we retroactively changed the presentation of our revenue by major category. For additional information, see note 18 to our consolidated financial statements.

Revenue—2017 compared to 2016

	Year ended December 31,		Increase (decrease)	
	2017	2016	\$	%
in millions, except percentages				
C&W	\$ 2,322.1	\$ 1,444.8	\$ 877.3	60.7
VTR	952.9	859.5	93.4	10.9
Liberty Puerto Rico	320.5	420.8	(100.3)	(23.8)
Intersegment eliminations	(5.5)	(1.3)	(4.2)	N.M.
Total	<u>\$ 3,590.0</u>	<u>\$ 2,723.8</u>	<u>\$ 866.2</u>	<u>31.8</u>

N.M. — Not Meaningful.

C&W. The details of the changes in C&W's revenue during 2017, as compared to 2016, are set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase in residential cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 2.4	\$ —	\$ 2.4
ARPU (b)	1.1	—	1.1
Decrease in residential cable non-subscription revenue (c)	—	(8.6)	(8.6)
Decrease in residential cable revenue as a result of the hurricanes (d)	(5.3)	(0.6)	(5.9)
Total decrease in residential cable revenue	(1.8)	(9.2)	(11.0)
Increase (decrease) in residential mobile revenue (e)	(15.3)	5.0	(10.3)
Increase in residential mobile revenue as a result of the hurricanes (d)	1.0	—	1.0
Increase in B2B revenue (f)	—	18.5	18.5
Decrease in B2B revenue as a result of the hurricanes (d)	—	(4.8)	(4.8)
Total organic increase (decrease)	(16.1)	9.5	(6.6)
Impact of acquisitions	434.3	462.3	896.6
Impact of FX	(7.3)	(5.4)	(12.7)
Total	\$ 410.9	\$ 466.4	\$ 877.3

- (a) The increase is attributable to the net effect of (i) higher broadband internet and fixed-line telephony RGUs and (ii) a decrease in video RGUs.
- (b) The increase is attributable to the net effect of (i) higher ARPU from broadband internet and video services, (ii) lower ARPU from fixed-line telephony services and (iii) an adverse change in RGU mix.
- (c) The decrease is primarily attributable to lower interconnect revenue, mainly due to lower fixed-line telephony termination volumes.
- (d) Amounts primarily consist of customer credits recorded through December 31, 2017 associated with service interruptions, partially offset by increases in mobile data usage and roaming revenue as a result of unavailability of broadband internet services. For additional information regarding the impacts of the hurricanes, see *Overview* above.
- (e) The decrease in mobile subscription revenue is primarily attributable to the net effect of (i) lower revenue in the Bahamas associated with a decrease in the average number of subscribers and lower ARPU, primarily driven by the commercial launch of mobile services by a competitor during the fourth quarter of 2016, and (ii) higher revenue in Jamaica due to higher ARPU and an increase in the average number of subscribers. The increase in mobile non-subscription revenue is mostly due to an increase in revenue from handset sales, as a result of lower handset discounts.
- (f) The increase is primarily attributable to the net effect of (i) higher revenue from wholesale services and interconnect fees and (ii) lower revenue from managed services, mainly driven by a decrease in project-related revenue. In addition, the increase includes \$6 million of organic impacts associated with wholesale revenue recognized on a cash basis in 2017 related to services provided to a significant customer in prior periods.

VTR. The details of the changes in VTR's revenue during 2017, as compared to 2016, are set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase in residential cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 13.8	\$ —	\$ 13.8
ARPU (b)	24.3	—	24.3
Decrease in residential cable non-subscription revenue (c)	—	(9.0)	(9.0)
Total increase (decrease) in residential cable revenue	38.1	(9.0)	29.1
Increase in residential mobile revenue (d)	12.6	1.0	13.6
Increase in B2B revenue (e)	11.8	0.3	12.1
Total organic increase (decrease)	62.5	(7.7)	54.8
Impact of FX	37.0	1.6	38.6
Total	\$ 99.5	\$ (6.1)	\$ 93.4

- (a) The increase is attributable to the net effect of (i) higher broadband internet and video RGUs and (ii) a decline in fixed-line telephony RGUs.
- (b) The increase is primarily due to the net effect of (i) higher ARPU from video services, (ii) an improvement in RGU mix, (iii) an increase of \$4 million resulting from the impact of unfavorable adjustments recorded during 2016 to reflect the retroactive application of a tariff on ancillary services provided directly to customers for the period from July 2013 through February 2014 and (iv) lower ARPU from fixed-line telephony services.
- (c) The decrease is primarily due to the net effect of (i) lower advertising revenue, (ii) lower interconnect revenue attributable to decreases in fixed-line telephony termination volumes and rates, and (iii) higher installation revenue.
- (d) The increase in mobile subscription revenue is primarily due to a higher average number of mobile subscribers.
- (e) The increase in subscription revenue is primarily attributable to higher average numbers of broadband internet, fixed-line telephony and video SOHO RGUs. A portion of this increase is attributable to the conversion of certain residential subscribers to SOHO subscribers.

Liberty Puerto Rico. The details of the decreases in Liberty Puerto Rico's revenue during 2017, as compared to 2016, are set forth in the table below. In order to provide a meaningful analysis of Liberty Puerto Rico's business prior to the hurricanes, changes in (i) residential cable subscription revenue due to changes in the average number of RGUs and ARPU, (ii) residential cable non-subscription revenue, (iii) B2B revenue and (iv) other revenue, each reflect changes during the nine months ended September 30, 2017, as compared to the corresponding period in 2016, exclusive of the changes resulting from the hurricanes. We present the changes in revenue as a result of the hurricanes separately in the table below. For additional details of the decreases in revenue due to the hurricanes, see footnote (c) to the table below.

	Subscription revenue	Non-subscription revenue	Total
in millions			
Increase in residential cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 6.1	\$ —	\$ 6.1
ARPU (b)	0.4	—	0.4
Increase in residential cable non-subscription revenue	—	1.1	1.1
Decrease in residential cable revenue as a result of the hurricanes (c)	(95.4)	(7.0)	(102.4)
Total decrease in residential cable revenue	(88.9)	(5.9)	(94.8)
Increase (decrease) in B2B revenue	(1.3)	1.8	0.5
Decrease in other revenue	—	(1.0)	(1.0)
Decrease in B2B and other revenue as a result of the hurricanes (c)	(1.1)	(3.9)	(5.0)
Total	\$ (91.3)	\$ (9.0)	\$ (100.3)

- (a) The increase is primarily attributable to an increase in broadband internet RGUs that was only partially offset by a decline in video RGUs.
- (b) The increase is attributable to the net effect of (i) a net increase due to (a) higher ARPU from broadband internet services and (b) lower ARPU from fixed-line telephony and video services and (ii) an adverse change in RGU mix.
- (c) Amounts represent the decreases in revenue during the twelve months ended December 31, 2017 as compared to the corresponding period in 2016, resulting from Hurricanes Maria and Irma. These decreases are primarily due to customer credits recorded through December 31, 2017 associated with service interruptions. Additionally, customer disconnects, reductions in late charges and lower advertising revenue also contributed to the hurricane-related decline during 2017. For additional information regarding the impacts of the hurricanes, see *Overview* above.

Revenue—2016 compared to 2015

	Year ended December 31,		Increase (decrease)	
	2016	2015	\$	%
in millions, except percentages				
C&W	\$ 1,444.8	\$ —	\$ 1,444.8	N.M.
VTR	859.5	838.1	21.4	2.6
Liberty Puerto Rico	420.8	379.2	41.6	11.0
Intersegment eliminations	(1.3)	—	(1.3)	N.M.
Total	\$ 2,723.8	\$ 1,217.3	\$ 1,506.5	123.8

N.M. — Not Meaningful.

C&W. The increase in C&W's revenue during 2016, as compared to 2015, is entirely attributable to the May 16, 2016 C&W Acquisition.

VTR. The details of the changes in VTR's revenue during 2016, as compared to 2015, are set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase in residential cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 18.2	\$ —	\$ 18.2
ARPU (b)	24.4	—	24.4
Decrease in residential cable non-subscription revenue (c)	—	(4.1)	(4.1)
Total increase (decrease) in residential cable revenue	42.6	(4.1)	38.5
Increase in residential mobile revenue (d)	6.8	2.2	9.0
Increase in B2B revenue	2.8	0.3	3.1
Total organic increase (decrease)	52.2	(1.6)	50.6
Impact of FX	(27.6)	(1.6)	(29.2)
Total	\$ 24.6	\$ (3.2)	\$ 21.4

- (a) The increase is attributable to growth in broadband internet and video RGUs that were only partially offset by lower fixed-line telephony RGUs.
- (b) The increase is attributable to (i) a net increase due to (a) higher ARPU from broadband internet and video services and (b) lower ARPU from fixed-line telephony services and (ii) an improvement in RGU mix. In addition, this increase includes adjustments to reflect the retroactive application of a tariff on ancillary services provided directly to customers for the period from July 2013 through February 2014, including (i) a decrease of \$4 million due to the impact of unfavorable adjustments recorded during the first and second quarters of 2016 and (ii) an increase of \$2 million due to the impact of an unfavorable adjustment recorded during the first quarter of 2015.
- (c) The decrease is primarily due to the net effect of (i) lower advertising revenue and (ii) an increase of \$3 million in interconnect revenue due to the impacts of unfavorable adjustments recorded during the first and third quarters of 2015 to reflect the retroactive application of a tariff reduction to June 2012.
- (d) The increase in mobile subscription revenue is due to (i) a higher average number of mobile subscribers, as an increase in postpaid subscribers more than offset the decrease in prepaid subscribers, and (ii) an increase in ARPU, primarily due to a higher proportion of mobile subscribers on postpaid plans, which generate higher ARPU than prepaid plans.

Liberty Puerto Rico. The details of the increases in Liberty Puerto Rico's revenue during 2016, as compared to 2015, are set forth below:

	Subscription revenue	Non-subscription revenue	Total
	in millions		
Increase (decrease) in residential cable subscription revenue due to change in:			
Average number of RGUs (a)	\$ 1.7	\$ —	\$ 1.7
ARPU (b)	(2.1)	—	(2.1)
Decrease in residential cable non-subscription revenue	—	(0.5)	(0.5)
Total decrease in residential cable revenue	(0.4)	(0.5)	(0.9)
Increase in B2B revenue	2.6	3.5	6.1
Decrease in other revenue	—	(1.6)	(1.6)
Total organic increase	2.2	1.4	3.6
Impact of the Choice Acquisition	34.4	3.6	38.0
Total	\$ 36.6	\$ 5.0	\$ 41.6

- (a) The increase is attributable to higher fixed-line telephony and broadband internet RGUs that were only partially offset by lower video RGUs.
- (b) The decrease is attributable to the net effect of (i) an adverse change in RGU mix and (ii) a net increase due to (a) higher ARPU from broadband internet services and (b) lower ARPU from fixed-line telephony and video services.

Programming and Other Direct Costs of Services of our Reportable Segments

General. Programming and other direct costs of services include programming and copyright costs, mobile access and interconnect costs, costs of mobile handsets and other devices and other direct costs related to our operations. Notwithstanding the impact of hurricanes, programming and copyright costs, which represent a significant portion of our operating costs, are expected to rise in future periods as a result of (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, (ii) rate increases and (iii) growth in the number of our enhanced video subscribers.

Programming and other direct costs of services—2017 compared to 2016

	Year ended December 31,		Increase (decrease)	
	2017	2016	\$	%
	in millions, except percentages			
C&W	\$ 541.4	\$ 327.6	\$ 213.8	65.3
VTR	257.9	237.6	20.3	8.5
Liberty Puerto Rico	82.2	113.3	(31.1)	(27.4)
Corporate and intersegment eliminations	(5.3)	(1.3)	(4.0)	N.M.
Total	\$ 876.2	\$ 677.2	\$ 199.0	29.4

N.M. — Not Meaningful.

C&W. The increase in C&W's programming and other direct costs of services includes (i) increases of \$201 million and \$13 million attributable to the impacts of the C&W Acquisition and the C&W Carve-out Acquisition, respectively, and (ii) a decrease of \$5 million due to FX. Excluding the effects of acquisitions and FX, C&W's programming and other direct costs of services increased \$5 million or 1.6%. This increase includes the following factors:

- An increase in programming and copyright costs of \$13 million or 15.0%, primarily resulting from (i) increased costs associated with basic and premium content, due to the carriage of live Premier League games and (ii) a \$5 million increase resulting from the reassessment of certain content accruals during the fourth quarter of 2017. In August 2016, C&W began

broadcasting live Premier League games in a number of its markets pursuant to a new multi-year agreement. The cost of the rights to broadcast these games represents a significant portion of C&W's programming costs;

- A decrease of \$10 million in project related costs;
- A decrease in mobile handset costs of \$3 million or 5.8%, primarily due to lower mobile handset sales in Jamaica and Panama;
- An increase in mobile access and interconnect costs of \$3 million or 2.4%, primarily due to the net effect of (i) higher international call volumes, (ii) a decline resulting from lower fixed and mobile interconnect rates and (iii) growth in C&W's B2B business; and
- A net increase resulting from other individually insignificant changes in other direct cost categories.

VTR. The increase in VTR's programming and other direct costs of services includes an increase of \$10 million due to FX. Excluding the effect of FX, VTR's programming and other direct costs of services increased \$10 million or 4.2%. This increase includes the following factors:

- An increase in programming and copyright costs of \$5 million or 3.1%, primarily associated with (i) an increase in certain premium and basic content costs and (ii) higher costs associated with VoD;
- An increase in mobile access and interconnect costs of \$3 million or 4.9%, primarily due to the net effect of (i) higher MVNO charges and (ii) a net decline in interconnect costs from lower interconnect rates and higher call volumes; and
- An increase in mobile handset costs of \$2 million or 14.7%, primarily resulting from higher mobile handset sales.

Liberty Puerto Rico. The decrease in Liberty Puerto Rico's programming and other direct costs of services is primarily attributable to (i) a decrease of \$22 million due to credits from vendors and lower utility costs during the third and fourth quarters of 2017 stemming from Hurricanes Irma and Maria and (ii) a decrease in premium content costs.

Programming and other direct costs of services—2016 compared to 2015

	Year ended December 31,		Increase (decrease)	
	2016	2015	\$	%
	in millions, except percentages			
C&W	\$ 327.6	\$ —	\$ 327.6	N.M.
VTR	237.6	227.9	9.7	4.3
Liberty Puerto Rico	113.3	110.3	3.0	2.7
Corporate and intersegment eliminations	(1.3)	(0.5)	(0.8)	N.M.
Total	<u>\$ 677.2</u>	<u>\$ 337.7</u>	<u>\$ 339.5</u>	<u>100.5</u>

N.M. — Not Meaningful.

C&W. The increase in C&W's programming and other direct costs of services is entirely attributable to the May 16, 2016 C&W Acquisition.

VTR. The increase in VTR's programming and other direct costs of services includes a decrease of \$8 million due to FX. Excluding the effect of FX, VTR's programming and other direct costs of services increased \$18 million or 7.8%. This increase includes the following factors:

- An increase in programming and copyright costs of \$15 million or 10.0%, primarily due to growth in the number of enhanced video subscribers; and
- A net increase resulting from individually insignificant changes in other direct costs of services expense categories.

Liberty Puerto Rico. The increase in Liberty Puerto Rico's programming and other direct costs of services includes an increase of \$8 million attributable to the impact of the Choice Acquisition. Excluding the effect of the Choice Acquisition, Liberty Puerto Rico's programming and other direct costs of services decreased \$5 million or 4.8%. This decrease includes the following factors:

- A decrease in programming and copyright costs of \$2 million or 2.3%, primarily due to decreased costs for certain premium content; and
- A decrease in interconnect costs of \$1 million or 12.4%, primarily due to lower carrier costs.

Other Operating Expenses of our Reportable Segments

General. Other operating expenses include network operations, customer operations, customer care, share-based compensation and other costs related to our operations.

Other operating expenses—2017 compared to 2016

	Year ended December 31,		Increase (decrease)	
	2017	2016	\$	%
in millions, except percentages				
C&W	\$ 458.5	\$ 269.9	\$ 188.6	69.9
VTR	156.3	139.1	17.2	12.4
Liberty Puerto Rico	57.2	58.3	(1.1)	(1.9)
Corporate and intersegment eliminations	—	(0.1)	0.1	N.M.
Total other operating expenses excluding share-based compensation expense	672.0	467.2	204.8	43.8
Share-based compensation expense	0.5	1.4	(0.9)	(64.3)
Total	\$ 672.5	\$ 468.6	\$ 203.9	43.5

N.M. — Not Meaningful.

C&W. The increase in C&W's other operating expenses includes (i) increases of \$170 million and \$7 million attributable to the impacts of the C&W Acquisition and the C&W Carve-out Acquisition, respectively, and (ii) a decrease of \$3 million due to FX. Excluding the effects of acquisitions and FX, C&W's other operating expenses (exclusive of share-based compensation expenses) increased \$15 million or 5.4%. This increase includes the following factors:

- An increase in bad debt and collection expenses of \$6 million or 18.6%, including an increase of approximately \$4 million attributable to Hurricanes Irma and Maria;
- An increase in network-related expenses of \$4 million or 4.4%, primarily due to higher maintenance costs of approximately \$4 million attributable to Hurricanes Irma and Maria; and
- An increase in personnel costs of \$2 million or 4.0%, primarily due to the net effect of (i) annual wage increases and (ii) lower incentive compensation costs.

VTR. The increase in VTR's other operating expenses includes an increase of \$6 million due to FX. Excluding the effect of FX, VTR's other operating expenses (exclusive of share-based compensation expenses) increased \$11 million or 7.7%. This increase includes the following factors:

- An increase in network-related expenses of \$6 million or 11.1%, primarily due to higher maintenance costs in connection with preventative maintenance programs that were implemented in 2017;
- An increase in bad debt and collection expenses of \$3 million or 17.9%;
- An increase in outsourced labor and professional fees of \$3 million or 21.0%, primarily due to the outsourcing of call center services in July 2016, including the impact of higher call volumes in 2017; and
- A decrease in personnel costs of \$2 million or 5.8%, primarily due to lower staffing levels and related costs in connection with the outsourcing of call center services in July 2016.

Liberty Puerto Rico. The decrease in Liberty Puerto Rico's other operating expenses is primarily due to lower indirect costs of approximately \$2 million attributable to Hurricanes Irma and Maria.

Other operating expenses—2016 compared to 2015

	Year ended December 31,		Increase (decrease)	
	2016	2015	\$	%
in millions, except percentages				
C&W	\$ 269.9	\$ —	\$ 269.9	N.M.
VTR	139.1	142.2	(3.1)	(2.2)
Liberty Puerto Rico	58.3	55.3	3.0	5.4
Corporate and intersegment eliminations	(0.1)	0.5	(0.6)	N.M.
Total other operating expenses excluding share-based compensation expense	467.2	198.0	269.2	136.0
Share-based compensation expense	1.4	0.3	1.1	N.M.
Total	\$ 468.6	\$ 198.3	\$ 270.3	136.3

N.M. — Not Meaningful.

C&W. The increase in C&W's other operating expenses is entirely attributable to the May 16, 2016 C&W Acquisition.

VTR. The decrease in VTR's other operating expenses includes a decrease of \$5 million due to FX. Excluding the effect of FX, VTR's other operating expenses (exclusive of share-based compensation expense) increased \$2 million or 1.7%. This increase includes the following factors:

- An increase in network-related expenses of \$3 million or 6.1%, primarily due to higher energy costs; and
- A decrease in outsourced labor and professional fees of \$2 million or 11.7%, primarily due to lower consulting costs.

Liberty Puerto Rico. The increase in Liberty Puerto Rico's other operating expenses includes an increase of \$6 million attributable to the impact of the Choice Acquisition. Excluding the effect of the Choice Acquisition, Liberty Puerto Rico's other operating expenses (exclusive of share-based compensation expense) decreased \$3 million or 5.6%. This decrease includes the following factors:

- A decrease in network-related costs of \$2 million or 15.6%, primarily due to lower outsourced labor for customer-facing activities; and
- A decrease in personnel costs of \$1 million or 9.0%, primarily due to (i) lower staffing levels and (ii) lower incentive compensation costs.

SG&A Expenses of our Reportable Segments

General. SG&A expenses include human resources, information technology, general services, management, finance, legal, external sales and marketing costs, share-based compensation and other general expenses. In addition, SG&A expenses for "Corporate and other" set forth in the table below include charges from Liberty Global that were allocated to our company prior to the Split-Off. For additional information, see note 12 to the consolidated financial statements.

	Year ended December 31,		Increase (decrease)	
	2017	2016	\$	%
in millions, except percentages				
C&W	\$ 445.9	\$ 305.4	\$ 140.5	46.0
VTR	155.4	143.5	11.9	8.3
Liberty Puerto Rico	48.5	37.4	11.1	29.7
Corporate and intersegment eliminations	24.9	17.5	7.4	N.M.
Total SG&A expenses excluding share-based compensation expense	674.7	503.8	170.9	33.9
Share-based compensation expense	13.7	14.0	(0.3)	(2.1)
Total	\$ 688.4	\$ 517.8	\$ 170.6	32.9

N.M. — Not Meaningful.

C&W. The increase in C&W's SG&A expenses includes (i) increases of \$166 million and \$6 million attributable to the impacts of the C&W Acquisition and the C&W Carve-out Acquisition, respectively, and (ii) a decrease of \$3 million due to FX. Excluding the effects of acquisitions and FX, C&W's SG&A expenses (exclusive of share-based compensation expense) decreased \$28 million or 9.3%. This decrease includes the following factors:

- A decrease in outsourced labor and professional fees of \$21 million or 52.4%, primarily due to declines in (i) costs related to the integration of C&W's operations with ours and (ii) other consulting costs;
- A decrease in personnel costs of \$10 million or 7.5%, primarily due to a decrease of \$11 million associated with higher net credits from pension and other benefit plans, largely due to higher expected returns on plan assets;
- An increase in facilities related expenses of \$3 million or 12.7%, primarily due to higher utilities and rent expenses;
- An increase in information technology related expenses of \$3 million or 24.6%, primarily due to higher software and other information technology-related maintenance costs; and
- A net decrease resulting from other individually insignificant changes in other SG&A expense categories.

VTR. The increase in VTR's SG&A expenses includes an increase of \$6 million due to FX. Excluding the effect of FX, VTR's SG&A expenses (exclusive of share-based compensation expense) increased \$6 million or 4.0%. This increase includes the following factors:

- An increase in marketing and advertising expenses of \$3 million or 5.0%, primarily due to higher costs associated with advertising campaigns;
- An increase in information technology-related expenses of \$2 million or 23.3%, primarily due to higher software and other information technology-related maintenance costs; and
- An increase in personnel costs of \$2 million or 3.7%, primarily due to (i) higher staffing levels, (ii) annual wage increases and (iii) higher severance costs.

Liberty Puerto Rico. The increase in Liberty Puerto Rico's SG&A expenses (exclusive of share-based compensation expense) is primarily attributable to a \$13 million increase associated with the effective settlement of certain claims in 2016, including (i) an increase of \$5 million resulting from the net impact of the reversal of a previously-recorded provision and related indemnification asset associated with the resolution of certain legal claims that were originally recorded in connection with the acquisition of OneLink and (ii) the receipt of \$8 million of indemnification proceeds from the former owners of OneLink.

SG&A expenses—2016 compared to 2015

	Year ended December 31,		Increase (decrease)	
	2016	2015	\$	%
in millions, except percentages				
C&W	\$ 305.4	\$ —	\$ 305.4	N.M.
VTR	143.5	139.9	3.6	2.6
Liberty Puerto Rico	37.4	46.4	(9.0)	(19.4)
Corporate and intersegment eliminations	17.5	8.6	8.9	N.M.
Total SG&A expenses excluding share-based compensation expense	503.8	194.9	308.9	158.5
Share-based compensation expense	14.0	2.1	11.9	N.M.
Total	\$ 517.8	\$ 197.0	\$ 320.8	162.8

N.M. — Not Meaningful.

C&W. The increase in C&W's SG&A expenses is entirely attributable to the May 16, 2016 C&W Acquisition.

VTR. The increase in VTR's SG&A expenses includes a decrease of \$5 million due to FX. Excluding the effect of FX, VTR's SG&A expenses (exclusive of share-based compensation expense) increased \$9 million or 6.0%. This increase includes the following factors:

- An increase in outsourced labor and professional fees of \$6 million or 68.7%, primarily due to higher call center costs;
- An increase in information technology-related expenses of \$4 million or 98.2%, primarily due to increases in information technology-related maintenance costs;
- A decrease in facilities expenses of \$3 million or 13.5%, primarily due to lower facilities maintenance and utility costs;
- An increase in personnel costs of \$2 million or 5.7%, as increases in staffing levels and higher incentive compensation costs were only partially offset by lower severance costs; and
- A net decrease resulting from other individually insignificant changes in other SG&A expense categories.

Liberty Puerto Rico. The decrease in Liberty Puerto Rico's SG&A expenses includes an increase of \$5 million attributable to the impact of the Choice Acquisition. Excluding the effect of the Choice Acquisition, Liberty Puerto Rico's SG&A expenses decreased \$14 million or 29.1%. This decrease includes a \$13 million decline associated with the effective settlement of the PRTC Claim including (i) a \$5 million reduction that represents the net impact of the reversal of the provision and related indemnification asset associated with the PRTC Claim that were originally recorded in connection with the acquisition of OneLink and (ii) the receipt of \$8 million of indemnification proceeds from the former owners of OneLink.

Adjusted OIBDA of our Reportable Segments

Adjusted OIBDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance. Effective December 31, 2017, we include certain charges previously allocated to us by Liberty Global in the calculation of Adjusted OIBDA. For the definition of this performance measure and for a reconciliation of total Adjusted OIBDA to our earnings (loss) before income taxes, see note 18 to our consolidated financial statements.

Adjusted OIBDA—2017 compared to 2016

	Year ended December 31,		Increase (decrease)	
	2017	2016	\$	%
in millions, except percentages				
C&W	\$ 876.3	\$ 541.9	\$ 334.4	61.7
VTR	383.3	339.3	44.0	13.0
Liberty Puerto Rico	132.6	211.8	(79.2)	(37.4)
Corporate and intersegment eliminations	(25.1)	(17.4)	(7.7)	N.M.
Total	\$ 1,367.1	\$ 1,075.6	\$ 291.5	27.1

N.M. — Not Meaningful.

Adjusted OIBDA—2016 compared to 2015

	Year ended December 31,		Increase (decrease)	
	2016	2015	\$	%
in millions, except percentages				
C&W	\$ 541.9	\$ —	\$ 541.9	N.M.
VTR	339.3	328.1	11.2	3.4
Liberty Puerto Rico	211.8	167.2	44.6	26.7
Corporate and intersegment eliminations	(17.4)	(8.6)	(8.8)	N.M.
Total	\$ 1,075.6	\$ 486.7	\$ 588.9	121.0

N.M. — Not Meaningful.

Adjusted OIBDA Margin—2017, 2016 and 2015

The following table sets forth the Adjusted OIBDA margins of each of our reportable segments:

	Year ended December 31,		
	2017	2016	2015
	%		
C&W	37.7	37.5	—
VTR	40.2	39.5	39.1
Liberty Puerto Rico	41.4	50.3	44.1

In addition to organic changes in the revenue, programming and other direct costs of services, other operating expenses and SG&A expenses of our reportable segments, the Adjusted OIBDA margins presented above include the impact of acquisitions. During 2017, the Adjusted OIBDA of Liberty Puerto Rico and, to a lesser extent, C&W, were adversely impacted by Hurricanes Irma and Maria, as more fully described in *Overview* above. In addition, during 2016, the Adjusted OIBDA margin of Liberty Puerto Rico was positively impacted by the realized synergies with respect to the Choice Acquisition.

Discussion and Analysis of our Consolidated Operating Results

General

For more detailed explanations of the changes in our revenue, programming and other direct costs of services, other operating costs and SG&A expenses, see *Discussion and Analysis of our Reportable Segments* above.

2017 compared to 2016

Revenue

Our revenue by major category is set forth in the table below. Effective April 1, 2017, we retrospectively changed the presentation of our revenue by major category. For additional information regarding this change and what comprises each major revenue category, see note 18 to our consolidated financial statements.

	Year ended December 31,		Increase (decrease)	
	2017	2016	\$	%
in millions, except percentages				
Residential revenue:				
Residential cable revenue:				
Subscription revenue:				
Video	\$ 652.2	\$ 603.9	\$ 48.3	8.0
Broadband internet	672.8	588.8	84.0	14.3
Fixed-line telephony	270.5	235.8	34.7	14.7
Total subscription revenue	1,595.5	1,428.5	167.0	11.7
Non-subscription revenue	118.4	110.6	7.8	7.1
Total residential cable revenue	1,713.9	1,539.1	174.8	11.4
Residential mobile revenue:				
Subscription revenue	701.2	459.0	242.2	52.8
Non-subscription revenue (a)	99.9	62.7	37.2	59.3
Total residential mobile revenue	801.1	521.7	279.4	53.6
Total residential revenue	2,515.0	2,060.8	454.2	22.0
B2B revenue:				
Subscription revenue	41.6	31.6	10.0	31.6
Non-subscription revenue (b)	1,029.2	624.9	404.3	64.7
Total B2B revenue	1,070.8	656.5	414.3	63.1
Other revenue	4.2	6.5	(2.3)	(35.4)
Total	\$ 3,590.0	\$ 2,723.8	\$ 866.2	31.8

(a)Includes residential mobile interconnect revenue of \$53 million and \$34 million during 2017 and 2016, respectively.

(b)Includes wholesale revenue at C&W of \$228 million and \$113 million during 2017 and 2016, respectively.

Total revenue. The increase during 2017, as compared to 2016, includes an increase of \$897 million attributable to the impact of acquisitions and an increase of \$26 million attributable to FX. Excluding the effects of acquisitions and FX, revenue decreased \$56 million or 2.1%.

In order to provide a meaningful analysis of our business prior to the hurricanes, as further described in *Discussion and Analysis of our Reportable Segments—Revenue of our Reportable Segments* above, changes in Liberty Puerto Rico’s revenue included in the consolidated results below reflect changes during the nine months ended September 30, 2017, as compared to the corresponding period in 2016, exclusive of the changes resulting from the hurricanes. We present the changes in revenue, as a result of the hurricanes, separately in the table below.

Residential revenue. The details of the increase in residential revenue for 2017, as compared to 2016, are as follows (in millions):

Increase in residential cable subscription revenue due to a change in:	
Average number of RGUs	\$ 19.7
ARPU	28.4
Decrease in residential cable subscription revenue as a result of the hurricanes (a)	(100.7)
Decrease in residential cable non-subscription revenue	(16.5)
Decrease in residential cable non-subscription revenue as a result of the hurricanes (a)	(7.6)
Total decrease in residential cable revenue	(76.7)
Decrease in residential mobile subscription revenue	(2.7)
Increase in residential mobile non-subscription revenue	6.0
Increase in residential mobile revenue as a result of the hurricanes (a)	1.0
Total organic decrease in residential revenue	(72.4)
Impact of acquisitions	497.2
Impact of FX	29.4
Total increase in residential revenue	\$ 454.2

- (a) For information regarding the impacts of Hurricanes Irma and Maria on the revenue of the Impacted Markets, see *Overview* and *Discussion and Analysis of our Reportable Segments—Revenue of our Reportable Segments* above.

On an organic basis, excluding the \$101 million decrease from the hurricanes, residential cable subscription revenue increased \$48 million or 3.4% during 2017, as compared to 2016. This increase is attributable to the net effect of (i) an increase from broadband internet services of \$39 million or 6.7%, attributable to an increase in the average number of broadband internet RGUs and higher ARPU from broadband internet services, (ii) an increase from video services of \$18 million or 2.9%, primarily attributable to higher ARPU from video services, and (iii) a decrease from fixed-line telephony services of \$9 million or 3.6%, attributable to a decrease in the average number of fixed-line telephony RGUs and lower ARPU from fixed-line telephony services.

On an organic basis, excluding the \$8 million decrease from the hurricanes, residential cable non-subscription revenue decreased \$17 million or 14.9% during 2017, as compared to 2016. This decrease is primarily attributable to decreases in (i) fixed-line telephony interconnect revenue at C&W and VTR and (ii) advertising revenue at VTR.

On an organic basis, excluding the \$1 million increase from the hurricanes, residential mobile subscription revenue decreased \$3 million or 0.6% during 2017, as compared to 2016. This decrease is due to the net effect of (i) a decrease at C&W and (ii) an increase at VTR.

On an organic basis, residential mobile non-subscription revenue increased \$6 million or 9.6% during 2017, as compared to 2016, primarily due to an increase at C&W.

B2B revenue. On an organic basis, excluding the \$1 million decrease from the hurricanes, B2B subscription revenue increased \$11 million or 33.2% during 2017, as compared to 2016, primarily due to an increase in SOHO revenue at VTR.

The increase in B2B non-subscription revenue during 2017, as compared to 2016, includes an increase of \$399 million attributable to the impact of acquisitions and a decrease of \$4 million attributable to FX. On an organic basis, excluding the \$7 million decrease from the hurricanes, B2B non-subscription revenue increased \$16 million or 2.6%, primarily due to an increase at C&W.

For additional information concerning the changes in our residential, B2B and other revenue, see *Discussion and Analysis of our Reportable Segments—Revenue of our Reportable Segments* above. For information regarding the competitive environment in our markets, see *Overview* above.

Programming and other direct costs of services

Our programming and other direct costs of services increased \$199 million during 2017, as compared to 2016. This increase includes an increase of \$214 million attributable to the impact of acquisitions. Excluding the effects of acquisitions and FX, our programming and other direct costs of services decreased \$20 million or 3.0% during 2017, as compared to 2016. This decrease includes lower programming and copyright costs attributable to a \$22 million decline at Liberty Puerto Rico due to credits from vendors and lower utility costs during the third and fourth quarters of 2017 stemming from Hurricanes Irma and Maria. The decrease was also impacted by the net effect of (i) higher basic and premium content costs, primarily related to the carriage of live Premier League games at C&W, (ii) declines in project-related costs at C&W and (iii) higher interconnect costs at VTR. For additional information regarding the changes in our programming and other direct costs of services, see *Discussion and Analysis of our Reportable Segments—Programming and Other Direct Costs of Services of our Reportable Segments* above.

Other operating expenses

Our other operating expenses increased \$204 million during 2017, as compared to 2016. This increase includes an increase of \$177 million attributable to the impact of acquisitions. Our other operating expenses include share-based compensation expense, which decreased \$1 million during 2017, as compared to 2016. For additional information, see the discussion under *Share-based compensation expense (included in other operating and SG&A expenses)* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our other operating expenses increased \$25 million or 5.3% during 2017, as compared to 2016. This increase is primarily attributable to increases in (i) network-related expenses, (ii) bad debt and collection expenses and (iii) outsourced labor and professional fees. For additional information regarding the changes in our other operating expenses, see *Discussion and Analysis of our Reportable Segments—Other Operating Expenses of our Reportable Segments* above.

SG&A expenses

Our SG&A expenses increased \$171 million during 2017, as compared to 2016. This increase includes an increase of \$172 million attributable to the impact of acquisitions. Our SG&A expenses include share-based compensation expense, which remained relatively unchanged during 2017, as compared to 2016. For additional information, see the discussion under *Share-based compensation expense (included in other operating and SG&A expenses)* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our SG&A expenses decreased \$4 million or 0.8% during 2017, as compared to 2016. This decrease is primarily attributable to the net effect of (i) a decrease in outsourced labor and professional fees, primarily due to a decline in costs related to the integration of C&W's operations with ours, (ii) a decrease in personnel costs, (iii) an increase in information technology related fees and (iv) an increase in facilities related expenses. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of our Reportable Segments—SG&A Expenses of our Reportable Segments* above.

Share-based compensation expense (included in other operating and SG&A expenses)

We recognized share-based compensation expense of \$14 million and \$15 million during 2017 and 2016, respectively. The expense recognized includes (i) amounts allocated to our company by Liberty Global prior to the Split-Off, (ii) amounts related to the VTR Plan and (iii) amounts related to the Liberty Puerto Rico Plan. The amounts allocated by Liberty Global to our company represent the share-based compensation expense associated with Liberty Global share-based incentive awards held by our employees.

For additional information regarding our share-based compensation, see note 15 to our consolidated financial statements.

Depreciation and amortization expense

Our depreciation and amortization expense increased \$206 million or 35.1% during 2017, as compared to 2016. Excluding the effect of FX, depreciation and amortization expense increased \$202 million or 34.4%, primarily due to the C&W Acquisition. In addition, the increase includes the net effect of (i) an increase associated with property and equipment additions related to the installation of customer premises equipment, the expansion and upgrade of our networks and other capital initiatives and (ii) a decrease associated with certain assets becoming fully depreciated, primarily at VTR.

Impairment, restructuring and other operating items, net

We recognized impairment, restructuring and other operating items, net, of \$708 million and \$154 million during 2017 and 2016, respectively.

The 2017 amount includes impairment charges of \$660 million, which primarily includes (i) \$337 million recorded during the third and fourth quarters related to charges at Liberty Puerto Rico and C&W to reduce the carrying values of goodwill, property

and equipment, and other indefinite-lived intangible assets as a result of the impacts of Hurricanes Irma and Maria and (ii) \$318 million associated with our annual goodwill assessment with respect to certain C&W reporting units. We concluded impairments were necessary at certain C&W reporting units, primarily as a result of greater than expected impacts of competition and, in the case of one smaller C&W reporting unit, a longer expected recovery period from Hurricane Irma. The 2017 amount also includes restructuring charges of \$41 million, including \$35 million of employee severance and termination costs related to certain reorganization and integration activities, primarily at C&W and VTR.

Further impairment charges may be required if we experience declines in the fair value of C&W's reporting units or the Liberty Puerto Rico reporting unit. Any such impairment charges could be significant. For additional information regarding our 2017 impairment charges, see note 8 to our consolidated financial statements.

The 2016 amount includes (i) direct acquisition costs of \$119 million related to the C&W Acquisition and (ii) restructuring charges of \$34 million. The direct acquisition costs incurred during 2016 include transfer and stamp taxes, as well as investment banking and other advisory fees. The restructuring charges include (i) \$17 million of employee severance and termination costs related to certain reorganization activities, primarily at VTR, and (ii) \$17 million of contract termination and other costs related to (a) the write-off of a prepaid indefeasible right of use for telecommunications capacity by Liberty Puerto Rico due to the abandonment of this capacity in favor of capacity on C&W's network and (b) contract termination charges, primarily at VTR.

For additional information regarding our acquisitions, see note 4 to our consolidated financial statements. For additional information regarding our restructuring charges, see note 13 to our consolidated financial statements.

Interest expense

Our interest expense increased \$67 million during 2017, as compared to 2016. This increase is primarily attributable to the net effect of (i) higher average outstanding debt balances, largely due to the debt incurred in connection with the C&W Acquisition, and (ii) lower weighted average interest rates related to the completion of certain refinancing transactions, including the redemption of certain senior notes in September 2017 that resulted in extended maturities and decreases to certain of our interest rates.

For additional information regarding our outstanding indebtedness, see note 9 to our consolidated financial statements.

It is possible that the interest rates on (i) any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) our variable-rate indebtedness could increase in future periods. As further discussed in note 5 to our consolidated financial statements and under Item 7A. *Qualitative and Quantitative Disclosures about Market Risk* below, we use derivative instruments to manage our interest rate risks.

Realized and unrealized gains (losses) on derivative instruments, net

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,	
	2017	2016
	in millions	
Cross-currency and interest rate derivative contracts (a)	\$ (157.8)	\$ (216.8)
Foreign currency forward contracts	(12.3)	(9.1)
Total	<u>\$ (170.1)</u>	<u>\$ (225.9)</u>

- (a) The loss during 2017 is attributable to the net effect of a loss primarily resulting from an increase in the value of the Chilean peso relative to the U.S. dollar and a gain resulting from changes in interest rates. In addition, the loss during 2017 includes a net gain of \$23 million resulting from changes in our credit risk valuation adjustments. The loss during 2016 is primarily attributable to losses from changes in FX rates and interest rates. In addition, the loss during 2016 includes a net gain of \$12 million resulting from changes in our credit risk valuation adjustments.

For additional information concerning our derivative instruments, see notes 5 and 6 to our consolidated financial statements and Item 7A. *Qualitative and Quantitative Disclosures about Market Risk* below.

Foreign currency transaction gains, net

The details of our foreign currency transaction gains, net, are as follows:

	Year ended December 31,	
	2017	2016
	in millions	
U.S. dollar-denominated debt issued by a Chilean peso functional currency entity	\$ 116.4	\$ 82.8
British pound sterling-denominated debt issued by a U.S. dollar functional currency entity	(20.7)	32.1
Other	(1.3)	(4.8)
Total	\$ 94.4	\$ 110.1

Gains (losses) on debt modification and extinguishment, net

We recognized gains (losses) on debt modification and extinguishment, net, of (\$52 million) and \$1 million during 2017 and 2016, respectively. The 2017 amount includes the net impact of (i) the payment of \$85 million of redemption premiums and (ii) a net gain of \$37 million associated with the write-off of unamortized premiums, discounts and deferred financing costs and (iii) the payment of \$4 million of third-party costs. The 2016 amount includes the net impact of (i) the write-off of \$19 million of unamortized premiums and (ii) the payment of \$18 million of redemption premiums.

For additional information concerning our gains (losses) on debt modification and extinguishment, net, see note 9 to our consolidated financial statements.

Other income, net

We recognized other income, net of \$7 million and \$12 million during 2017 and 2016, respectively. The 2017 amount includes third-party interest income and costs in connection with the Split-Off. The 2016 amount primarily includes related-party interest income related to our loans receivable and cash and cash equivalents.

Income tax expense

On July 11, 2017, Liberty Latin America was formed as a corporation in Bermuda and, therefore, the “statutory” or “expected” tax rate for the 2017 tax year is 0% as we are exempt from income taxes on ordinary income and capital gains. However, a majority of our subsidiaries operate in jurisdictions where income tax is imposed at local applicable statutory rates. For additional information, see note 10 to our consolidated financial statements.

We recognized income tax expense of \$148 million and \$306 million during 2017 and 2016, respectively. The income tax expense during 2017 differs from the expected income tax (expense) benefit of nil (based on the Bermuda statutory income tax rate of 0%), primarily due to the net effect of (i) an increase due to non-deductible expenses, (ii) a decrease due to international rate differences, which reflects the computed net tax benefit on pre-tax book income (loss) in each taxable jurisdiction, (iii) an increase due to the effect of non-deductible goodwill impairments and (iv) a decrease due to the beneficial effects of enacted corporate income tax rate changes, primarily in Trinidad and Tobago and the U.S.

For additional information regarding our income taxes, see note 10 to our consolidated financial statements.

Net earnings (loss)

During 2017 and 2016, we reported net losses of \$799 million and \$404 million, respectively, including (i) operating income (loss) of (\$148 million) and \$319 million, respectively, (ii) net non-operating expenses of \$503 million and \$417 million, respectively, and (iii) income tax expense of \$148 million and \$306 million, respectively.

Gains or losses associated with (i) changes in the fair values of derivative instruments and (ii) movements in foreign currency exchange rates are subject to a high degree of volatility and, as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings is largely dependent on our ability to increase our aggregate Adjusted OIBDA to a level that more than offsets the aggregate amount of our (i) share-based compensation expense, (ii) depreciation and amortization, (iii) impairment, restructuring and other operating items, (iv) interest expense, (v) other non-operating expenses and (vi) income tax expenses.

Due largely to the fact that we seek to maintain our debt at levels that provide for attractive equity returns, as discussed under *Liquidity and Capital Resources—Capitalization* below, we expect that we will continue to report significant levels of interest expense for the foreseeable future. For information concerning our expectations with respect to trends that may affect certain aspects of our operating results in future periods, see the discussion under *Overview* above. For information concerning the reasons for changes in specific line items in our consolidated statements of operations, see the discussions under *Discussion and Analysis of our Reportable Segments* and *Discussion and Analysis of our Consolidated Operating Results* above.

Net earnings (loss) attributable to noncontrolling interests

During 2017 and 2016, we reported net earnings (loss) attributable to noncontrolling interests of (\$21 million) and \$28 million, respectively. The change in net earnings (loss) attributable to noncontrolling interests during 2017, as compared to 2016, is primarily attributable to the noncontrolling interests in (i) the results of operations of Liberty Puerto Rico and (ii) the results of C&W's less-than-wholly-owned subsidiaries following the C&W Acquisition.

Effective September 1, 2017, we acquired all of the issued outstanding common shares of C&W Barbados that we did not already own. For information, see note 11 to our consolidated financial statements.

2016 compared to 2015

Revenue

Our revenue by major category is set forth below:

	Year ended December 31,		Increase (decrease)	
	2016	2015	\$	%
in millions, except percentages				
Residential revenue:				
Residential cable revenue:				
Subscription revenue:				
Video	\$ 603.9	\$ 489.2	\$ 114.7	23.4
Broadband internet	588.8	408.7	180.1	44.1
Fixed-line telephony	235.8	174.3	61.5	35.3
Total subscription revenue	1,428.5	1,072.2	356.3	33.2
Non-subscription revenue	110.6	62.5	48.1	77.0
Total residential cable revenue	1,539.1	1,134.7	404.4	35.6
Residential mobile revenue:				
Subscription revenue	459.0	35.6	423.4	1,189.3
Non-subscription revenue (a)	62.7	7.8	54.9	703.8
Total residential mobile revenue	521.7	43.4	478.3	1,102.1
Total residential revenue	2,060.8	1,178.1	882.7	74.9
B2B revenue:				
Subscription revenue	31.6	23.8	7.8	32.8
Non-subscription revenue (b)	624.9	8.0	616.9	7,711.3
Total B2B revenue	656.5	31.8	624.7	1,964.5
Other revenue	6.5	7.4	(0.9)	(12.2)
Total	\$ 2,723.8	\$ 1,217.3	\$ 1,506.5	123.8

(a)Includes residential mobile interconnect revenue of \$34 million and \$4 million during 2016 and 2015, respectively.

(b)Includes wholesale revenue at C&W of \$113 million during 2016.

Total revenue. The increase during 2016, as compared to 2015, includes an increase of \$1,483 million attributable to the impact of acquisitions and a decrease of \$29 million attributable to FX. Excluding the effects of acquisitions and FX, revenue increased \$53 million or 4.3%.

Residential revenue. The details of the increase in residential revenue for 2016, as compared to 2015, are as follows (in millions):

Increase in residential cable subscription revenue due to a change in:		
Average number of RGUs	\$	21.6
ARPU		20.6
Decrease in residential cable non-subscription revenue		(4.6)
Total increase in residential cable revenue		37.6
Increase in residential mobile subscription revenue		6.8
Increase in residential mobile non-subscription revenue		2.2
Total organic increase in residential revenue		46.6
Impact of acquisitions		865.3
Impact of FX		(29.2)
Total increase in residential revenue	\$	882.7

On an organic basis, residential cable subscription revenue increased \$42 million or 3.9% during 2016, as compared to 2015. This increase is attributable to the net effect of (i) an increase from broadband internet services of \$44 million or 10.8%, due to an increase in the average number of broadband internet RGUs and higher ARPU from broadband internet services, (ii) a decrease from fixed-line telephony services of \$11 million or 6.2%, due to lower ARPU from fixed-line telephony services and a decrease in the average number of fixed-line telephony RGUs, and (iii) an increase from video services of \$9 million or 1.8%, primarily attributable to higher ARPU from video services.

On an organic basis, residential cable non-subscription revenue decreased \$5 million or 7.4% during 2016, as compared to 2015, primarily attributable to a decrease in advertising revenue mostly at VTR.

On an organic basis, residential mobile subscription revenue increased \$7 million or 19.3% during 2016, as compared to 2015, due to an increase at VTR.

B2B revenue. The increase in B2B subscription revenue during 2016, as compared to 2015, includes an increase of \$2 million attributable to the impact of the Choice Acquisition. On an organic basis, B2B subscription revenue increased \$6 million or 23.1% due to increases in SOHO revenue at VTR and Liberty Puerto Rico.

For additional information concerning the changes in our residential, B2B and other revenue, see *Discussion and Analysis of our Reportable Segments—Revenue of our Reportable Segments* above. For information regarding the competitive environment in our markets, see *Overview* above.

Programming and other direct costs of services

Our programming and other direct costs of services increased \$340 million during 2016, as compared to 2015. This increase includes an increase of \$336 million attributable to the impacts of the C&W Acquisition and the Choice Acquisition. Excluding the effects of acquisitions and FX, our programming and other direct costs of services increased \$12 million or 3.4% during 2016, as compared to 2015. This increase is primarily attributable to the net effect of (i) an increase in programming and copyright costs, (ii) an increase in mobile handset costs and (iii) a decrease in mobile access and interconnect costs. For additional information regarding the changes in our programming and other direct costs of services, see *Discussion and Analysis of our Reportable Segments—Programming and Other Direct Costs of Services of our Reportable Segments* above.

Other operating expenses

Our other operating expenses increased \$270 million during 2016, as compared to 2015. This increase includes an increase of \$276 million attributable to the impacts of the C&W Acquisition and the Choice Acquisition. Our other operating expenses include share-based compensation expense, which increased \$1 million during 2016. For additional information, see the discussion under *Share-based compensation expense (included in other operating and SG&A expenses)* below. Excluding the effects of acquisitions and FX, our other operating expenses decreased \$1 million or 0.7% during 2016, as compared to 2015. This decrease is primarily attributable to the net effect of (i) a decrease in personnel costs, (ii) a decrease in outsourced labor and professional fees and (iii) an increase in network-related expenses. For additional information regarding the changes in our other operating expenses, see *Discussion and Analysis of our Reportable Segments—Other Operating Expenses of our Reportable Segments* above.

SG&A expenses

Our SG&A expenses increased \$321 million during 2016, as compared to 2015. This increase includes an increase of \$310 million attributable to the impacts of the C&W Acquisition and the Choice Acquisition. Our SG&A expenses include share-based compensation expense, which increased \$12 million during 2016. For additional information, see the discussion under *Share-based compensation expense (included in other operating and SG&A expenses)* below. Excluding the effects of acquisitions, FX and share-based compensation expense, our SG&A expenses increased \$4 million or 1.9% during 2016, as compared to 2015. This increase is primarily attributable to the net effect of (i) an increase in information technology-related expenses, (ii) an increase in personnel costs, (iii) a decrease in facilities expenses, (iv) an increase in outsourced labor and professional fees and (v) a decrease in other expense categories with individually insignificant changes. For additional information regarding the changes in our SG&A expenses, see *Discussion and Analysis of our Reportable Segments—SG&A Expenses of our Reportable Segments* above.

Share-based compensation expense (included in other operating and SG&A expenses)

We recognized share-based compensation expense of \$15 million and \$2 million during 2016 and 2015, respectively. For additional information regarding our share-based compensation, see note 15 to our consolidated financial statements.

Depreciation and amortization expense

Our depreciation and amortization expense increased \$371 million or 171.4% during 2016, as compared to 2015. Excluding the effect of FX, depreciation and amortization expense increased \$375 million or 173.3%. This increase is primarily due to the net effect of (i) an increase associated with acquisitions, primarily the C&W Acquisition, (ii) a decrease associated with certain assets becoming fully depreciated and (iii) an increase associated with property and equipment additions related to the installation of customer premises equipment, the expansion and upgrade of our networks and other capital initiatives.

Impairment, restructuring and other operating items, net

We recognized impairment, restructuring and other operating items, net, of \$154 million and \$20 million during 2016 and 2015, respectively.

The 2016 amount includes (i) direct acquisition costs of \$119 million related to the C&W Acquisition and (ii) restructuring charges of \$34 million. The direct acquisition costs incurred during 2016 include transfer and stamp taxes, as well as investment banking and other advisory fees. The restructuring charges include (i) \$17 million of employee severance and termination costs related to certain reorganization activities, primarily at VTR, and (ii) \$17 million of contract termination and other costs related to (a) the write-off of a prepaid indefeasible right of use for telecommunications capacity by Liberty Puerto Rico due to the abandonment of this capacity in favor of capacity on C&W's network and (b) contract termination charges, primarily at VTR.

The 2015 amount includes (i) restructuring charges of \$14 million, including (a) \$11 million of contract termination costs and (b) \$3 million of employee severance and termination costs related to certain reorganization activities in connection with the Choice Acquisition, and (ii) direct acquisition costs of \$7 million related to the Choice Acquisition and the C&W Acquisition.

For additional information regarding our acquisitions, see note 4 to our consolidated financial statements. For additional information regarding our restructuring charges, see note 13 to our consolidated financial statements.

Interest expense

Our interest expense increased \$157 million during 2016, as compared to 2015. This increase is primarily attributable to a higher average outstanding debt balance, primarily due to the debt incurred in connection with the C&W Acquisition.

For additional information regarding our third-party indebtedness, see note 9 to our consolidated financial statements.

Realized and unrealized gains (losses) on derivative instruments, net

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,	
	2016	2015
	in millions	
Cross-currency and interest rate derivative contracts (a)	\$ (216.8)	\$ 217.0
Foreign currency forward contracts	(9.1)	10.3
Total	<u>\$ (225.9)</u>	<u>\$ 227.3</u>

- (a) The loss during 2016 is primarily attributable to the net effect of a loss resulting from changes in FX rates and a gain resulting from changes in interest rates. In addition, the loss during 2016 includes a net gain of \$12 million resulting from changes in our credit risk valuation adjustments. The gain during 2015 is primarily attributable to gains from changes in FX rates and interest rates. In addition, the gain during 2015 includes a net loss of \$1 million resulting from changes in our credit risk valuation adjustments.

For additional information regarding our derivative instruments, see notes 5 and 6 to our consolidated financial statements.

Foreign currency transaction gains (losses), net

The details of our foreign currency transaction gains (losses), net, are as follows:

	Year ended December 31,	
	2016	2015
	in millions	
U.S. dollar-denominated debt issued by a Chilean peso functional currency entity	\$ 82.8	\$ (215.8)
British pound sterling-denominated debt issued by a U.S. dollar functional currency entity	32.1	—
Other	(4.8)	(7.6)
Total	<u>\$ 110.1</u>	<u>\$ (223.4)</u>

Gains on debt modification and extinguishment, net

We recognized a gain on debt modification and extinguishment, net, of \$1 million and nil during 2016 and 2015, respectively. The 2016 amount includes the net impact of (i) the write-off of \$19 million of unamortized premiums and (ii) the payment of \$18 million of redemption premiums.

For additional information regarding our debt, see note 9 to our consolidated financial statements.

Other income (expense), net

We recognized other income (expense), net of \$12 million and (\$2 million) during 2016 and 2015, respectively. The 2016 amount primarily includes interest income associated with our related-party loans receivable and cash and cash equivalents. The 2015 amount primarily includes VTR's share of the net losses of its then equity method affiliates.

Income tax expense

We recognized income tax expense of \$306 million and \$47 million during 2016 and 2015, respectively.

The income tax expense during 2016 differs from the expected income tax benefit of \$20 million (based on the U.K. statutory income tax rate of 20.0%) primarily due to the negative impacts of (i) certain permanent differences between the financial and tax accounting treatment of interest and other items, (ii) certain permanent differences between the financial and tax accounting treatment of items associated with investments and (iii) a net increase in valuation allowances.

The income tax expense during 2015 differs from the expected income tax expense of \$19 million (based on the blended U.K. statutory income tax rate of 20.25%) primarily due to the negative impacts of (i) a net increase in valuation allowances, (ii) certain

permanent differences between the financial and tax accounting treatment of items associated with investments and (iii) certain permanent differences between the financial and tax accounting treatment of interest and other items.

For additional information regarding our income taxes, see note 10 to our consolidated financial statements.

Net earnings (loss)

During 2016 and 2015, we reported net earnings (loss) of (\$404 million) and \$46 million, respectively, including (i) operating income of \$319 million and \$248 million, respectively, (ii) net non-operating expenses of \$417 million and \$156 million, respectively, and (iii) income tax expense of \$306 million and \$47 million, respectively.

Net earnings attributable to noncontrolling interests

During 2016 and 2015, we reported net earnings attributable to noncontrolling interests of \$28 million and \$8 million, respectively. The increase in net earnings attributable to noncontrolling interests during 2016, as compared to 2015, is primarily attributable to the noncontrolling interests in (i) the results of C&W's less-than-wholly-owned subsidiaries following the C&W Acquisition and (ii) the results of operations of Liberty Puerto Rico.

Liquidity and Capital Resources

Sources and Uses of Cash

Each of our reportable segments is separately financed within one of our three primary "borrowing groups." These borrowing groups include the respective restricted parent and subsidiary entities within C&W, VTR Finance and Liberty Puerto Rico. Our borrowing groups, which typically generate cash from operating activities, accounted for a significant portion of our consolidated cash and cash equivalents at December 31, 2017. Our ability to access the liquidity of these and other subsidiaries may be limited by tax and legal considerations, the presence of noncontrolling interests, foreign currency exchange restrictions with respect to certain C&W subsidiaries and other factors.

Cash and cash equivalents

The details of the U.S. dollar equivalent balances of our cash and cash equivalents at December 31, 2017 are set forth in the following table (in millions):

Cash and cash equivalents held by:	
Liberty Latin America and unrestricted subsidiaries:	
Liberty Latin America (a)	\$ 105.3
Unrestricted subsidiaries (b)	28.1
Total Liberty Latin America and unrestricted subsidiaries	133.4
Borrowing groups (c):	
C&W (d)	266.1
VTR Finance	89.4
Liberty Puerto Rico	41.0
Total borrowing groups	396.5
Total cash and cash equivalents	\$ 529.9

- (a) Represents the amount held by Liberty Latin America on a standalone basis.
- (b) Represents the aggregate amount held by subsidiaries of Liberty Latin America that are outside of our borrowing groups. All of these companies rely on funds provided by our borrowing groups to satisfy their liquidity needs.
- (c) Except as otherwise noted, represents the aggregate amounts held by the parent entity of the applicable borrowing group and their restricted subsidiaries.
- (d) C&W's subsidiaries hold the majority of C&W's consolidated cash. Due to restrictions contained within the debt agreements of certain C&W subsidiaries, a significant portion of the cash held by C&W subsidiaries is not considered to be an immediate source of corporate liquidity for C&W.

Liquidity of Liberty Latin America and its unrestricted subsidiaries

Our current sources of corporate liquidity include (i) cash and cash equivalents of \$105 million held by Liberty Latin America and, subject to certain tax and legal considerations, \$28 million held by Liberty Latin America's unrestricted subsidiaries, and (ii) interest and dividend income received on our and, subject to certain tax and legal considerations, our unrestricted subsidiaries' cash and cash equivalents and investments. From time to time, Liberty Latin America and its unrestricted subsidiaries may also receive (i) proceeds in the form of distributions or loan repayments from Liberty Latin America's borrowing groups or affiliates, upon (a) the completion of recapitalizations, refinancings, asset sales or similar transactions by these entities or (b) the accumulation of excess cash from operations or other means, (ii) proceeds upon the disposition of investments and other assets of Liberty Latin America and its unrestricted subsidiaries and (iii) proceeds in connection with the incurrence of debt by Liberty Latin America or its unrestricted subsidiaries or the issuance of equity securities by Liberty Latin America. No assurance can be given that any external funding would be available to Liberty Latin America or its unrestricted subsidiaries on favorable terms, or at all. As noted above, various factors may limit our ability to access the cash of our borrowing groups. For information regarding certain limitations imposed by our subsidiaries' debt instruments at December 31, 2017, see note 9 to our consolidated financial statements.

Our corporate liquidity requirements include (i) corporate general and administrative expenses and (ii) other liquidity needs that may arise from time to time. In addition, Liberty Latin America and its unrestricted subsidiaries may require cash in connection with (i) the repayment of third-party and intercompany debt, (ii) the satisfaction of contingent liabilities, (iii) acquisitions and other investment opportunities, (iv) the repurchase of debt securities, (v) tax payments or (vi) any funding requirements of our consolidated subsidiaries, including our commitment to fund our portion of any potential liquidity shortfalls of Liberty Puerto Rico through December 31, 2018 of up to \$36 million, as further described below.

Prior to the Split-Off, Liberty Global had a share repurchase program with respect to its LiLAC Shares. Liberty Latin America currently does not have a share repurchase program with respect to its common shares.

Liquidity of borrowing groups

The cash and cash equivalents of our borrowing groups are detailed in the table above. In addition to cash and cash equivalents, the primary sources of liquidity of our borrowing groups are cash provided by operations, borrowing availability under their respective debt instruments and, with respect to Liberty Puerto Rico, a \$60 million commitment from its shareholders through December 31, 2018. For the details of the borrowing availability of such subsidiaries at December 31, 2017, see note 9 to our consolidated financial statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from Liberty Latin America and its unrestricted subsidiaries. The liquidity of our borrowing groups generally is used to fund property and equipment additions, debt service requirements and income tax payments. From time to time, our borrowing groups may also require liquidity in connection with (i) acquisitions and other investment opportunities, (ii) loans to Liberty Latin America, (iii) capital distributions to Liberty Latin America and other equity owners or (iv) the satisfaction of contingent liabilities. No assurance can be given that any external funding would be available to our borrowing groups on favorable terms, or at all. For information regarding our borrowing groups' commitments and contingencies, see note 17 to our consolidated financial statements.

On December 20, 2017, in connection with challenging circumstances that Liberty Puerto Rico is experiencing as a result of the damage caused by Hurricanes Irma and Maria, the LPR Credit Agreements were amended to (i) provide Liberty Puerto Rico with relief from complying with leverage covenants through December 31, 2018, (ii) increase the consolidated first lien net leverage ratio covenant from 4.5:1 to 5.0:1 beginning with the March 31, 2019 quarterly test date, (iii) restrict Liberty Puerto Rico's ability to make certain types of payments to its shareholders through December 31, 2018 and (iv) include an equity commitment of up to \$60 million from Liberty Puerto Rico's shareholders through December 31, 2018 to fund any potential liquidity shortfalls. Based on our 60% ownership in Liberty Puerto Rico, we are obligated for \$36 million of this equity commitment.

Hurricanes Irma and Maria are expected to continue to have an adverse impact on Liberty Puerto Rico's cash flows and liquidity. For additional information, see the discussion under *Overview* above.

For additional information regarding our cash flows, see the discussion under *Liquidity and Capital Resources—Consolidated Statements of Cash Flows* below.

Capitalization

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to cause our operating subsidiaries to maintain their debt at levels that result in a debt balance (measured using subsidiary debt figures at swapped foreign currency exchange rates, consistent with the covenant calculation requirements of our subsidiary debt agreements) that is typically between four and five times our consolidated Adjusted OIBDA, although the timing of our acquisitions and financing transactions and the interplay of average and spot foreign currency rates may impact this ratio. The ratio of our December 31, 2017 consolidated debt to our annualized consolidated Adjusted OIBDA for the quarter ended December 31, 2017 was 5.5x. In addition, the ratio of our December 31, 2017 consolidated net debt (debt, as defined above, less cash and cash equivalents) to our annualized consolidated Adjusted OIBDA for the quarter ended December 31, 2017 was 5.1x. These ratios have increased during the fourth quarter of 2017 due to the adverse impacts of the hurricanes on our Adjusted OIBDA. However, assuming our debt levels remain relatively consistent, we expect these ratios to decrease in future periods as we continue to recover from the adverse impacts of the hurricanes.

When it is cost effective, we generally seek to match the denomination of the borrowings of our subsidiaries with the functional currency of the operations that support the respective borrowings. As further discussed under Item 7A. *Qualitative and Quantitative Disclosures about Market Risk* and in note 5 to our consolidated financial statements, we also use derivative instruments to mitigate foreign currency and interest rate risks associated with our debt instruments.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of our borrowing groups is dependent primarily on our ability to maintain or increase the Adjusted OIBDA of our operating subsidiaries and to achieve adequate returns on our property and equipment additions and acquisitions. In addition, our ability to obtain additional debt financing is limited by incurrence-based leverage covenants contained in the various debt instruments of our borrowing groups. For example, if the Adjusted OIBDA of C&W were to decline, our ability to obtain additional debt could be limited. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment. At December 31, 2017, each of our borrowing groups was in compliance with its debt covenants. We do not anticipate any instances of non-compliance with respect to the debt covenants of our borrowing groups that would have a material adverse impact on our liquidity during the next 12 months.

At December 31, 2017, the outstanding principal amount of our debt, together with our capital lease obligations, aggregated \$6,398 million, including \$263 million that is classified as current in our consolidated balance sheet and \$5,664 million that is not due until 2022 or thereafter. All of our debt and capital lease obligations have been borrowed or incurred by our subsidiaries at December 31, 2017. For additional information concerning our debt and capital lease obligations, including our debt maturities, see note 9 to our consolidated financial statements.

Notwithstanding our negative working capital position at December 31, 2017, we believe that we have sufficient resources to repay or refinance the current portion of our debt and capital lease obligations and to fund our foreseeable liquidity requirements during the next 12 months. However, as our debt maturities grow in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete refinancing transactions or otherwise extend our debt maturities. In this regard, it is difficult to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position. Our ability to access debt financing on favorable terms, or at all, could be adversely impacted by (i) the financial failure of any of our counterparties, which could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution, (ii) tightening of the credit markets and (iii) in the case of Liberty Puerto Rico, by the adverse impacts of the hurricanes on its operations. For additional information regarding the impacts of the hurricanes, see the related discussion under *Overview* above and note 9 to our consolidated financial statements. In addition, any weakness in the equity markets could make it less attractive to use our shares to satisfy contingent or other obligations, and sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

Consolidated Statements of Cash Flows

General. Our cash flows are subject to variations due to FX. For further information, see related discussion under Item 7A. *Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk* below.

Consolidated Statements of Cash Flows—2017 compared to 2016

Summary. Our 2017 and 2016 consolidated statements of cash flows are summarized as follows:

	Year ended December 31,		Change
	2017	2016	
	in millions		
Net cash provided by operating activities	\$ 573.9	\$ 468.2	\$ 105.7
Net cash used by investing activities	(640.1)	(441.1)	(199.0)
Net cash provided by financing activities	41.8	247.3	(205.5)
Effect of exchange rate changes on cash	1.7	3.7	(2.0)
Net increase (decrease) in cash and cash equivalents	\$ (22.7)	\$ 278.1	\$ (300.8)

Operating Activities. The increase in total net cash provided by our operating activities is primarily attributable to the net effect of (i) a net increase from our Adjusted OIBDA and related working capital items, including an increase due to the impacts of the C&W Acquisition and the C&W Carve-out Acquisition, and (ii) a decrease due to higher cash payments of interest, including higher payments due to the impact of the C&W Acquisition.

Investing Activities. The increase in total net cash used by our investing activities is primarily attributable to higher capital expenditures. Capital expenditures increased from \$490 million during 2016 to \$639 million during 2017, primarily due to the impact of the C&W Acquisition, which was partially offset by a decrease associated with changes in working capital.

The capital expenditures that we report in our consolidated statements of cash flows do not include amounts that are financed under capital-related vendor financing or capital lease arrangements. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures as reported in our consolidated statements of cash flows, which exclude amounts financed under capital-related vendor financing or capital lease arrangements, and (ii) our total property and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under capital-related vendor financing or capital lease arrangements. For further details regarding our property and equipment additions, see note 18 to our consolidated financial statements.

A reconciliation of our property and equipment additions to our capital expenditures, as reported in our statements of cash flows, is set forth below:

	Year ended December 31,	
	2017	2016
	in millions	
Property and equipment additions	\$ 776.7	\$ 568.2
Assets acquired under capital-related vendor financing arrangements	(54.9)	(45.5)
Assets acquired under capital leases	(4.2)	(7.4)
Changes in current liabilities related to capital expenditures	(78.3)	(24.9)
Capital expenditures	\$ 639.3	\$ 490.4

The increase in our property and equipment additions during 2017, as compared to 2016, is primarily due to the impact of the C&W Acquisition. During 2017 and 2016, our property and equipment additions represented 21.6% and 20.9% of revenue, respectively.

We expect the percentage of revenue represented by our aggregate 2018 property and equipment additions to range from 19% to 21%. The actual amount of the 2018 consolidated property and equipment additions may vary from expected amounts for a variety of reasons, including (i) changes in (a) the competitive or regulatory environment, (b) business plans, (c) our expected

future operating results and (d) foreign currency exchange rates and (ii) the availability of sufficient capital. Accordingly, no assurance can be given that our actual property and equipment additions will not vary materially from our expectations.

Financing Activities. The decrease in total net cash provided by our financing activities is primarily attributable to (i) \$75 million related to lower net borrowings of third-party debt and capital lease obligations, (ii) \$73 million due to higher payments of financing costs, (iii) \$35 million due to an increase in distributions to our former parent entity and (iv) \$32 million paid during 2017 in connection with the C&W Barbados NCI Acquisition. The increase in distributions to our former parent entity was the result of \$55 million distributed to Liberty Global during 2017 that was used to repurchase LiLAC Shares, compared with distributions of only \$20 million for the same use during 2016.

Consolidated Statements of Cash Flows—2016 compared to 2015

Summary. Our 2016 and 2015 consolidated statements of cash flows are summarized as follows:

	Year ended December 31,		
	2016	2015	Change
	in millions		
Net cash provided by operating activities	\$ 468.2	\$ 310.2	\$ 158.0
Net cash used by investing activities	(441.1)	(490.6)	49.5
Net cash provided by financing activities	247.3	360.0	(112.7)
Effect of exchange rate changes on cash	3.7	(12.2)	15.9
Net increase in cash and cash equivalents	\$ 278.1	\$ 167.4	\$ 110.7

Operating Activities. The increase in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase from our Adjusted OIBDA and related working capital items, a significant portion of which is due to the impact of the C&W Acquisition, (ii) a decrease due to higher cash payments for interest, (iii) a decrease due to higher cash payments for taxes and (iv) an increase due to lower cash payments related to derivative instruments.

Investing Activities. The decrease in net cash used by our investing activities is primarily attributable to the net effect of (i) a decrease of \$290 million associated with lower cash paid in connection with acquisitions and (ii) an increase of \$263 million related to higher capital expenditures, primarily due to the impact of the C&W Acquisition.

A reconciliation of our property and equipment additions to our capital expenditures, as reported in our consolidated statements of cash flows, is set forth below:

	Year ended December 31,	
	2016	2015
	in millions	
Property and equipment additions	\$ 568.2	\$ 227.1
Assets acquired under capital-related vendor financing arrangements	(45.5)	—
Assets acquired under capital leases	(7.4)	—
Changes in current liabilities related to capital expenditures	(24.9)	0.1
Capital expenditures	<u>\$ 490.4</u>	<u>\$ 227.2</u>

The increase in our property and equipment additions during 2016, as compared to 2015, is primarily due to the net effect of (i) an increase due to the impacts of the C&W Acquisition and the Choice Acquisition, (ii) an increase in expenditures for (a) the purchase and installation of customer premises equipment, (b) new build and upgrade projects and (c) support capital, such as information technology upgrades and general support systems, and (iii) a decrease due to FX. During 2016 and 2015, our property and equipment additions represented 20.9% and 18.7% of revenue, respectively.

Financing Activities. The decrease in net cash provided by our financing activities is primarily attributable to the net effect of (i) a decrease of \$119 million due to a decline in the net amounts received from our former parent entity, (ii) an increase of \$104 million related to higher net borrowings of third-party debt and capital lease obligations, (iii) a decrease of \$62 million due to higher distributions to noncontrolling interests and (iv) a decrease of \$26 million due to higher payments of financing costs.

Adjusted Free Cash Flow

We define adjusted free cash flow as net cash provided by our operating activities, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions and (ii) expenses financed by an intermediary, less (a) capital expenditures, (b) distributions to noncontrolling interest owners, (c) principal payments on amounts financed by vendors and intermediaries and (d) principal payments on capital leases. We changed the way we define adjusted free cash flow effective December 31, 2017 to deduct distributions to noncontrolling interest owners. This change was given effect for all periods presented. We believe that our presentation of adjusted free cash flow provides useful information to our investors because this measure can be used to gauge our ability to service debt and fund new investment opportunities. Adjusted free cash flow should not be understood to represent our ability to fund discretionary amounts, as we have various mandatory and contractual obligations, including debt repayments, which are not deducted to arrive at this amount. Investors should view adjusted free cash flow as a supplement to, and not a substitute for, U.S. GAAP measures of liquidity included in our consolidated statements of cash flows.

The following table provides the details of our adjusted free cash flow:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Net cash provided by operating activities	\$ 573.9	\$ 468.2	\$ 310.2
Cash payments for direct acquisition and disposition costs	4.2	86.0	4.9
Expenses financed by an intermediary (a)	82.7	3.0	—
Capital expenditures	(639.3)	(490.4)	(227.2)
Distributions to noncontrolling interest owners	(45.9)	(61.9)	—
Principal payments on amounts financed by vendors and intermediaries	(59.4)	—	—
Principal payments on capital leases	(8.6)	(5.2)	(0.8)
Adjusted free cash flow	<u>\$ (92.4)</u>	<u>\$ (0.3)</u>	<u>\$ 87.1</u>

- (a) For purposes of our consolidated statements of cash flows, expenses financed by an intermediary are treated as hypothetical operating cash outflows and hypothetical financing cash inflows when the expenses are incurred. When we pay the financing intermediary, we record financing cash outflows in our consolidated statements of cash flows. For purposes of our adjusted free cash flow definition, we add back the hypothetical operating cash outflow when these financed expenses are incurred and deduct the financing cash outflows when we pay the financing intermediary.

Off Balance Sheet Arrangements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future. For information concerning certain indemnifications provided by C&W, see note 17 to our consolidated financial statements.

Contractual Commitments

The following table sets forth the U.S. dollar equivalents of our commitments as of December 31, 2017:

	Payments due during						Total
	2018	2019	2020	2021	2022	Thereafter	
	in millions						
Debt (excluding interest)	\$ 256.9	\$ 246.1	\$ 79.1	\$ 134.9	\$ 1,625.1	\$ 4,038.4	\$ 6,380.5
Capital leases (excluding interest)	6.5	9.4	1.5	0.1	—	—	17.5
Programming commitments	142.5	45.4	12.1	5.5	5.0	—	210.5
Network and connectivity commitments	84.5	54.6	18.6	15.8	12.6	25.3	211.4
Purchase commitments	113.4	26.4	5.7	3.3	3.2	6.4	158.4
Operating leases	29.4	20.0	16.3	12.7	10.7	23.3	112.4
Other commitments	5.0	3.0	1.3	1.3	1.3	11.4	23.3
Total (a)	<u>\$ 638.2</u>	<u>\$ 404.9</u>	<u>\$ 134.6</u>	<u>\$ 173.6</u>	<u>\$ 1,657.9</u>	<u>\$ 4,104.8</u>	<u>\$ 7,114.0</u>
Projected cash interest payments on debt and capital lease obligations (b)	<u>\$ 371.2</u>	<u>\$ 369.0</u>	<u>\$ 352.9</u>	<u>\$ 349.0</u>	<u>\$ 302.0</u>	<u>\$ 597.1</u>	<u>\$ 2,341.2</u>

- (a) The commitments included in this table do not reflect any liabilities that are included in our December 31, 2017 consolidated balance sheet other than debt and capital lease obligations. Our liability for uncertain tax positions in the various jurisdictions in which we operate (\$305 million at December 31, 2017) has been excluded from the table as the amount and timing of any related payments are not subject to reasonable estimation.
- (b) Amounts are based on interest rates, interest payment dates, commitment fees and contractual maturities in effect as of December 31, 2017. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. In addition, the amounts presented do not include the impact of our interest rate derivative contracts, deferred financing costs, original issue premiums or discounts.

For information concerning our debt and capital lease obligations, see note 9 to our consolidated financial statements. For information concerning our commitments, see note 17 to our consolidated financial statements.

In addition to the commitments set forth in the table above, we have commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding projected cash flows associated with our derivative instruments, see Item 7A. *Quantitative and Qualitative Disclosures about Market Risk—Projected Cash Flows Associated with Derivative Instruments* below. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during 2017, 2016 and 2015, see note 5 to our consolidated financial statements. For information regarding our defined benefit plans, see note 14 to our consolidated financial statements.

Critical Accounting Policies, Judgments and Estimates

In connection with the preparation of our consolidated financial statements, we make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Critical accounting policies are defined as those policies that are reflective of significant judgments, estimates and uncertainties, which would potentially result in materially different results under different assumptions and conditions. We believe the following accounting policies are critical in the preparation of our consolidated financial statements because of the judgment necessary to account for these matters and the significant estimates involved, which are susceptible to change:

- Impairment of property and equipment and intangible assets (including goodwill);
- Costs associated with construction and installation activities;
- Fair value measurements in acquisition accounting; and
- Income tax accounting.

For additional information concerning our significant accounting policies, see note 3 to our consolidated financial statements.

Impairment of Property and Equipment and Intangible Assets

The aggregate carrying value of our property and equipment and intangible assets (including goodwill) that was held for use comprised 86% of our total assets at December 31, 2017.

When circumstances warrant, we review the carrying amounts of our property and equipment and our intangible assets (other than goodwill and other indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) the impact of natural disasters such as hurricanes, (ii) an expectation of a sale or disposal of a long-lived asset or asset group, (iii) adverse changes in market or competitive conditions, (iv) an adverse change in legal factors or business climate in the markets in which we operate and (v) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (i) sale prices for similar assets, (ii) discounted estimated future cash flows using an appropriate discount rate and/or (iii) estimated replacement cost. Assets to be disposed of are recorded at the lower of their carrying amount or fair value less costs to sell.

We evaluate goodwill and other indefinite-lived intangible assets (primarily cable television franchise rights) for impairment at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, if it is more-likely-than-not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). Goodwill impairment is recorded as the excess of a reporting unit's carrying value over its fair value and is charged to operations. With respect to other indefinite-lived intangible assets, if it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value is also charged to operations as an impairment loss.

When required, considerable management judgment is necessary to estimate the fair value of reporting units and underlying long-lived and indefinite-lived assets. We typically determine fair value using an income-based approach (discounted cash flows) based on assumptions in our long-range business plans, a market-based approach, or a combination of an income-based and market-based approach. With respect to our discounted cash flow analysis used in the income-based approach, the timing and amount of future cash flows under these business plans require estimates of, among other items, subscriber growth and retention rates, rates charged per product, expected gross margins and Adjusted OIBDA margins and expected property and equipment additions. The development of these cash flows, and the discount rate applied to the cash flows, is subject to inherent uncertainties, and actual results could vary significantly from such estimates. Our determination of the discount rate is based on a weighted average cost of capital approach, which uses a market participant's cost of equity and after-tax cost of debt and reflects the risks inherent in the cash flows. With respect to a market-based approach, the fair value of a reporting unit is estimated based upon a market multiple typically applied to the reporting unit's Adjusted OIBDA. We determine the market multiple for each reporting unit taking the following into consideration: (i) public company trading multiples for entities with similar business characteristics as the respective

reporting unit, a “trading multiple;” and (ii) multiples derived from the value of recent transactions for businesses with similar operations and in geographically similar locations, a “transaction multiple”. Changes in the underlying assumptions used in both the income-based and market-value valuation methods can result in materially different determinations of fair value. For additional information regarding impairments recorded during 2017, see notes 6 and 8 to our consolidated financial statements.

Further impairment charges may be required if we experience declines in the fair value of C&W’s reporting units or the Liberty Puerto Rico reporting unit.

Costs Associated with Construction and Installation Activities

We capitalize costs associated with the construction of new cable and mobile transmission and distribution facilities, the installation of new cable services and the development of software supporting our operations. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities, such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred.

The nature and amount of labor and other costs to be capitalized with respect to construction and installation activities involves significant judgment. In addition to direct external and internal labor and materials, we also capitalize other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalization of these costs is based on time sheets, time studies, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalizable activity. We continuously monitor the appropriateness of our capitalization policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services and changes in the manner that installations or construction activities are performed.

Fair Value Measurements in Acquisition Accounting

The application of acquisition accounting requires that we make fair value determinations as of the applicable valuation date. In making these determinations, we are required to make estimates and assumptions that affect the recorded amounts, including, but not limited to, expected future cash flows, market comparables and discount rates, remaining useful lives of long-lived assets, replacement or reproduction costs of property and equipment and the amounts to be recovered in future periods from acquired net operating losses and other deferred tax assets. To assist us in making these fair value determinations, we may engage third-party valuation specialists. Our estimates in this area impact, among other items, the amount of depreciation and amortization and income tax expense or benefit that we report. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain. A significant portion of our long-lived assets were initially recorded through the application of acquisition accounting. For additional information, including the specific weighted average discount rates we used to complete certain nonrecurring valuations, see note 6 to our consolidated financial statements. For information regarding our acquisitions and long-lived assets, see notes 4 and 8 to our consolidated financial statements.

Income Tax Accounting

We are required to estimate the amount of tax payable or refundable for the current year and the deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. This process requires our management to make assessments regarding the timing and probability of the ultimate tax impact of such items.

Net deferred tax assets are reduced by a valuation allowance if we believe it is more-likely-than-not such net deferred tax assets will not be realized. Establishing or reducing a tax valuation allowance requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning strategies. At December 31, 2017, the aggregate valuation allowance provided against deferred tax assets was \$1,282 million. The actual amount of deferred income tax benefits realized in future periods will likely differ from the net deferred tax assets reflected in our December 31, 2017 consolidated balance sheet due to, among other factors, possible future changes in income tax law or interpretations thereof in the jurisdictions in which we operate and differences between estimated and actual future taxable income. Any such factors could have a material effect on our current and deferred tax positions. A high degree of judgment is required to assess the impact of possible future outcomes on our current and deferred tax positions.

Tax laws in jurisdictions in which we have a presence are subject to varied interpretation, and tax positions we may take could be subject to significant uncertainty regarding whether the position will be ultimately sustained after review by the relevant tax authority. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. The determination of whether the tax position meets the more-likely-than-not threshold requires a facts-based judgment using all information available. In a number of cases, we have concluded that the more-likely-than-not threshold is not met and, accordingly, the amount of tax benefit recognized in our consolidated financial statements is different than the amount taken or expected to be taken in our tax returns. As of December 31, 2017, the amount of unrecognized tax benefits for financial reporting purposes, but taken or expected to be taken in our tax returns, was \$305 million, of which \$302 million would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances.

We are required to continually assess our tax positions, and the results of tax examinations or changes in judgment can result in substantial changes to our unrecognized tax benefits.

For additional information concerning our income taxes, see note 10 to our consolidated financial statements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the normal course of our business operations due to our investments in various countries and ongoing investing and financing activities. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates, interest rates and stock prices. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

Cash and Investments

We invest our cash in highly liquid instruments that meet high credit quality standards. We are exposed to exchange rate risk to the extent that the denominations of our cash and cash equivalent balances, revolving lines of credit and other short-term sources of liquidity do not correspond to the denominations of Liberty Latin America's short-term liquidity requirements. In order to mitigate this risk, we actively manage the denominations of our cash balances in consideration of Liberty Latin America's forecasted liquidity requirements. At December 31, 2017, a significant proportion of our cash balance was denominated in U.S. dollars or denominated in a currency that is indexed to the U.S. dollar.

Foreign Currency Risk

We are exposed to foreign currency exchange rate risk with respect to our debt in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements, wherever possible and when cost effective to do so, by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. For additional information concerning the terms of our derivative instruments, see note 5 to our consolidated financial statements.

In addition to the exposure that results from unmatched debt, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our operating subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases and programming contracts. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheet related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward contracts to hedge certain of these risks. Certain non-functional currency risks related to our direct costs of services and other operating and SG&A expenses and property and equipment additions were not hedged as of December 31, 2017. For additional information concerning our foreign currency forward contracts, see note 5 to our consolidated financial statements.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings or loss as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings or loss and equity with respect to our holdings solely as a result of FX. Our primary exposure to FX risk during the year ended December 31, 2017 was to the Chilean peso as 26.5% of our reported revenue during the period was derived from VTR, whose functional currency is the Chilean peso. In addition, our reported operating results are impacted by changes in the exchange rates for other local currencies in Latin America and the Caribbean. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our operating subsidiaries and affiliates into U.S. dollars.

The relationship between (i) the British pound sterling, the Chilean peso and the Jamaican dollar and (ii) the U.S. dollar, which is our reporting currency, is shown below, per one U.S. dollar:

	As of December 31,	
	2017	2016
Spot rates:		
British pound sterling	0.7394	0.8100
Chilean peso	615.40	670.23
Jamaican dollar	124.58	128.77

	Year ended December 31,		
	2017	2016	2015
Average rates:			
British pound sterling	0.7767	0.7407	0.6545
Chilean peso	648.80	676.21	654.71
Jamaican dollar	128.15	125.13	116.52

Inflation and Foreign Investment Risk

We are subject to inflationary pressures with respect to labor, programming and other costs. While we attempt to increase our revenue to offset increases in costs, there is no assurance that we will be able to do so. Therefore, costs could rise faster than associated revenue, thereby resulting in a negative impact on our operating results, cash flows and liquidity. The economic environment in the respective countries in which we operate is a function of government, economic, fiscal and monetary policies and various other factors beyond our control that could lead to inflation. We are unable to predict, with any meaningful long term degree of certainty, the extent that price levels might be impacted in future periods by the current state of the economies in the countries in which we operate.

Interest Rate Risks

We are exposed to changes in interest rates primarily as a result of our borrowing activities, which include fixed-rate and variable-rate borrowings by our borrowing groups. Our primary exposure to variable-rate debt is through the LIBOR-indexed debt of C&W and Liberty Puerto Rico. Regulators in the U.K. have announced that LIBOR will be phased out by the end of 2021. Our loan documents contain customary provisions that contemplate alternative calculations of the applicable base rate once LIBOR is no longer available. We do not expect that these alternative calculations will be materially different from what would have been calculated under LIBOR.

In general, we seek to enter into derivative instruments to protect against increases in the interest rates on our variable-rate debt. Accordingly, we have entered into various derivative transactions to reduce exposure to increases in interest rates. We use interest rate derivative contracts to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed-upon notional principal amount. We also use interest rate cap agreements that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit from declines in market rates. At December 31, 2017, we effectively paid a fixed interest rate on 95% of our total debt. The final maturity dates of our various portfolios of interest rate derivative instruments generally fall short of the respective maturities of the underlying variable-rate debt. In this regard, we use judgment to determine the appropriate maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the impacts of these interest rate derivative instruments, see note 5 to our consolidated financial statements.

Weighted Average Variable Interest Rate. At December 31, 2017, the outstanding principal amount of our variable-rate indebtedness aggregated \$3.3 billion, and the weighted average interest rate (including margin) on such variable-rate indebtedness was approximately 4.90%, excluding the effects of interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Assuming no change in the amount outstanding, and without giving effect to any interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual interest expense and cash outflows by \$17 million. As discussed above and in note 5 to our consolidated financial statements, we use interest rate derivative contracts to manage our exposure to increases in variable interest rates. In this regard, increases in the fair value of these contracts generally would be expected to offset most of

the economic impact of increases in the variable interest rates applicable to our indebtedness to the extent and during the period that principal amounts are matched with interest rate derivative contracts.

Counterparty Credit Risk

We are exposed to the risk that the counterparties to the derivative instruments, undrawn debt facilities and cash investments of our borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments and undrawn debt facilities is spread across a relatively broad counterparty base of banks and financial institutions. We have not posted collateral under the derivative instruments of our borrowing groups. Most of our cash at Liberty Latin America and its unrestricted subsidiaries currently is invested in either (i) AAA rated money market funds, including funds that invest in government obligations or repurchase agreements serviced by such obligations, or (ii) overnight deposits with banks having a minimum credit rating of A- by Standard & Poor's or an equivalent rating by Moody's Investor Service. Where local financial sector constraints restrict our ability to meet the above criteria for our cash holdings, cash may be deposited with one of the three highest rated financial institutions locally for operational purposes until such time as the above investments are made. To date, neither the access to nor the value of our cash and cash equivalent balances have been adversely impacted by liquidity problems of financial institutions.

At December 31, 2017, our exposure to counterparty credit risk included (i) derivative assets with an aggregate fair value of \$17 million, (ii) cash and cash equivalent and restricted cash balances of \$568 million and (iii) aggregate undrawn debt facilities of \$938 million.

Each of our borrowing groups has entered into derivative instruments under agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Sensitivity Information

Information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions is set forth below. The potential changes in fair value set forth below do not include any amounts associated with the remeasurement of the derivative asset or liability into the applicable functional currency. For additional information, see notes 5 and 6 to our consolidated financial statements.

VTR Cross-currency Derivative Contracts

Holding all other factors constant, at December 31, 2017, an instantaneous increase (decrease) of 10% in the value of the Chilean peso relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the VTR cross-currency derivative contracts by approximately CLP 110.9 billion (\$180 million).

C&W Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at December 31, 2017:

- i. an instantaneous increase (decrease) in the relevant base rate of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of the C&W cross-currency and interest rate derivative contracts by approximately \$60 million; and
- ii. an instantaneous increase (decrease) of 10% in the value of the British pound sterling relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the C&W cross-currency and interest rate derivative contracts by approximately £17 million (\$23 million).

Projected Cash Flows Associated with Derivative Instruments

The following table provides information regarding the projected cash flows associated with our derivative instruments. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of December 31, 2017. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. For additional information regarding our derivative instruments, including our counterparty credit risk, see note 5 to our consolidated financial statements.

	Payments (receipts) due during:						Total
	2018	2019	2020	2021	2022	Thereafter	
	in millions						
Projected derivative cash payments, net:							
Interest-related (a)	\$ 33.9	\$ 27.9	\$ 25.5	\$ 24.9	\$ 24.8	\$ 52.6	\$ 189.6
Principal-related (b)	—	(4.1)	—	—	126.2	22.4	144.5
Other (c)	13.7	—	—	—	—	—	13.7
Total	<u>\$ 47.6</u>	<u>\$ 23.8</u>	<u>\$ 25.5</u>	<u>\$ 24.9</u>	<u>\$ 151.0</u>	<u>\$ 75.0</u>	<u>\$ 347.8</u>

- (a) Includes (i) the cash flows of our interest rate cap and swap contracts and (ii) the interest-related cash flows of our cross-currency and interest rate swap contracts.
- (b) Includes the principal-related cash flows of our cross-currency swap contracts.
- (c) Includes amounts related to our foreign currency forward contracts.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Liberty Latin America are filed under this Item, beginning on page II-43. Financial statement schedules are filed under Item 15 of this Annual Report on Form 10-K.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES***Evaluation of disclosure controls and procedures***

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the **Exchange Act**), that are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (**SEC**) rules and forms, and that such information is accumulated and communicated to our management, including our Principle Executive Officer and our Principal Financial Officer (the **Executives**), as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Executives recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply judgment in evaluating the cost-benefit relationship of possible controls and objectives.

Our management, with the participation of the Executives, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2017. Based on that evaluation, the Executives concluded that our disclosure controls and procedures are effective at the reasonable assurance level as of December 31, 2017.

Exemption from Management's Annual Report on Internal Control over Financial Reporting and Attestation Report of the Independent Registered Public Accounting Firm

This annual report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during our fourth fiscal quarter of 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

Not applicable.

Report of Independent Registered Public Accounting Firm

To the stockholders and board of directors
Liberty Latin America Ltd.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Liberty Latin America Ltd. and subsidiaries (the “Company”) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive earnings (loss), equity, and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes and financial statement schedules I and II (collectively, the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company’s auditor since 2016.

Denver, Colorado
February 14, 2018

Report of Independent Registered Public Accounting Firm

To the stockholders and board of directors
Liberty Latin America Ltd.:

We have audited the accompanying consolidated statements of operations, comprehensive earnings (loss), equity, and cash flows of Liberty Latin America Ltd. (the Company) for the year ended December 31, 2015. In connection with our audit of the consolidated financial statements, we also have audited financial statement schedule II. These consolidated financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG Auditores Consultores Ltda

Santiago, Chile
July 21, 2017

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2017	2016
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 529.9	\$ 552.6
Trade receivables, net	556.5	531.6
Prepaid expenses	65.5	86.6
Loans receivable — related-party	—	86.2
Other current assets	222.9	252.2
Total current assets	1,374.8	1,509.2
Goodwill	5,673.6	6,353.5
Property and equipment, net	4,169.2	3,860.9
Intangible assets subject to amortization, net	1,316.2	1,234.5
Intangible assets not subject to amortization	565.4	607.2
Other assets, net	517.7	578.6
Total assets	\$ 13,616.9	\$ 14,143.9

The accompanying notes are an integral part of these consolidated financial statements.
II-45

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED BALANCE SHEETS – (Continued)

	December 31,	
	2017	2016
	in millions	
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 286.8	\$ 219.4
Deferred revenue and advance payments	192.7	181.1
Current portion of debt and capital lease obligations	263.3	150.8
Accrued capital expenditures	128.6	87.6
Accrued interest	115.6	115.6
Accrued income taxes	91.5	26.1
Other accrued and current liabilities	508.4	567.4
Total current liabilities	1,586.9	1,348.0
Long-term debt and capital lease obligations	6,108.2	5,897.1
Deferred tax liabilities	533.4	637.9
Other long-term liabilities	697.8	600.5
Total liabilities	8,926.3	8,483.5
Commitments and contingencies		
Equity:		
Liberty Latin America shareholders:		
Class A, \$0.01 par value; 500,000,000 shares authorized; 48,428,841 and nil shares issued and outstanding at December 31, 2017 and 2016, respectively	0.5	—
Class B, \$0.01 par value; 50,000,000 shares authorized; 1,940,193 and nil shares issued and outstanding at December 31, 2017 and 2016, respectively	—	—
Class C, \$0.01 par value; 500,000,000 shares authorized; 120,843,539 and nil shares issued and outstanding at December 31, 2017 and 2016, respectively	1.2	—
Undesignated preference shares, \$0.01 par value; 50,000,000 shares authorized; Nil shares issued and outstanding at December 31, 2017 and 2016	—	—
Additional paid-in capital	4,402.8	—
Accumulated net contributions	—	4,428.9
Accumulated deficit	(1,010.7)	(232.6)
Accumulated other comprehensive loss, net of taxes	(64.2)	(16.7)
Total Liberty Latin America shareholders	3,329.6	4,179.6
Noncontrolling interests	1,361.0	1,480.8
Total equity	4,690.6	5,660.4
Total liabilities and equity	\$ 13,616.9	\$ 14,143.9

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

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2017	2016	2015
	in millions, except per share amounts		
Revenue	\$ 3,590.0	\$ 2,723.8	\$ 1,217.3
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):			
Programming and other direct costs of services	876.2	677.2	337.7
Other operating	672.5	468.6	198.3
Selling, general and administrative (SG&A)	688.4	517.8	197.0
Depreciation and amortization	793.7	587.3	216.4
Impairment, restructuring and other operating items, net	707.6	153.8	19.8
	3,738.4	2,404.7	969.2
Operating income (loss)	(148.4)	319.1	248.1
Non-operating income (expense):			
Interest expense	(381.8)	(314.4)	(157.9)
Realized and unrealized gains (losses) on derivative instruments, net	(170.1)	(225.9)	227.3
Foreign currency transaction gains (losses), net	94.4	110.1	(223.4)
Gains (losses) on debt modification and extinguishment, net	(51.8)	0.9	—
Other income (expense), net	6.5	12.1	(1.8)
	(502.8)	(417.2)	(155.8)
Earnings (loss) before income taxes	(651.2)	(98.1)	92.3
Income tax expense	(147.5)	(305.9)	(46.5)
Net earnings (loss)	(798.7)	(404.0)	45.8
Net loss (earnings) attributable to noncontrolling interests	20.6	(28.3)	(7.8)
Net earnings (loss) attributable to Liberty Latin America shareholders	\$ (778.1)	\$ (432.3)	\$ 38.0
Basic and diluted net earnings (loss) per share attributable to Liberty Latin America shareholders	\$ (4.53)	\$ (3.44)	\$ 0.87

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

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

	Year ended December 31,		
	2017	2016	2015
	in millions		
Net earnings (loss)	\$ (798.7)	\$ (404.0)	\$ 45.8
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	(35.6)	(58.7)	33.7
Reclassification adjustments included in net earnings (loss)	2.6	1.1	—
Pension-related adjustments and other, net	(13.6)	(14.3)	1.5
Other comprehensive earnings (loss)	(46.6)	(71.9)	35.2
Comprehensive earnings (loss)	(845.3)	(475.9)	81.0
Comprehensive loss (earnings) attributable to noncontrolling interests	19.7	(27.4)	(7.8)
Comprehensive earnings (loss) attributable to Liberty Latin America shareholders	\$ (825.6)	\$ (503.3)	\$ 73.2

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

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF EQUITY

	Liberty Latin America shareholders																	
	Common shares			Additional paid-in capital	Accumulated net contributions (distributions)	Retained earnings (accumulated deficit)	Accumulated other comprehensive earnings (loss), net of taxes	Total Liberty Latin America shareholders	Non- controlling interests	Total equity								
	Class A	Class B	Class C															
in millions																		
Balance at January 1, 2015	\$	—	\$	—	\$	—	\$	(160.6)	\$	161.7	\$	19.1	\$	20.2	\$	48.9	\$	69.1
Net earnings		—		—		—		—		38.0		—		38.0		7.8		45.8
Other comprehensive earnings		—		—		—		—		—		35.2		35.2		—		35.2
Contributions from former parent entity		—		—		—		110.2		—		—		110.2		—		110.2
Contributions from noncontrolling interest owners		—		—		—		—		—		—		—		6.8		6.8
Tax allocations from Liberty Global		—		—		—		(1.5)		—		—		(1.5)		—		(1.5)
Share-based compensation		—		—		—		0.9		—		—		0.9		—		0.9
Other, net		—		—		—		4.5		—		—		4.5		(0.2)		4.3
Balance at December 31, 2015	\$	—	\$	—	\$	—	\$	(46.5)	\$	199.7	\$	54.3	\$	207.5	\$	63.3	\$	270.8

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

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF EQUITY – (Continued)

	Liberty Latin America shareholders									
	Common shares			Additional paid-in capital	Accumulated net contributions (distributions)	Retained earnings (accumulated deficit)	Accumulated other comprehensive earnings (loss), net of taxes	Total Liberty Latin America shareholders	Non- controlling interests	Total equity
	Class A	Class B	Class C							
	in millions									
Balance at January 1, 2016	\$ —	\$ —	\$ —	\$ —	\$ (46.5)	\$ 199.7	\$ 54.3	\$ 207.5	\$ 63.3	\$ 270.8
Net loss	—	—	—	—	—	(432.3)	—	(432.3)	28.3	(404.0)
Other comprehensive loss	—	—	—	—	—	—	(71.0)	(71.0)	(0.9)	(71.9)
Impact of the C&W Acquisition	—	—	—	—	4,490.1	—	—	4,490.1	1,451.8	5,941.9
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	(61.9)	(61.9)
Distributions to Liberty Global	—	—	—	—	(21.4)	—	—	(21.4)	—	(21.4)
Share-based compensation	—	—	—	—	8.7	—	—	8.7	—	8.7
Other, net	—	—	—	—	(2.0)	—	—	(2.0)	0.2	(1.8)
Balance at December 31, 2016	\$ —	\$ —	\$ —	\$ —	\$ 4,428.9	\$ (232.6)	\$ (16.7)	\$ 4,179.6	\$ 1,480.8	\$ 5,660.4

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

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF EQUITY – (Continued)

	Liberty Latin America shareholders									
	Common shares			Additional paid-in capital	Accumulated net contributions (distributions)	Retained earnings (accumulated deficit)	Accumulated other comprehensive earnings (loss), net of taxes	Total Liberty Latin America shareholders	Non- controlling interests	Total equity
	Class A	Class B	Class C							
	in millions									
Balance at January 1, 2017	\$ —	\$ —	\$ —	\$ —	\$ 4,428.9	\$ (232.6)	\$ (16.7)	\$ 4,179.6	\$ 1,480.8	\$ 5,660.4
Net loss	—	—	—	—	—	(778.1)	—	(778.1)	(20.6)	(798.7)
Other comprehensive loss	—	—	—	—	—	—	(47.5)	(47.5)	0.9	(46.6)
Change in capitalization in connection with the Split-Off	0.5	—	1.2	4,402.8	(4,404.5)	—	—	—	—	—
C&W Barbados NCI Acquisition	—	—	—	—	14.6	—	—	14.6	(54.2)	(39.6)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	(45.9)	(45.9)
Distributions to Liberty Global	—	—	—	—	(53.2)	—	—	(53.2)	—	(53.2)
Shared-based compensation	—	—	—	—	12.0	—	—	12.0	—	12.0
Other, net	—	—	—	—	2.2	—	—	2.2	—	2.2
Balance at December 31, 2017	\$ 0.5	\$ —	\$ 1.2	\$ 4,402.8	\$ —	\$ (1,010.7)	\$ (64.2)	\$ 3,329.6	\$ 1,361.0	\$ 4,690.6

The accompanying notes are an integral part of these consolidated financial statements.
II-51

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2017	2016	2015
	in millions		
Cash flows from operating activities:			
Net earnings (loss)	\$ (798.7)	\$ (404.0)	\$ 45.8
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Share-based compensation expense	14.2	15.4	2.4
Depreciation and amortization	793.7	587.3	216.4
Impairment, restructuring and other operating items, net	707.6	153.8	19.8
Amortization of debt financing costs, premiums and discounts, net	(12.5)	(8.3)	4.3
Realized and unrealized losses (gains) on derivative instruments, net	170.1	225.9	(227.3)
Foreign currency transaction losses (gains), net	(94.4)	(110.1)	223.4
Losses (gains) on debt modification and extinguishment, net	51.8	(0.9)	—
Deferred income tax expense (benefit)	(135.1)	93.5	(12.7)
Changes in operating assets and liabilities, net of the effect of acquisitions:			
Receivables and other operating assets	118.3	(83.7)	46.6
Payables and accruals	(241.1)	(0.7)	(8.5)
Net cash provided by operating activities	573.9	468.2	310.2
Cash flows from investing activities:			
Capital expenditures	(639.3)	(490.4)	(227.2)
Cash received (paid) in connection with acquisitions, net	(1.3)	17.0	(272.5)
Other investing activities, net	0.5	32.3	9.1
Net cash used by investing activities	\$ (640.1)	\$ (441.1)	\$ (490.6)

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

LIBERTY LATIN AMERICA LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS – (Continued)

	Year ended December 31,		
	2017	2016	2015
	in millions		
Cash flows from financing activities:			
Borrowings of third-party debt	\$ 1,759.7	\$ 1,520.6	\$ 261.1
Repayments of third-party debt and capital lease obligations	(1,470.2)	(1,156.5)	(0.8)
Distributions to noncontrolling interest owners	(45.9)	(61.9)	—
Payment of financing costs and debt premiums	(104.3)	(31.5)	(5.2)
Contributions from (distributions to) Liberty Global, net	(54.9)	(20.0)	98.7
Cash payment related to the C&W Barbados NCI Acquisition	(32.3)	—	—
Other financing activities, net	(10.3)	(3.4)	6.2
Net cash provided by financing activities	41.8	247.3	360.0
Effect of exchange rate changes on cash	1.7	3.7	(12.2)
Net increase (decrease) in cash and cash equivalents	(22.7)	278.1	167.4
Cash and cash equivalents:			
Beginning of year	552.6	274.5	107.1
End of year	\$ 529.9	\$ 552.6	\$ 274.5
Cash paid for interest	\$ 393.1	\$ 304.6	\$ 146.4
Net cash paid for taxes	\$ 110.9	\$ 131.0	\$ 22.5

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

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements
December 31, 2017, 2016 and 2015

(1) Basis of Presentation

General

Liberty Latin America Ltd. (**Liberty Latin America**) is a registered company in Bermuda primarily comprised of (i) Cable & Wireless Communications Limited (**C&W**), (ii) VTR Finance B.V. (**VTR Finance**) and its subsidiaries, which include VTR.com SpA (**VTR**), (iii) Lila Chile Holding B.V., which is the parent entity of VTR Finance, and (iv) LiLAC Communications Inc. (**LiLAC Communications**) and its subsidiaries, which include Liberty Cablevision of Puerto Rico LLC (**Liberty Puerto Rico**), an entity in which Liberty Latin America owns a 60.0% interest. C&W owns less than 100% of certain of its consolidated subsidiaries, including Cable & Wireless Panama, SA (**C&W Panama**) (a 49.0%-owned entity that owns most of our operations in Panama), The Bahamas Telecommunications Company Limited (**BTC**) (a 49.0%-owned entity that owns all of our operations in the Bahamas) and Cable & Wireless Jamaica Limited (**C&W Jamaica**) (an 82.0%-owned entity that owns the majority of our operations in Jamaica). For information regarding the September 2017 buyout of all issued and outstanding shares of Cable & Wireless (Barbados) Limited (**C&W Barbados**) that Liberty Latin America did not already own, see note 11.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (**U.S. GAAP**) and include the historical financial information of (i) certain former subsidiaries of Liberty Global plc (**Liberty Global**) for periods prior to the Split-Off, as defined below, and (ii) Liberty Latin America and its consolidated subsidiaries for the period following the Split-Off. Although Liberty Latin America was previously reported on a combined basis, these financial statements present all prior periods as consolidated. In these notes, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Latin America Ltd. or collectively to Liberty Latin America Ltd. and its subsidiaries. Unless otherwise indicated, ownership percentages and convenience translations into United States (**U.S.**) dollars are calculated as of December 31, 2017.

We are an international provider of video, broadband internet, fixed-line telephony and mobile services. We provide residential and business-to-business (**B2B**) services in (i) 18 countries, primarily in Latin America and the Caribbean, through C&W, (ii) Chile through VTR and (iii) Puerto Rico through Liberty Puerto Rico. C&W also provides (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale communication services over its sub-sea and terrestrial fiber optic cable networks that connect over 40 markets in that region.

LiLAC Transaction

On July 1, 2015, Liberty Global completed the “**LiLAC Transaction**,” pursuant to which each holder of Class A, Class B and Class C Liberty Global ordinary shares (**Liberty Global Shares**) received one share of the corresponding class of “**LiLAC Shares**” for each 20 Liberty Global Shares held as of the record date for such distribution. Accordingly, Liberty Global issued 12,625,362 Class A, 523,626 Class B and 30,776,883 Class C LiLAC Shares upon the completion of the LiLAC Transaction. The LiLAC Shares were tracking shares, which were intended to reflect or “track” the economic performance of Liberty Global’s “**LiLAC Group**” rather than the economic performance of Liberty Global as a whole. The LiLAC Group comprised the same entities as Liberty Latin America. As further described above, in connection with the Split-Off, the LiLAC Shares were effectively replaced by corresponding classes of Liberty Latin America common shares.

LiLAC Distribution

On July 1, 2016, a total of 117,430,965 Class A and Class C LiLAC Shares were issued to holders of Class A and Class C Liberty Global Shares in recognition of the Liberty Global Shares that were issued to acquire C&W (the **LiLAC Distribution**). For additional information regarding the acquisition of C&W, see note 4.

Split-off of Liberty Latin America from Liberty Global

On December 29, 2017 (the **Split-Off Distribution Date**), Liberty Global completed its previously announced split-off (the **Split-Off**) of its former wholly-owned subsidiary Liberty Latin America. The Split-Off was accomplished by (i) the distribution by Liberty Global to holders of its LiLAC Shares of all of the Company’s common shares and (ii) immediately following the distribution, the LiLAC Shares were redesignated as deferred shares (with virtually no economic rights) and those deferred shares were transferred for no consideration to a third-party designee, in each case, in accordance with Liberty Global’s articles of association and applicable law. Pursuant to the Split-Off, Liberty Global distributed to holders of its LiLAC Shares, as a dividend,

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(i) one Class A common share of the Company for each Class A LiLAC ordinary share, (ii) one Class B common share of the Company for each Class B LiLAC ordinary share and (iii) one Class C common share of the Company for each Class C LiLAC ordinary share, in each case, held by such holder as of the Split-Off Distribution Date. In the Split-Off, 48,428,841 Class A common shares, 1,940,193 Class B common shares and 120,843,539 Class C common shares of Liberty Latin America were issued (collectively **Liberty Latin America Shares**). As a result of the Split-Off, Liberty Latin America is an independent, publicly traded company, and its assets and liabilities consist of the businesses, assets and liabilities that were formerly attributed to Liberty Global's LiLAC Group (as defined below). The Split-Off was accounted for at historical cost due to the pro rata distribution of Liberty Latin America Shares to holders of Liberty Global's LiLAC Shares.

Several agreements were entered into in connection with the Split-Off (the **Split-Off Agreements**) between Liberty Latin America, Liberty Global and/or certain of their respective subsidiaries, including the Tax Sharing Agreement, the Reorganization Agreement, the Services Agreement, the Sublease Agreement and the Facilities Sharing Agreement, each as defined and described in note 12.

(2) Accounting Change and Recent Accounting Pronouncements

Accounting Change

In January 2017, the Financial Accounting Standards Board (**FASB**) issued Accounting Standards Update (**ASU**) No. 2017-04, *Simplifying the Test for Goodwill Impairment (ASU 2017-04)*, which eliminates the requirement to estimate the implied fair value of a reporting unit's goodwill as determined following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, a company should recognize any goodwill impairment by comparing the fair value of a reporting unit to its carrying amount. We early-adopted ASU 2017-04 effective January 1, 2017. The adoption of ASU 2017-04 reduces the complexity surrounding the measurement of goodwill impairments.

Recent Accounting Pronouncements

ASU 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASU 2014-09)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09, as amended by ASU No. 2015-14, will replace existing revenue recognition guidance when it becomes effective for annual and interim reporting periods beginning after December 15, 2017. This new standard permits the use of either the retrospective or cumulative effect transition method. We adopted ASU 2014-09 effective January 1, 2018 using the cumulative effect transition method. The following revenue recognition policies were impacted by the adoption of ASU 2014-09 (i) time-limited discounts and free service periods provided to our customers, (ii) certain upfront fees charged to our customers, (iii) subsidized handset plans and (iv) long-term capacity contracts. The impacts are discussed below:

- When we enter into contracts to provide services to our customers, we often provide time-limited discounts or free service periods. Under current accounting standards, we recognize revenue net of discounts during the promotional periods and do not recognize any revenue during free service periods. Under ASU 2014-09, revenue recognition for those contracts that contain substantive termination penalties will be accelerated, as the impact of the discounts or free service periods will be recognized uniformly over the contractual period. For contracts that do not have substantive termination penalties, we will continue to record the impacts of partial or full discounts during the applicable promotional periods.
- When we enter into contracts to provide services to our customers, we often charge installation or other upfront fees. Under current accounting standards, installation fees related to services provided over our cable networks are recognized as revenue during the period in which the installation occurs to the extent these fees are equal to or less than direct selling costs. Under ASU 2014-09, these fees will generally be deferred and recognized as revenue over the contractual period for those contracts with substantial termination penalties, or for a period of time the upfront fees convey a material right for month-to-month contracts and contracts that do not include substantive termination penalties.
- ASU 2014-09 will require the identification of deliverables in contracts with customers that qualify as performance obligations. The transaction price receivable from customers will be allocated between our performance obligations under contracts on a relative standalone selling price basis. Under current accounting standards, when we offer handsets under a subsidized contract model, upfront revenue recognition is limited to the upfront cash collected from the customer as

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

the remaining monthly fees to be received from the customer, including fees associated with the handset, are contingent upon delivering future airtime. This limitation will no longer be applied under ASU 2014-09. The primary impact on revenue reporting will be that when we sell subsidized handsets together with airtime services to customers, revenue allocated to handsets and recognized when control of the device passes to the customer will increase and revenue recognized as services are delivered will decrease.

- We enter into certain long-term capacity contracts with customers where the customer pays the transaction consideration at inception of the contract. Under current accounting standards, we do not impute interest for advance payments from customers related to services that are provided over time. Under ASU 2014-09, payment received from a customer significantly in advance of the provision of services is indicative of a financing component within the contract. If the financing component is significant, interest expense will accrete over the life of the contract with a corresponding increase to revenue.

ASU 2014-09 will also impact our accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under our current policy, these costs are expensed as incurred unless the costs are in the scope of other accounting standards that allows for capitalization. Under ASU 2014-09, the upfront costs associated with contracts that have substantive termination penalties and a term of one year or more will be recognized as assets and amortized to other operating expenses over the applicable period benefited.

The cumulative effect recorded upon the adoption of ASU 2014-09 on January 1, 2018 did not have a material impact on our financial position. The ultimate impact of adopting ASU 2014-09 for both revenue recognition and costs to obtain and fulfill contracts depends on numerous factors, including (i) the promotions and offers that were in place at December 31, 2017 and during subsequent periods after the adoption of ASU 2014-09 and (ii) our assessment of whether or not our contracts are enforceable or contain substantive termination penalties. Based upon our current product offerings, and our assessment that in many instances our contracts are not enforceable or do not contain substantive termination penalties, we do not expect the ongoing impact following the adoption of ASU 2014-09 to have a material impact to our consolidated statement of operations or balance sheets. In addition, we were not required to make material changes to our internal control environment as a result of the adoption of ASU 2014-09.

ASU 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (ASU 2016-02)*, which, for most leases, will result in lessees recognizing lease assets and lease liabilities on the balance sheet with additional disclosures about leasing arrangements. ASU 2016-02 requires lessees and lessors to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach and additional guidance provided by ASU 2018-01, *Leases (Topic 842)—Land Easement Practical Expedient for Transition to Topic 842*, includes a number of optional practical expedients an entity may elect to apply. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. We will adopt ASU 2016-02 on January 1, 2019. Although we are currently evaluating the effect that ASU 2016-02 will have on our consolidated financial statements, the main impact of the adoption of this standard will be the recognition of lease assets and lease liabilities in our consolidated balance sheets for those leases classified as operating leases under previous U.S. GAAP. ASU 2016-02 will not have significant impacts on our consolidated statements of operations or cash flows.

ASU 2017-07

In March 2017, the FASB issued ASU No. 2017-07, *Improving the Presentation of the Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (ASU 2017-07)*, which includes changes to the presentation of periodic benefit cost components. Under ASU 2017-07, we will continue to present the service component of our net benefit cost as a component of operating income (loss) but present the other components of our net benefit cost computation, which can include credits, within non-operating income (expense) in our consolidated statements of operations. ASU 2017-07 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those fiscal years. We adopted ASU 2017-07 on January 1, 2018. The change in presentation to our consolidated statements of operations from ASU 2017-07 will be applied on a retrospective basis. The amount that will be reclassified to non-operating income (expense) in our consolidated statement of operations as a result of the adoption of ASU 2017-07 is \$14.5 million for the year ended December 31, 2017.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(3) Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of all voting interest entities where we exercise a controlling financial interest through the ownership of a direct or indirect controlling voting interest and variable interest entities for which our company is the primary beneficiary. Intercompany accounts have been eliminated in consolidation.

Cash and Cash Equivalents and Restricted Cash

Cash equivalents consist of money market funds and other investments that are readily convertible into cash and have maturities of three months or less at the time of acquisition. We record money market funds at the net asset value as there are no restrictions on our ability, contractual or otherwise, to redeem our investments.

Restricted cash consists of cash held in restricted accounts, including cash held as collateral for debt and other compensating balances. Cash that is restricted to a specific use is classified as current or long-term based on the expected timing of the disbursement. At December 31, 2017 and 2016, our current and long-term restricted cash balances aggregated \$38.3 million and \$28.2 million, respectively.

Trade Receivables

Our trade receivables are reported net of an allowance for doubtful accounts. Such allowance aggregated \$142.2 million and \$116.1 million at December 31, 2017 and 2016, respectively. The allowance for doubtful accounts is based upon our assessment of probable loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries, with the exception of \$53.6 million and \$58.1 million at December 31, 2017 and 2016, respectively, due from a single government.

Investments

We account for our investment in Telecommunications Services of Trinidad and Tobago Limited (**TSTT**) using the cost method. We continually perform reviews to determine whether a decline in fair value below the cost basis of our investment in TSTT is other-than-temporary. The primary factors we consider in our determination are the extent and length of time that the fair value of the investment is below our company's carrying value and the financial condition, operating performance and near-term prospects of the investee, changes in the valuation subsequent to the balance sheet date, and the impacts of exchange rates, if applicable. If a decline in fair value of this investment is deemed to be other-than-temporary, the cost basis is written down to fair value through our statement of operations.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

We account for our investment in United Kingdom (U.K.) Government Gilts using the available-for-sale method. Available-for-sale securities are measured at fair value. Changes in the fair value of available-for-sale securities are reflected in other comprehensive income or loss until sold or other-than-temporarily impaired, at which time the amounts are reclassified from accumulated other comprehensive income or loss into non-operating income or expense in our consolidated statements of operations.

For additional information regarding our fair value measurements, see note 6. For additional information regarding these investments, see notes 7 and 14.

Financial Instruments

Due to the short maturities of cash and cash equivalents, restricted cash, short-term liquid investments, trade and other receivables, other current assets, accounts payable, accrued liabilities and other accrued and current liabilities, their respective carrying values approximate their respective fair values. For information concerning the fair values of our derivative and debt instruments, see notes 5 and 9, respectively. For information regarding how we arrive at certain of our fair value measurements, see note 6.

Derivative Instruments

All derivative instruments, whether designated as hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative instrument is not designated as a hedge, changes in the fair value of the derivative instrument are recognized in earnings. If the derivative instrument is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative instrument are recorded in other comprehensive earnings or loss and subsequently reclassified into our consolidated statements of operations when the hedged forecasted transaction affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. With the exception of a limited number of our foreign currency forward contracts, we do not apply hedge accounting to our derivative instruments.

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For foreign currency forward contracts that are used to hedge capital expenditures, the net cash received or paid is classified as an adjustment to capital expenditures in our consolidated statements of cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity in our consolidated statements of cash flows.

For information regarding our derivative instruments, see note 5.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable and mobile transmission and distribution facilities and the installation of new cable services. Capitalized construction and installation costs include materials, labor and other directly attributable costs. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities, such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Interest capitalized with respect to construction activities was not material during any of the periods presented.

Capitalized internal-use software is included as a component of property and equipment. We capitalize internal and external costs directly associated with the development of internal-use software. We also capitalize costs associated with the purchase of software licenses. Maintenance and training costs, as well as costs incurred during the preliminary stage of an internal-use software development project, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Equipment under capital leases is amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset and is included in depreciation and amortization in our consolidated statements of operations. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful lives of cable and mobile distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed. For additional information regarding the useful lives of our property and equipment, see note 8.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are expensed as incurred.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations primarily relate to assets placed on leased wireless towers and other premises. Asset retirement obligations of \$36.1 million and \$35.2 million at December 31, 2017 and 2016, respectively, are included in other long-term liabilities in our consolidated balance sheets.

Intangible Assets

Our primary intangible assets relate to goodwill, customer relationships and cable television franchise rights. Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired in a business combination. Customer relationships and cable television franchise rights are initially recorded at their fair values in connection with business combinations.

Goodwill and other intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment.

We do not amortize our cable television franchise rights and certain other intangible assets as these assets have indefinite lives. For additional information regarding the useful lives of our intangible assets, see note 8.

Impairment of Property and Equipment and Intangible Assets

When circumstances warrant, we review the carrying amounts of our property and equipment and our intangible assets (other than goodwill and other indefinite-lived intangible assets) to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) the impact of natural disasters, such as hurricanes, (ii) an expectation of a sale or disposal of a long-lived asset or asset group, (iii) adverse changes in market or competitive conditions, (iv) an adverse change in legal factors or business climate in the markets in which we operate and (v) operating or cash flow losses. For purposes of impairment testing, long-lived assets are grouped at the lowest level for which cash flows are largely independent of other assets and liabilities, generally at or below the reporting unit level (see below). If the carrying amount of the asset or asset group is greater than the expected undiscounted cash flows to be generated by such asset or asset group, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset or asset group exceeds its fair value. We generally measure fair value by considering (i) sale prices for similar assets, (ii) discounted estimated future cash flows using an appropriate discount rate and/or (iii) estimated replacement cost. Assets to be disposed of are recorded at the lower of their carrying amount or fair value less costs to sell.

We evaluate goodwill and other indefinite-lived intangible assets (primarily cable television franchise rights) for impairment at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may not be recoverable. For impairment evaluations with respect to both goodwill and other indefinite-lived intangibles, we first make a qualitative assessment to determine if the goodwill or other indefinite-lived intangible may be impaired. In the case of goodwill, if it is more-likely-than-not that a reporting unit's fair value is less than its carrying value, we then compare the fair value of the reporting unit to its respective carrying amount. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). Goodwill impairment is recorded as the excess of a reporting unit's carrying value over its fair value and is charged to operations. With respect to other indefinite-lived intangible assets, if it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying value, we then estimate its fair value and any excess of the carrying value over the fair value is also charged to operations as an impairment loss. For additional information regarding the fair values of our property and equipment and intangible assets, see note 6. For additional information regarding impairments recorded during 2017, see note 8.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Income Taxes

The income taxes of Liberty Latin America are presented on a standalone basis, and each tax paying entity or group within Liberty Latin America is presented on a separate return basis. Income taxes are accounted for under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. We recognize the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it is more-likely-than-not that such net deferred tax assets will not be realized. Certain of our valuation allowances and tax uncertainties are associated with entities that we acquired in business combinations. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Deferred tax liabilities related to investments in foreign entities and foreign corporate joint ventures that are essentially permanent in duration are not recognized until it becomes apparent that such amounts will reverse in the foreseeable future. In order to be considered essentially permanent in duration, sufficient evidence must indicate that the foreign entity has invested or will invest its undistributed earnings indefinitely, or that earnings will be remitted in a tax-free liquidation. Interest and penalties related to income tax liabilities are included in income tax benefit or expense in our consolidated statements of operations.

For additional information regarding our income taxes, see note 10.

Foreign Currency Translation and Transactions

The reporting currency of Liberty Latin America is the U.S. dollar. The functional currency of our foreign operations is the applicable local currency for each foreign entity. Assets and liabilities of our foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. With the exception of certain material transactions, the amounts reported in our consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings or loss in our consolidated statements of equity. With the exception of certain material transactions, the cash flows from our operations in foreign countries are translated at the average rate for the applicable period in our consolidated statements of cash flows. The impacts of material transactions generally are recorded at the applicable spot rates in our consolidated statements of operations and cash flows. The effect of exchange rates on cash balances held in foreign currencies are separately reported in our consolidated statements of cash flows.

Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these non-functional currency transactions result in transaction gains and losses that are reflected in our consolidated statements of operations as unrealized (based on the applicable period end exchange rates) or realized upon settlement of the transactions.

Revenue Recognition

Service Revenue – Fixed Networks. We recognize revenue from video, broadband internet and fixed-line telephony services over our fixed networks to customers in the period the related services are provided. Installation revenue (including reconnect fees) related to services provided over our fixed networks is recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs, which costs are expensed as incurred. To the extent installation revenue exceeds direct selling costs, the excess revenue is deferred and amortized over the expected life of the subscriber relationship.

Sale of Multiple Products and Services. We sell video, broadband internet, fixed-line telephony and mobile services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Revenue from bundled packages generally is allocated proportionally to the individual services based on the relative standalone price for each respective service.

Mobile Revenue – General. Consideration from mobile contracts is allocated to the airtime service element and the handset service element based on the relative standalone prices of each element. The amount of consideration allocated to the handset is

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

limited to the amount that is not contingent upon the delivery of future airtime services. Certain of our operations that provide mobile services offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime services.

Mobile Revenue – Airtime Services. We recognize revenue from mobile services in the period the related services are provided. Payments received from pre-pay customers are recorded as deferred revenue prior to the commencement of services and are recognized as revenue as the services are rendered or usage rights expire.

Mobile Revenue – Handset Revenue. Arrangement consideration allocated to handsets is recognized as revenue when the goods have been delivered and title has passed.

B2B Revenue. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

Promotional Discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognized only to the extent of the discounted monthly fees charged to the subscriber, if any.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognized as revenue when the associated services are provided.

Sales, Use and Other Value-Added Taxes (VAT). Revenue is recorded net of applicable sales, use and other value-added taxes.

Share-based Compensation

As more fully described in note 15, Liberty Global previously granted share-based incentive awards to its employees and employees of its subsidiaries. Share-based incentive awards granted included, restricted stock units (**RSUs**), performance-based restricted stock units (**PSUs**) and stock appreciation rights (**SARs**) to purchase Liberty Global Shares or LiLAC Shares. Upon the consummation of the Split-Off, outstanding awards with respect to LiLAC Shares previously granted by Liberty Global were cancelled and reissued with respect to Liberty Latin America Shares pursuant to the Transition Plan, as defined and described in note 15. In addition, our employees hold share-based incentive awards that were granted under VTR's and Liberty Puerto Rico's share-based incentive plan (the **VTR Plan** and the **Liberty Puerto Rico Plan**, respectively). Following the Split-Off, share-based incentive awards will be granted under the (i) Employee Incentive Plan and Nonemployee Director Incentive Plan, each as defined and described in note 15, (ii) VTR Plan and (iii) Liberty Puerto Rico Plan. As of December 31, 2017, no share-based incentive awards have been granted under the Employee Incentive Plan or the Nonemployee Director Incentive Plan.

We recognize compensation expense associated with share-based incentive awards based on their grant-date fair values and our estimates of forfeitures. We recognize the grant-date fair value of outstanding awards as a charge to operations over the requisite service period, which is generally the vesting period. Payroll taxes incurred in connection with the vesting or exercise of our share-based incentive awards are recorded as a component of share-based compensation expense in our consolidated statements of operations.

We use the liability method to account for share-based incentive awards issued under the VTR Plan and the Liberty Puerto Rico Plan. The liability method computes the compensation charges based on the vested remeasured fair value of the awards at each reporting date through the date that the awards are exercised or expire.

We use the straight-line method to recognize share-based compensation expense for share-based incentive awards that do not contain a performance condition and the accelerated expense attribution method for our share-based incentive awards that contain a performance condition and vest on a graded basis.

For additional information regarding our share-based compensation, see note 15.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Earnings (Loss) per Share

Basic earnings (loss) per share (**EPS**) is computed by dividing net earnings (loss) attributable to Liberty Latin America shareholders by the weighted average number of LiLAC Shares and Liberty Latin America Shares outstanding during the years presented, as further described below. Diluted earnings (loss) per share presents the dilutive effect, if any, on a per share basis of potential shares (e.g., SARs and RSUs) as if they had been exercised or vested at the beginning of the periods presented.

	Year ended December 31,		
	2017 (b)	2016 (c)	2015 (d)
Weighted average shares outstanding - basic and dilutive (a)	171,850,041	125,627,811	43,920,678

- (a) Amounts were used for both basic and dilutive EPS as no Company equity awards were outstanding prior to the Split-Off.
- (b) The 2017 amount represents (i) the weighted average number of LiLAC Shares outstanding during the year prior to the Split-Off and (ii) the weighted average number of Liberty Latin America Shares outstanding during the year subsequent to the Split-Off.
- (c) The 2016 amount represents the actual weighted average number of LiLAC Shares outstanding, as adjusted to reflect the total 117,430,965 Class A and Class C LiLAC Shares issued to holders of Class A and Class C Liberty Global Shares pursuant to the LiLAC Distribution, as if such distribution was completed on the May 16, 2016 date of the acquisition of C&W.
- (d) The 2015 amount represents the actual weighted average number of LiLAC Shares outstanding for the period from July 1, 2015 through December 31, 2015, as adjusted to reflect the LiLAC Transaction as if it such transaction was completed on January 1, 2015.

We reported a loss attributable to Liberty Latin America shareholders during the year ended December 31, 2017. Therefore, the potentially dilutive effect at December 31, 2017 of the following items was not included in the computation of diluted loss per share because their inclusion would have been anti-dilutive to the computation or, in the case of certain PSUs because such awards had not yet met the applicable performance criteria: (i) the aggregate number of shares issuable pursuant to outstanding options, SARs and RSUs of approximately 8.9 million and (ii) the aggregate number of shares issuable pursuant to outstanding PSUs of approximately 1.2 million.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

(4) Acquisitions

2017 Acquisition

Carve-out Entities. In connection with the C&W Acquisition in 2016, as defined and described below, and C&W's acquisition of Columbus International Inc. and its subsidiaries (collectively, **Columbus**) in 2015 (the **Columbus Acquisition**), certain entities (the **Carve-out Entities**) that hold licenses granted by the U.S. Federal Communications Commission (the **FCC**) were transferred to entities not controlled by C&W (collectively, **New Cayman**). The arrangements with respect to the Carve-out Entities, which were executed in connection with the Columbus Acquisition and the C&W Acquisition, contemplated that upon receipt of regulatory approval, we would acquire the Carve-out Entities. On March 8, 2017, the FCC granted its approval for our acquisition of the Carve-out Entities. Accordingly, on April 1, 2017, subsidiaries of C&W acquired the Carve-out Entities (the **C&W Carve-out Acquisition**) for an aggregate purchase price of \$86.2 million, which represents the amount due under notes receivable that were exchanged for the equity of the Carve-out Entities.

2016 Acquisition

C&W. On May 16, 2016, Liberty Global acquired C&W for shares of Liberty Global and C&W was contributed to our company as part of the Split-Off (the **C&W Acquisition**). Further, immediately prior to the acquisition, C&W declared a special cash dividend (the **Special Dividend**) to its shareholders in the amount of £0.03 (\$0.04 at the transaction date) per C&W share, which

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

was paid to C&W shareholders promptly following the closing of the transaction. The Special Dividend and the payment of fees and expenses related to the acquisition were funded with C&W liquidity, including incremental debt borrowings, and Liberty Latin America corporate liquidity. The C&W Acquisition was completed in order to achieve certain financial, operational and strategic benefits through the integration of C&W with our existing operations.

The C&W Acquisition triggered regulatory approval requirements in certain jurisdictions in which C&W operates. The regulatory authorities in certain of these jurisdictions, including the Bahamas, Trinidad and Tobago and the Seychelles, have not completed their review of the C&W Acquisition or granted their approval. While we expect to receive all outstanding approvals, such approvals may include binding conditions or requirements that could have an adverse impact on our operations and financial condition.

For accounting purposes, the C&W Acquisition was treated as the acquisition of C&W by Liberty Latin America. In this regard, the equity and cash consideration paid to acquire C&W are set forth below (in millions):

Class A Liberty Global Shares (a)	\$ 1,167.2
Class C Liberty Global Shares (a)	2,803.5
Class A LiLAC Shares (a)	144.1
Class C LiLAC Shares (a)	375.3
Special Dividend (b)	193.8
Total	<u>\$ 4,683.9</u>

- (a) Represents the fair value of the 31,607,008 Class A Liberty Global Shares, 77,379,774 Class C Liberty Global Shares, 3,648,513 Class A LiLAC Shares and 8,939,316 Class C LiLAC Shares issued to C&W shareholders in connection with the C&W Acquisition. These amounts are based on the market price per share at closing on May 16, 2016 of \$36.93, \$36.23, \$39.50 and \$41.98, respectively. The aggregate fair value of the Liberty Global Shares issued to acquire C&W has been reflected as an increase to accumulated net contributions (distributions) in our consolidated statement of equity. On July 1, 2016, a total of 117,430,965 Class A and Class C LiLAC Shares were issued to holders of Class A and Class C Liberty Global Shares in recognition of the Liberty Global Shares that were issued to acquire C&W.
- (b) Represents the Special Dividend of £0.03 (\$0.04 at the transaction date) per C&W share paid pursuant to the scheme arrangement based on 4,433,222,313 outstanding shares of C&W on May 16, 2016.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

We have accounted for the C&W Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of C&W based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and the opening balance sheet of C&W at the May 16, 2016 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	\$ 210.8
Other current assets	578.5
Property and equipment	2,914.2
Goodwill (a)	5,410.8
Intangible assets subject to amortization (b)	1,416.0
Other assets	511.3
Current portion of debt and capital lease obligations	(94.1)
Other accrued and current liabilities	(753.2)
Long-term debt and capital lease obligations	(3,305.4)
Other long-term liabilities	(751.8)
Noncontrolling interests (c)	(1,453.2)
Total purchase price (d)	<u>\$ 4,683.9</u>

- (a) The goodwill recognized in connection with the C&W Acquisition is primarily attributable to (i) the ability to take advantage of C&W's existing terrestrial and sub-sea networks to gain immediate access to potential customers and (ii) synergies that are expected to be achieved through the integration of C&W with other operations of Liberty Latin America.
- (b) Amount primarily includes intangible assets related to customer relationships. The weighted average useful life of C&W's intangible assets at the May 16, 2016 acquisition date was approximately nine years.
- (c) Represents the estimated aggregate fair value of the noncontrolling interests in C&W's subsidiaries as of May 16, 2016.
- (d) The total purchase price (i) includes the issuance of Liberty Global Shares and LiLAC Shares that were collectively valued at \$4,490.1 million and the Special Dividend of \$193.8 million and (ii) excludes direct acquisition costs of \$135.0 million, including \$118.5 million incurred during 2016. Direct acquisition costs are included in impairment, restructuring and other operating items, net, in our consolidated statements of operations.

2015 Acquisition

On June 3, 2015, pursuant to a stock purchase agreement with the parent entity of Puerto Rico Cable Acquisition Company Inc., dba Choice Cable TV (**Choice**) and following regulatory approval, a subsidiary of LiLAC Communications, together with investment funds affiliated with Searchlight Capital Partners, L.P. (collectively, **Searchlight**), acquired 100% of Choice (the **Choice Acquisition**). Choice is a cable and broadband services provider in Puerto Rico. We acquired Choice in order to achieve certain financial, operational and strategic benefits through the integration of Choice with Liberty Puerto Rico. The consolidated business is 60.0%-owned by LiLAC Communications and 40.0%-owned by Searchlight.

The purchase price for Choice of \$276.4 million was funded through (i) Liberty Puerto Rico's incremental debt borrowings, net of discount and fees, of \$259.1 million, (ii) equity contributions from Liberty Global and Searchlight of \$10.2 million and \$6.8 million, respectively, and (iii) cash of \$0.3 million from Liberty Puerto Rico.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

We have accounted for the Choice Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Choice based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet of Choice at the June 3, 2015 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	\$ 3.6
Other current assets	7.8
Property and equipment	79.8
Goodwill (a)	51.6
Intangible assets subject to amortization (b)	59.1
Cable television franchise rights	147.8
Other assets, net	0.3
Other accrued and current liabilities	(13.2)
Non-current deferred tax liabilities	(60.4)
Total purchase price (c)	<u>\$ 276.4</u>

- (a) The goodwill recognized in connection with the Choice Acquisition is primarily attributable to (i) the ability to take advantage of Choice's existing advanced broadband communications network to gain immediate access to potential customers and (ii) synergies that were expected to be achieved through the integration of Choice with Liberty Puerto Rico.
- (b) Amount primarily includes intangible assets related to customer relationships. As of June 3, 2015, the weighted average useful life of Choice's intangible assets was approximately ten years.
- (c) Excludes \$8.5 million of direct acquisition costs, \$4.6 million of which were incurred during 2015, which are included in impairment, restructuring and other operating items, net, in our consolidated statements of operations.

Pro Forma Information

The following unaudited pro forma operating results reflect the C&W Acquisition and Choice Acquisition as if they had been completed as of January 1, 2015 and give effect to (i) the C&W Acquisition for the years ended December 31, 2016 and 2015 and (ii) the Choice Acquisition for the year ended December 31, 2015. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable. No effect has been given to the C&W Carve-out Acquisition as the assumed completion of this acquisition on January 1, 2016 would not have had a significant impact on our results of operations for the years ended December 31, 2017 and 2016.

	Year ended December 31,	
	2016	2015
	in millions	
Revenue	<u>\$ 3,621.2</u>	<u>\$ 3,642.7</u>
Net loss attributable to Liberty Latin America shareholders	<u>\$ (174.4)</u>	<u>\$ (165.6)</u>
Net loss per share attributable to Liberty Latin America shareholders – basic and dilutive (a)	<u>\$ (1.00)</u>	<u>\$ (0.95)</u>

- (a) The 2016 amount represents the actual weighted average number of LiLAC Shares outstanding, as adjusted to reflect the total 117,430,965 Class A and Class C LiLAC Shares issued to holders of Class A and Class C Liberty Global Shares pursuant to the LiLAC Distribution as if such distribution was completed on the May 16, 2016 date of the C&W Acquisition. The 2015 amount represents the actual weighted average number of LiLAC Shares outstanding for the period from July 1, 2015 through December 31, 2015, as adjusted to reflect the LiLAC Transaction as if such transaction was completed on January 1, 2015.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Our consolidated statement of operations for 2016 includes revenue and a net loss of \$1,443.6 million and \$30.4 million, respectively, attributable to C&W. Our consolidated statement of operations for 2015 includes revenue and net earnings of \$52.1 million and \$4.6 million, respectively, attributable to Choice.

(5) Derivative Instruments

In general, we seek to enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements, particularly with respect to borrowings that are denominated in a currency other than the functional currency of the borrowing entity. In this regard, through our subsidiaries, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the U.S. dollar (\$), the British pound sterling (£), the Chilean peso (CLP), the Jamaican dollar (JMD) and the Colombian peso (COP). With the exception of certain foreign currency forward contracts, we do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments, net, in our consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	December 31, 2017			December 31, 2016		
	Current (a)	Long-term (a)	Total	Current (a)	Long-term (a)	Total
in millions						
Assets:						
Cross-currency and interest rate derivative contracts (b)	\$ 2.9	\$ 38.4	\$ 41.3	\$ 6.9	\$ 139.0	\$ 145.9
Foreign currency forward contracts	—	—	—	0.3	—	0.3
Total	\$ 2.9	\$ 38.4	\$ 41.3	\$ 7.2	\$ 139.0	\$ 146.2
Liabilities:						
Cross-currency and interest rate derivative contracts (b)	\$ 29.4	\$ 51.9	\$ 81.3	\$ 24.6	\$ 28.9	\$ 53.5
Foreign currency forward contracts	12.8	—	12.8	4.2	—	4.2
Total	\$ 42.2	\$ 51.9	\$ 94.1	\$ 28.8	\$ 28.9	\$ 57.7

- (a) Our current derivative assets, current derivative liabilities and long-term derivative liabilities are included in other current assets, other accrued and current liabilities, and other long-term liabilities, respectively, in our consolidated balance sheets.
- (b) We consider credit risk relating to our and our counterparties' nonperformance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions within each of our primary borrowing groups (as defined and described in note 8). The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains (losses) of \$23.1 million, \$11.7 million and (\$1.0 million) during 2017, 2016 and 2015, respectively. These amounts are included in realized and unrealized gains (losses) on derivative instruments, net, in our consolidated statements of operations. For further information regarding our fair value measurements, see note 6.

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Year ended December 31,		
	2017	2016	2015
in millions			
Cross-currency and interest rate derivative contracts	\$ (157.8)	\$ (216.8)	\$ 217.0
Foreign currency forward contracts	(12.3)	(9.1)	10.3
Total	\$ (170.1)	\$ (225.9)	\$ 227.3

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The following table sets forth the classification of the net cash inflows (outflows) of our derivative instruments:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Operating activities	\$ (26.9)	\$ (6.1)	\$ (28.8)
Investing activities	(3.7)	(3.4)	2.2
Total	<u>\$ (30.6)</u>	<u>\$ (9.5)</u>	<u>\$ (26.6)</u>

Counterparty Credit Risk

We are exposed to the risk that the counterparties to the derivative instruments of our borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral has not been posted by either party under the derivative instruments of our borrowing groups. At December 31, 2017, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of \$16.6 million.

Each of our borrowing groups has entered into derivative instruments under agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

Details of our Derivative Instruments

Cross-currency Derivative Contracts

As noted above, we are exposed to foreign currency exchange rate risk in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our subsidiaries' borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). Our policy is generally to provide for an economic hedge against foreign currency exchange rate movements, whenever possible and when cost effective to do so, by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. The following table sets forth the total notional amounts and the related weighted average remaining contractual lives of our cross-currency swap contracts at December 31, 2017:

Borrowing group	Notional amount due from counterparty		Notional amount due to counterparty		Weighted average remaining life
	in millions				in years
C&W	\$	108.3	JMD	13,817.5	5.0
	\$	35.4	COP	106,000.0	4.6
	£	146.7	\$	194.3	1.2
VTR Finance	\$	1,400.0	CLP	951,390.0	4.5

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Interest Rate Derivative Contracts

As noted above, we enter into interest rate swaps to protect against increases in the interest rates on our variable-rate debt. Pursuant to these derivative instruments, we typically pay fixed interest rates and receive variable interest rates on specified notional amounts. The following table sets forth the total U.S. dollar equivalents of the notional amounts and the related weighted average remaining contractual lives of our interest rate swap contracts at December 31, 2017:

<u>Borrowing group</u>	<u>Notional amount due from counterparty</u>	<u>Weighted average remaining life</u>
	<u>in millions</u>	<u>in years</u>
C&W (a)	\$ 2,925.0	6.3
Liberty Puerto Rico	\$ 675.0	3.3

(a) Includes forward-starting derivative instruments.

Basis Swaps

Basis swaps involve the exchange of attributes used to calculate our floating interest rates, including (i) the benchmark rate, (ii) the underlying currency and/or (iii) the borrowing period. We typically enter into these swaps to optimize our interest rate profile based on our current evaluations of yield curves, our risk management policies and other factors. At December 31, 2017, the U.S. dollar equivalent of the notional amounts of these derivative instruments was \$1,825.0 million and the related weighted average remaining contractual life of our basis swap contracts was 0.9 years. Our basis swaps are all held by our C&W borrowing group at December 31, 2017.

Interest Rate Caps

We enter into interest rate cap agreements that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit from declines in market rates. At December 31, 2017, the total U.S. dollar notional amounts of our interest rate caps was \$436.3 million, all of which are held by our Liberty Puerto Rico borrowing group.

Impact of Derivative Instruments on Borrowing Costs

The impact of the derivative instruments, excluding forward-starting derivative instruments, on our borrowing costs at December 31, 2017 is as follows:

<u>Borrowing group</u>	<u>Increase (decrease) to borrowing costs</u>
C&W	0.47 %
VTR Finance	(0.52)%
Liberty Puerto Rico	0.69 %
Liberty Latin America borrowing groups	0.28 %

Foreign Currency Forwards

Certain of our subsidiaries enter into foreign currency forward contracts with respect to non-functional currency exposure. As of December 31, 2017, the total U.S. dollar equivalent of the notional amount of foreign currency forward contracts was \$183.4 million.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(6) Fair Value Measurements

We use the fair value method to account for our derivative instruments and the available-for-sale method to account for our investment in the U.K. Government Gilts. The reported fair values of our derivative instruments as of December 31, 2017 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities, as we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

U.S. GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities into or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During 2017, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (non-interest rate curves and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates. In the normal course of business, we receive market value assessments from the counterparties to our derivative contracts. Although we compare these assessments to our internal valuations and investigate unexpected differences, we do not otherwise rely on counterparty quotes to determine the fair values of our derivative instruments. The midpoints of applicable bid and ask ranges generally are used as inputs for our internal valuations.

In order to manage our interest rate and foreign currency exchange risk, we have entered into various derivative instruments, as further described in note 5. The recurring fair value measurements of these derivative instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these derivative instruments. This observable data mostly includes interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Effective January 1, 2017, we incorporated a Monte Carlo based approach into our calculation of the value assigned to the risk that we or our counterparties will default on our respective derivative obligations. Previously, we used a static calculation derived from our most current mark-to-market valuation to calculate the impact of counterparty credit risk. The adoption of a Monte Carlo based approach did not have a material impact on the overall fair value of our derivative instruments. Our and our counterparties' credit spreads represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to these instruments. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Due to the lack of Level 2 inputs for the valuation of the U.S dollar to Jamaican dollar cross-currency swaps (the **Sable Currency Swaps**) held by Sable International Finance Limited (**Sable**), we believe this valuation falls under Level 3 of the fair value hierarchy. The Sable Currency Swaps are our only Level 3 financial instruments. The fair value of the Sable Currency Swaps at December 31, 2017 and 2016 was a liability of \$21.9 million and \$10.7 million, respectively. The change in the fair value of the Sable Currency Swaps resulted in net losses of \$11.2 million and \$10.7 million during 2017 and 2016, respectively, which are reflected in realized and unrealized gains (losses) on derivative instruments, net, in our consolidated statements of operations. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 5.

Our investment in the U.K. Government Gilts falls under Level 1 of the fair value hierarchy. At December 31, 2017 and 2016, the carrying value of our investment in the U.K. Government Gilts, which is included in other assets, net, in our consolidated balance sheets, was \$37.2 million and \$32.3 million, respectively.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with acquisition accounting and impairment assessments. The nonrecurring valuations associated with acquisition accounting primarily include the valuation of reporting units, customer relationship and other intangible assets and property and equipment. Unless a reporting unit has a readily determinable fair value, the valuation of reporting units is based at least in part on discounted cash flow analyses. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, are based on our

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

assumptions. The valuation of customer relationships and cable television franchise rights are primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology for customer relationship intangible assets requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer relationship, contributory asset charges and other factors. The excess earnings methodology for cable television franchise rights requires us to measure the cash flows associated with our right to solicit and service potential customers, and the right to deploy and market new services in the service areas covered by currently held franchise agreements, considering expectations on future customer additions and other factors similar to those used in valuing customer relationships. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. The nonrecurring valuations associated with acquisition accounting use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During the year ended December 31, 2017, we performed non-recurring valuations related to the acquisition accounting for the C&W Acquisition and the C&W Carve-out Acquisition. The weighted average discount rates used in the final valuation of the customer relationships acquired as a result of the C&W Acquisition ranged from 9.0% to 12.0%.

In September 2017, Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. The most extensive damage occurred in Puerto Rico and certain markets within our C&W reportable segment (collectively, the **Impacted Markets**). The effects of the hurricanes were deemed to constitute triggering events with respect to the need to assess certain assets for impairment. Nonrecurring valuations were performed in connection with these impairment assessments, most notably to measure the fair value of Liberty Puerto Rico and certain reporting units within C&W for purposes of assessing goodwill impairments, and to measure the fair value of Liberty Puerto Rico's cable television franchise rights. The nonrecurring valuations for impairment assessments used significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. We used discount rates of 8% and 10% in the valuation of Liberty Puerto Rico and certain reporting units within C&W, respectively, while a discount rate of 9% was used in the valuation of Liberty Puerto Rico's cable television franchise rights. These valuations used projected cash flows that reflected the significant risks and uncertainties associated with our recovery from Hurricanes Irma and Maria, including variables such as (i) the length of time it will take to restore the power and transmission systems, particularly in Puerto Rico, (ii) the number of people that will leave these islands for an extended period or permanently and the associated impact on customer churn, (iii) the amount of potential insurance recoveries and (iv) the estimated capital expenditures required to restore the damaged networks in the Impacted Markets. For additional information regarding the impairment charges related to the hurricanes, see note 8.

As part of our annual goodwill impairment assessment in the fourth quarter of 2017, we used a market-based valuation approach to determine the fair value of certain reporting units within C&W. The fair value of a reporting unit using a market-based approach is estimated based upon a market multiple typically applied to the reporting unit's Adjusted OIBDA, as defined in note 18. We determine the market multiple for each reporting unit taking the following into consideration: (i) public company trading multiples for entities with similar business characteristics as the respective reporting unit, a "trading multiple," and (ii) multiples derived from the value of recent transactions for businesses with similar operations and in geographically similar locations, a "transaction multiple." For additional information regarding impairment charges resulting from the annual goodwill assessments, see note 8.

(7) Investments

A subsidiary of C&W holds a 49% interest in TSTT. Our investment in TSTT, which we carry at the lower of cost or fair value, is included in other assets, net, in our consolidated balance sheets. As of December 31, 2017 and 2016, the carrying value of our investment in TSTT was \$93.2 million. Pursuant to certain conditions to the regulatory approval of the Columbus Acquisition, we are required to dispose of our investment in TSTT by a deadline set by the Telecommunications Authority of Trinidad and Tobago, which was recently extended to June 30, 2018. We cannot predict when, or if, we will be able to dispose of this investment at an acceptable price. As such, no assurance can be given that we will be able to recover the carrying value of our investment in TSTT.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(8) Long-lived Assets

Impairment Charges

The following table sets forth impairments of our long-lived assets during the year ended December 31, 2017.

	C&W	Liberty Puerto Rico	VTR	Total
	in millions			
Annual impairment analysis - goodwill	\$ 317.9	\$ —	\$ —	\$ 317.9
Hurricane-related:				
Goodwill	117.3	120.9	—	238.2
Property and equipment	8.4	46.4	—	54.8
Other indefinite-lived intangible assets	—	44.1	—	44.1
Total hurricane-related	125.7	211.4	—	337.1
Other	—	—	4.7	4.7
Total impairment charges	\$ 443.6	\$ 211.4	\$ 4.7	\$ 659.7

Annual Impairment Analysis. We evaluate goodwill and other indefinite-lived intangible assets (primarily cable television franchise rights) for impairment at least annually on October 1 and whenever facts and circumstances indicate that their carrying amounts may not be recoverable. During our annual goodwill impairment test, we concluded impairments were necessary at certain C&W reporting units primarily as a result of greater than expected impacts of competition and, in the case of one smaller C&W reporting unit, a longer expected recovery period from Hurricane Irma.

Hurricane-related Impairment. In September 2017, certain of our operations in the Caribbean were severely impacted by Hurricanes Irma and Maria, with the most extensive damage occurring in Puerto Rico and certain of C&W's markets. Based on our estimates of the impacts on our operations from these hurricanes, we recorded impairment charges to reduce the carrying values of our goodwill, property and equipment and other indefinite-lived intangible assets as set forth in the table above. These impairment charges are based on our assessments of currently available information and, accordingly, it is possible that further impairment charges could be required if the adverse impacts of the hurricanes or estimated costs of recovery are greater than expected. Additionally, the impairment of property and equipment is net of \$18.2 million of estimated probable insurance recoveries for property and equipment damages that are expected to be covered by our insurance program.

For additional information regarding the impacts of the hurricanes and the fair value methods and related assumptions used in our impairment assessments, see note 6. For information regarding the impact of the hurricanes on our debt, see note 9.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Goodwill

Changes in the carrying amount of our goodwill during 2017 are set forth below:

	January 1, 2017	Acquisitions and related adjustments	Foreign currency translation adjustments	Impairments (a)	December 31, 2017
	in millions				
C&W	\$ 5,557.0	\$ (157.0)	\$ (2.3)	\$ (435.2)	\$ 4,962.5
VTR	397.9	—	35.5	—	433.4
Liberty Puerto Rico	277.7	—	—	—	277.7
Corporate and other (b)	120.9	—	—	(120.9)	—
Total	<u>\$ 6,353.5</u>	<u>\$ (157.0)</u>	<u>\$ 33.2</u>	<u>\$ (556.1)</u>	<u>\$ 5,673.6</u>

- (a) Amounts represent (i) impairment charges at C&W and Liberty Puerto Rico that were recorded during the third quarters of 2017 based on our assessments of the impacts of Hurricanes Irma and Maria and (ii) impairment charges at C&W related to our annual October 1 goodwill impairment analysis. For additional information regarding the impacts of Hurricanes Irma and Maria and the fair value method and related assumptions used in our impairment assessment, see above and note 6.
- (b) Represents enterprise-level goodwill that was allocated to our Liberty Puerto Rico segment for purposes of our impairment tests.

Based on the results of our October 1, 2017 goodwill impairment test, a hypothetical decline of 20% or more in the fair value of C&W reporting units that carry a goodwill balance or the Liberty Puerto Rico reporting unit could result in the need to record additional goodwill impairment charges from those already incurred during the third and fourth quarters of 2017. If among other factors, (i) our equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors, including macro-economic and demographic trends, were to cause C&W's or Liberty Puerto Rico's results of operations or cash flows to be worse than anticipated, we could conclude in future periods that additional impairment charges are required in order to reduce the carrying values of the goodwill, cable television franchise rights and, to a lesser extent, other long-lived assets of these entities.

Changes in the carrying amount of our goodwill during 2016 are set forth below:

	January 1, 2016	Acquisitions and related adjustments	Foreign currency translation adjustments	December 31, 2016
	in millions			
C&W	\$ —	\$ 5,595.2	\$ (38.2)	\$ 5,557.0
VTR	377.0	—	20.9	397.9
Liberty Puerto Rico	277.7	—	—	277.7
Corporate and other (a)	120.9	—	—	120.9
Total	<u>\$ 775.6</u>	<u>\$ 5,595.2</u>	<u>\$ (17.3)</u>	<u>\$ 6,353.5</u>

- (a) Represents enterprise-level goodwill that was allocated to our Liberty Puerto Rico segment for purposes of our impairment tests.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Property and Equipment, Net

The details of our property and equipment and the related accumulated depreciation are set forth below:

	Estimated useful life at December 31, 2017	December 31,	
		2017	2016
		in millions	
Distribution systems	3 to 25 years	\$ 3,878.4	\$ 3,522.0
Customer premises equipment	3 to 5 years	1,382.8	1,205.4
Support equipment, buildings and land	3 to 40 years	1,306.3	954.8
		6,567.5	5,682.2
Accumulated depreciation		(2,398.3)	(1,821.3)
Total		\$ 4,169.2	\$ 3,860.9

Depreciation expense related to our property and equipment was \$595.7 million, \$450.9 million and \$203.9 million during 2017, 2016 and 2015, respectively.

We recorded non-cash increases to our property and equipment related to vendor financing arrangements of \$54.9 million, \$45.5 million and nil during 2017, 2016 and 2015, respectively. In addition, we recorded non-cash increases to our property and equipment related to assets acquired under capital leases of \$4.2 million, \$7.4 million and nil during 2017, 2016 and 2015, respectively.

Intangible Assets Subject to Amortization, Net

The details of our intangible assets subject to amortization, which had estimated useful lives ranging from four to 15 years at December 31, 2017, are set forth below:

	December 31,	
	2017	2016
in millions		
Gross carrying amount:		
Customer relationships	\$ 1,415.1	\$ 1,303.3
Licenses and other	199.8	99.0
Total gross carrying amount	1,614.9	1,402.3
Accumulated amortization:		
Customer relationships	(284.2)	(160.1)
Other	(14.5)	(7.7)
Total accumulated amortization	(298.7)	(167.8)
Net carrying amount	<u>\$ 1,316.2</u>	<u>\$ 1,234.5</u>

Amortization expense related to intangible assets with finite useful lives was \$198.0 million, \$136.4 million and \$12.5 million during 2017, 2016 and 2015, respectively.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Based on our amortizable intangible asset balance at December 31, 2017, we expect that amortization expense will be as follows for the next five years and thereafter (in millions):

2018	\$ 215.6
2019	214.6
2020	207.1
2021	143.9
2022	115.0
Thereafter	420.0
Total	<u>\$ 1,316.2</u>

Intangible Assets Not Subject to Amortization

At December 31, 2017 and 2016 our other indefinite-lived intangible assets aggregated \$565.4 million and \$607.2 million, respectively, including \$540.0 million and \$584.1 million, respectively, related to the cable television franchise rights of Liberty Puerto Rico.

(9) Debt and Capital Lease Obligations

The U.S. dollar equivalents of the components of our debt are as follows:

	December 31, 2017													
	Weighted average interest rate (a)	Unused borrowing capacity (b)		Estimated fair value (c)		Principal Amount								
		Borrowing currency	US \$ equivalent	December 31,		December 31,								
				2017	2016	2017	2016							
in millions														
C&W Credit Facilities (d)	4.86%	\$	706.5	\$	706.5	\$	2,216.4	\$	1,427.9	\$	2,212.2	\$	1,411.9	
C&W Notes (d)	7.09%		—		—		1,749.7		2,319.6		1,648.4		2,181.1	
VTR Finance Senior Secured Notes	6.88%		—		—		1,479.6		1,463.9		1,400.0		1,400.0	
VTR Credit Facility	—	(e)			231.5		—		—		—		—	
LPR Bank Facility (d)	5.17%	\$	—		—		951.8		935.2		982.5		942.5	
Vendor financing (f)	4.45%		—		—		137.4		48.9		137.4		48.9	
Total debt before premiums, discounts and deferred financing costs	5.92%				\$	938.0	\$	6,534.9	\$	6,195.5	\$	6,380.5	\$	5,984.4

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The following table provides a reconciliation of total debt before premiums, discounts and deferred financing costs to total debt and capital lease obligations:

	December 31,	
	2017	2016
	in millions	
Total debt before premiums, discounts and deferred financing costs	\$ 6,380.5	\$ 5,984.4
Premiums, discounts and deferred financing costs, net	(26.5)	41.8
Total carrying amount of debt	6,354.0	6,026.2
Capital lease obligations	17.5	21.7
Total debt and capital lease obligations	6,371.5	6,047.9
Less: Current maturities of debt and capital lease obligations	(263.3)	(150.8)
Long-term debt and capital lease obligations	\$ 6,108.2	\$ 5,897.1

- (a) Represents the weighted average interest rate in effect at December 31, 2017 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of financing costs, the weighted average interest rate on our indebtedness was 6.28% at December 31, 2017. For information regarding our derivative instruments, see note 5.
- (b) Unused borrowing capacity represents the maximum availability under the applicable facility at December 31, 2017 without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2017, the full amount of unused borrowing capacity was available to be borrowed under each of the respective subsidiary facilities, both before and after consideration of the completion of the December 31, 2017 compliance reporting requirements, which include leverage-based payment tests and leverage covenants. At December 31, 2017, there were no restrictions on the respective subsidiary's ability to make loans or distributions from this availability to Liberty Latin America or its subsidiaries or other equity holders.
- (c) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information regarding fair value hierarchies, see note 6.
- (d) As discussed in note 6, Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to the homes, businesses and infrastructure in the Impacted Markets. The operations of Liberty Puerto Rico support the debt outstanding under the LPR Bank Facility (as defined and described below) and our operations in the impacted C&W markets, together with certain other C&W operations, support the debt outstanding under the C&W Notes and the C&W Credit Facilities. We expect that the effects of the hurricanes will not impact our ability to comply with the terms of the C&W Notes and the C&W Credit Facilities. For further information on the impact of the hurricanes on Liberty Puerto Rico and its compliance with terms of the LPR Bank Facility, see disclosure under —*LPR Bank Facility* below.
- (e) The VTR Credit Facility is the senior secured credit facility of VTR and certain of its subsidiaries and comprises a \$160.0 million facility (the **VTR Dollar Credit Facility**) and a CLP 44.0 billion (\$71.5 million) facility (the **VTR Peso Credit Facility**), each of which were undrawn at December 31, 2017. The VTR Dollar Credit Facility and the VTR Peso Credit Facility have fees on unused commitments of 1.1% and 1.34% per year, respectively. The interest rate for the VTR Dollar Credit Facility is London Interbank Offered Rate (**LIBOR**) plus a margin of 2.75%. The interest rate for the VTR Peso Credit Facility is the applicable interbank offered rate for Chilean pesos in the relevant interbank market plus a margin of 3.35%. Borrowings under the VTR Dollar Credit Facility and the VTR Peso Credit Facility mature in January 2020 and January 2019, respectively.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

- (f) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our property and equipment additions and, to a lesser extent, certain of our operating expenses. These obligations are generally due within one year and include VAT that was paid on our behalf by the vendor. Our operating expenses for the years ended December 31, 2017 and 2016 include \$75.9 million and \$2.5 million that were financed by an intermediary and are reflected as a hypothetical cash outflow within net cash provided by operating activities and a hypothetical cash inflow within net cash provided by financing activities in our consolidated statements of cash flows. Repayments of vendor financing obligations are included in repayments and repurchases of debt and capital lease obligations in our consolidated statements of cash flows.

General Information

At December 31, 2017, all of our outstanding debt had been incurred by one of our three primary “borrowing groups,” C&W, VTR Finance and Liberty Puerto Rico.

Credit Facilities. Each of our borrowing groups has entered into one or more credit facility agreements with certain financial institutions. Each of these credit facilities contain certain covenants, the more notable of which are as follows:

- Our credit facilities contain certain consolidated net leverage ratios, as specified in the relevant credit facility, which are required to be complied with on an incurrence and/or maintenance basis;
- Our credit facilities contain certain restrictions which, among other things, restrict the ability of the entities of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions, and (iv) make certain restricted payments to their direct and/or indirect parent companies through dividends, loans or other distributions, subject to compliance with applicable covenants;
- Our credit facilities require that certain entities of the relevant borrowing group guarantee the payment of all sums payable under the relevant credit facility and such entities are required to grant first-ranking security over their shares or, in certain borrowing groups, over substantially all of their assets to secure the payment of all sums payable thereunder;
- In addition to certain mandatory prepayment events, the instructing group of lenders under the relevant credit facility may cancel the commitments thereunder and declare the loans thereunder due and payable after the applicable notice period following the occurrence of a change of control (as specified in the relevant credit facility);
- Our credit facilities contain certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the instructing group of lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand;
- Our credit facilities require entities of the relevant borrowing group to observe certain affirmative and negative undertakings and covenants, which are subject to certain materiality qualifications and other customary and agreed exceptions; and
- In addition to customary default provisions, our credit facilities generally include certain cross-default and cross-acceleration provisions with respect to other indebtedness of entities of the relevant borrowing group, subject to agreed minimum thresholds and other customary and agreed exceptions.

See *LPR Bank Facility* section below for additional information on relief Liberty Puerto Rico has been granted on certain covenant compliance requirements under the LPR Credit Agreements (as defined below).

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Senior and Senior Secured Notes. Our C&W and VTR borrowing groups have issued senior and/or senior secured notes. In general, our senior and senior secured notes (i) are senior obligations of each respective issuer within the relevant borrowing group that rank equally with all of the existing and future senior debt of such issuer and are senior to all existing and future subordinated debt of each respective issuer within the relevant borrowing group, (ii) contain, in most instances, certain guarantees from other entities of the relevant borrowing group (as specified in the applicable indenture) and (iii) with respect to our senior secured notes, are secured by certain pledges over the shares of certain entities of the relevant borrowing group. In addition, the indentures governing our senior and senior secured notes contain certain covenants, the more notable of which are as follows:

- Our notes contain certain customary incurrence-based covenants. In addition, our notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of the issuer or certain of its subsidiaries, over agreed minimum thresholds (as specified under the applicable indenture), is an event of default under the respective notes;
- Our notes contain certain restrictions that, among other things, restrict the ability of the entities of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to its direct and/or indirect parent companies through dividends, loans or other distributions, subject to compliance with applicable covenants;
- If the relevant issuer or certain of its subsidiaries (as specified in the applicable indenture) sell certain assets, such issuer must offer to repurchase the applicable notes at par, or if a change of control (as specified in the applicable indenture) occurs, such issuer must offer to repurchase all of the relevant notes at a redemption price of 101%; and
- Our senior secured notes contain certain early redemption provisions including the ability to, during each 12-month period commencing on the issue date for such notes until the applicable call date, redeem up to 10% of the principal amount of the notes to be redeemed at a redemption price equal to 103% of the principal amount of the notes to be redeemed plus accrued and unpaid interest.

C&W Notes

The details of the outstanding notes of C&W as of December 31, 2017 are summarized in the following table:

C&W Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value (a)
			Borrowing currency	U.S. \$ equivalent		
			in millions			
Sable Senior Notes (b) (c)	August 1, 2022	6.875%	\$ 750.0	\$ 750.0	\$ 800.3	\$ 766.9
2027 C&W Senior Notes	September 15, 2027	6.875%	\$ 700.0	700.0	734.9	694.2
2019 C&W Senior Notes (b) (d)	March 25, 2019	8.625%	£ 146.7	198.4	214.5	207.5
Total				\$ 1,648.4	\$ 1,749.7	\$ 1,668.6

- (a) Amounts are net of deferred financing costs.
- (b) Carrying value includes the impact of premiums recorded in connection with the acquisition accounting for the C&W Acquisition.
- (c) Interest on the Sable Senior Notes is payable semi-annually on February 1 and August 1.
- (d) The 2019 C&W Senior Notes are non-callable and interest is payable annually on March 25.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Financing Transactions

2027 C&W Senior Notes. In August 2017, C&W Senior Financing Designated Activity Company (**C&W Senior Financing**) issued the 2027 C&W Senior Notes. Interest is payable semi-annually on January 15 and July 15. C&W Senior Financing, which was created for the primary purpose of facilitating the offering of the 2027 C&W Senior Notes, is a special purpose financing entity that is 100% owned by a third-party.

C&W Senior Financing used the proceeds from the 2027 C&W Senior Notes to fund a new term loan (the **C&W Financing Loan**) with a subsidiary of C&W as the borrower and certain other C&W subsidiaries as guarantors. The call provisions, maturity and applicable interest rate for the C&W Financing Loan are the same as those for the 2027 C&W Senior Notes. C&W Senior Financing's obligations under the 2027 C&W Senior Notes are secured by interests over (i) certain of C&W Senior Financing's bank accounts and (ii) C&W Senior Financing's rights under the C&W Financing Loan. C&W Senior Financing is prohibited from incurring any additional indebtedness, subject to certain exceptions under the applicable indenture. C&W Senior Financing is dependent upon payments from C&W in order to service its payment obligations under the 2027 C&W Senior Notes.

The C&W Financing Loan creates a variable interest in C&W Senior Financing for which C&W is the primary beneficiary. As a result, C&W and Liberty Latin America are required to consolidate C&W Senior Financing and, accordingly, the C&W Financing Loan is eliminated in our consolidated financial statements.

Subject to the circumstances described below, the Sable Senior Notes and 2027 C&W Senior Notes are non-callable until August 1, 2018 and September 15, 2022, respectively. At any time prior to August 1, 2018, in the case of the Sable Senior Notes, and September 15, 2022, in the case of the 2027 C&W Senior Notes, Sable and C&W Senior Financing may redeem some or all of the applicable notes by paying a "make-whole" premium, which is generally the present value of all remaining scheduled interest payments to August 1, 2018 or September 15, 2022 (as applicable) using the discount rate (as specified in the indenture) as of the redemption date plus 50 basis points, and in the case of the Sable Senior Notes is subject to a minimum 1% of the principal amount outstanding at any redemption date prior to August 1, 2018.

Sable and C&W Senior Financing (as applicable) may redeem some or all of the Sable Senior Notes and 2027 C&W Senior Notes, respectively, at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price	
	Sable Senior Notes	2027 C&W Senior Notes
12-month period commencing:	August 1	September 15
2018	105.156%	N.A.
2019	103.438%	N.A.
2020	101.719%	N.A.
2021	100.000%	N.A.
2022	100.000%	103.438%
2023	N.A.	101.719%
2024	N.A.	100.859%
2025 and thereafter	N.A.	100.000%

The net proceeds from the C&W Term Loan B-3 Facility Add-on (as defined and described below) and the C&W Financing Loan were used (i) to redeem in full \$1,250.0 million outstanding principal amount of senior notes, issued by Columbus prior to the Columbus Acquisition, and (ii) for general corporate purposes. In connection with these transactions, C&W recognized a loss on debt modification and extinguishment, net, of \$24.1 million. This loss includes (i) the payment of \$85.1 million of redemption premiums and (ii) the write-off of \$61.0 million of unamortized premiums.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

C&W Credit Facilities

The C&W Credit Facilities are the senior secured credit facilities of certain subsidiaries of C&W. The details of our borrowings under the C&W Credit Facilities as of December 31, 2017 are summarized in the following table:

C&W Credit Facilities	Maturity	Interest rate	Facility amount (in borrowing currency)	Outstanding principal amount	Unused borrowing capacity (a)	Carrying value (b)
in millions						
C&W Term Loan B-3 Facility (c)	January 31, 2025	LIBOR + 3.50%	\$ 1,825.0	\$ 1,825.0	\$ —	\$ 1,811.7
C&W Revolving Credit Facility (d)	June 30, 2023	LIBOR + 3.25%	\$ 625.0	50.0	575.0	50.0
C&W Regional Facilities (e)	various dates ranging from 2018 to 2038	3.73% (f)	\$ 468.7	337.2	131.5	337.1
Total				<u>\$ 2,212.2</u>	<u>\$ 706.5</u>	<u>\$ 2,198.8</u>

- (a) The amount related to the C&W Revolving Credit Facility represents the maximum availability without regard to covenant compliance calculations or other conditions precedent to borrowing. At December 31, 2017, based on the applicable leverage-based restricted payment tests and leverage covenants, the full amount of unused borrowing capacity under the C&W Credit Facilities was available to be borrowed.
- (b) Amounts are net of discounts and deferred financing costs, where applicable.
- (c) The C&W Term Loan B-3 Facility was issued at 99.5% of par and is subject to a LIBOR floor of 0%. Subsequent to December 31, 2017, C&W entered into a new \$1,875.0 million term loan that was primarily used to refinance the existing C&W Term Loan B-3 Facility. For additional information, see note 20.
- (d) The C&W Revolving Credit Facility has a fee on unused commitments of 0.5% per year. The outstanding principal amount was borrowed in 2017 to fund a portion of the contribution to the CWSF (as defined and discussed in note 14).
- (e) Represents certain amounts borrowed by C&W Panama, C&W Jamaica, C&W Barbados, Cable & Wireless Dominica Limited and BTC (collectively, the **C&W Regional Facilities**).
- (f) Represents a weighted average rate for all C&W Regional Facilities.

2017 Transactions

In May 2017, C&W entered into the C&W Term Loan B-3 Facility, a \$1,125.0 million term loan facility. The net proceeds from the C&W Term Loan B-3 Facility were used to prepay in full the \$1,100.0 million outstanding principal amount under the C&W Term Loans (as further described below). In connection with these transactions, C&W recognized a loss on debt modification and extinguishment, net, of \$24.9 million. This loss includes (i) the write-off of \$22.7 million of unamortized discounts and deferred financing costs and (ii) the payment of \$2.2 million of third-party costs.

In July 2017, the commitments under the C&W Term Loan B-3 Facility were increased by \$700.0 million (the **C&W Term Loan B-3 Facility Add-on**). The C&W Term Loan B-3 Facility Add-on was issued at 99.5% of par with the same maturity and interest rate as the C&W Term Loan B-3 Facility.

2016 Transactions

On May 17, 2016, C&W assumed obligations under a credit agreement dated May 16, 2016, which included the “**C&W Term Loans**” and the C&W Revolving Credit Facility. A portion of the proceeds from the C&W Term Loans and amounts drawn under the C&W Revolving Credit Facility were used to (i) repay amounts outstanding under the then existing C&W revolving credit facility, (ii) redeem certain senior secured notes issued by C&W and (iii) finance the Special Dividend that was paid to the C&W

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

shareholders in connection with the C&W Acquisition. In connection with these transactions, C&W recognized a gain on debt modification and extinguishment, net, of \$1.5 million. This gain includes the net effect of (i) the write-off of \$19.0 million of unamortized premium and (ii) the payment of \$17.5 million of redemption premium.

In November 2016, C&W entered into a new \$300.0 million term loan facility, which had the same maturity date, interest rate and LIBOR floor as the then existing C&W Term Loans. The net proceeds from the new term loan were used to prepay indebtedness under the C&W Revolving Credit Facility and for general corporate purposes.

VTR Finance Senior Secured Notes

In January 2014, VTR issued \$1.4 billion principal amount of VTR Finance Senior Secured Notes, due January 15, 2024. At any time prior to January 15, 2019, VTR may redeem some or all of the VTR Finance Senior Secured Notes by paying a “make-whole” premium, which is the present value of all remaining scheduled interest payments to January 15, 2019 using the discount rate (as specified in the VTR Finance Senior Secured Notes) as of the applicable redemption date plus 50 basis points.

VTR may redeem all or part of the VTR Finance Senior Secured Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the related indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price
12-month period commencing January 15:	
2019	103.438%
2020	102.292%
2021	101.146%
2022 and thereafter	100.000%

LPR Bank Facility

On December 20, 2017, in connection with challenging circumstances that Liberty Puerto Rico is experiencing as a result of the damage caused by the hurricanes, in particular Hurricane Maria, the LPR First Lien Term Loan and the LPR Second Lien Term Loan credit agreements (collectively, the **LPR Credit Agreements**) were amended to (i) provide Liberty Puerto Rico with relief from complying with leverage covenants through December 31, 2018, (ii) increase the consolidated first lien net leverage ratio covenant from 4.5:1 to 5.0:1 beginning with the March 31, 2019 quarterly test date, (iii) restrict Liberty Puerto Rico’s ability to make certain types of payments to its shareholders through December 31, 2018 and (iv) include an equity commitment of up to \$60 million from Liberty Puerto Rico’s shareholders through December 31, 2018 to fund any potential liquidity shortfalls. Based on our 60% ownership in Liberty Puerto Rico, we are obligated for \$36 million of this equity commitment. The consolidated total net leverage ratio covenant level remained unchanged at 5.50:1. In addition, there was no change to the margins under the LPR Credit Agreements, no fees were paid in connection with these amendments and all other terms of the LPR Credit Agreements remain in full force and effect.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The LPR Bank Facility is the senior secured credit facility of certain subsidiaries of Liberty Puerto Rico. The details of our borrowings under the LPR Bank Facility as of December 31, 2017 are summarized in the following table:

LPR Bank Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Outstanding principal amount	Carrying value (a)
in millions					
LPR First Lien Term Loan	January 7, 2022	LIBOR + 3.50% (b)	\$ 850.0	\$ 850.0	\$ 840.1
LPR Second Lien Term Loan	July 7, 2023	LIBOR + 6.75% (b)	\$ 92.5	92.5	91.1
LPR Revolving Loan (c)	July 7, 2020	LIBOR + 3.50%	\$ 40.0	40.0	40.0
Total				\$ 982.5	\$ 971.2

(a) Amounts are net of discounts and deferred financing costs.

(b) The LPR First Lien Term Loan and the LPR Second Lien Term Loan credit agreements each have a LIBOR floor of 1.0%.

(c) The LPR Revolving Loan has a fee on unused commitments of 0.50% or 0.375%, depending on the consolidated total net leverage ratio (as specified in the LPR Bank Facility). In October 2017, Liberty Puerto Rico borrowed in full the \$40.0 million LPR Revolving Loan under the LPR Bank Facility.

Maturities of Debt and Capital Lease Obligations

Maturities of our debt and capital lease obligations as of December 31, 2017 are presented below. Amounts presented below represent U.S. dollar equivalents based on December 31, 2017 exchange rates:

Debt:

	C&W	VTR	Liberty Puerto Rico	Consolidated
in millions				
Years ending December 31:				
	2018 \$	159.5	\$ 97.4	\$ 256.9
	2019	246.1	—	246.1
	2020	39.1	—	79.1
	2021	134.9	—	134.9
	2022	775.1	—	1,625.1
Thereafter	2,545.9	1,400.0	92.5	4,038.4
Total debt maturities	3,900.6	1,497.4	982.5	6,380.5
Premiums, discounts and deferred financing costs, net	6.8	(22.0)	(11.3)	(26.5)
Total debt	\$ 3,907.4	\$ 1,475.4	\$ 971.2	\$ 6,354.0
Current portion	\$ 159.5	\$ 97.4	\$ —	\$ 256.9
Noncurrent portion	\$ 3,747.9	\$ 1,378.0	\$ 971.2	\$ 6,097.1

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Capital lease obligations:

	C&W	VTR	Liberty Puerto Rico	Consolidated
	in millions			
Year ending December 31:				
	2018 \$	6.6 \$	0.3 \$	6.9 \$
	2019	9.1	0.4	9.5
	2020	1.5	0.1	1.6
	2021	0.1	—	0.1
Total principal and interest payments	17.3	0.8	—	18.1
Amounts representing interest	(0.6)	—	—	(0.6)
Present value of net minimum lease payments	\$ 16.7	\$ 0.8	\$ —	\$ 17.5
Current portion	\$ 6.1	\$ 0.3	\$ —	\$ 6.4
Noncurrent portion	\$ 10.6	\$ 0.5	\$ —	\$ 11.1

Non-cash Financing Transactions

During 2015, Liberty Puerto Rico increased principal amounts borrowed under the LPR Bank Facility aggregating \$267.5 million in non-cash transactions that were used to settle outstanding obligations under a bridge loan incurred by LCPR Cayman Holding Inc., a wholly-owned subsidiary of LiLAC Communications, in connection with the Choice Acquisition. For additional information regarding the Choice Acquisition, see note 4.

During 2017, Liberty Puerto Rico borrowed an additional \$85.0 million under the existing LPR First Lien Term Loan from existing LPR Second Lien Term Loan lenders. The net proceeds were used to prepay \$85.0 million of the outstanding principal amount under the LPR Second Lien Term Loan. The exchange in principal amounts was treated as a non-cash transaction in our consolidated statement of cash flows.

In connection with the 2017 C&W Term Loan B-3 Facility financing, certain lenders of the C&W Term Loans novated \$929.1 million principal amount under the C&W Term Loans into the C&W Term Loan B-3 Facility, representing a non-cash financing transaction.

(10) Income Taxes

Period post Split-Off

As further described in note 1, we entered into a Tax Sharing Agreement (as defined in note 12) with Liberty Global that became effective upon consummation of the Split-Off. Pursuant to the Tax Sharing Agreement, tax liabilities and benefits relating to taxable periods before and after the Split-Off will be computed and apportioned between Liberty Latin America and Liberty Global, and responsibility for payment of those tax liabilities (including any taxes attributable to the Split-Off and related internal restructurings) and use of those tax benefits will be allocated between Liberty Latin America and Liberty Global. Furthermore, the Tax Sharing Agreement sets forth the rights of Liberty Latin America and Liberty Global in respect of the preparation and filing of tax returns, the handling of audits or other tax proceedings and assistance and cooperation and other matters, in each case, for taxable periods ending on or before or that otherwise include the date of the Split-Off.

Periods prior to Split-Off

Prior to the Split-Off, the income taxes of Liberty Latin America were presented on a standalone basis, and each tax paying entity or group within Liberty Latin America was presented on a separate return basis. Liberty Latin America included Liberty Global subsidiaries that were included in combined or consolidated tax returns, including tax returns in the Netherlands (the **Dutch Fiscal Unity**), the U.K. (the **U.K. Tax Group**) and the U.S. (the **U.S. Tax Group**). These tax groups also included Liberty Global subsidiaries that were not included in Liberty Latin America. Certain of the entities included in the Dutch Fiscal Unity, the U.K. Tax Group and the U.S. Tax Group were included in Liberty Latin America. As a result, we recorded related-party tax allocations to recognize changes in the tax attributes of certain entities of Liberty Latin America that were included in the Dutch Fiscal Unity,

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

the U.K. Tax Group or the U.S. Tax Group. Prior to the July 1, 2015 completion of the LiLAC Transaction, the related-party tax allocations reflected in these consolidated financial statements were not cash settled and were not the subject of Tax Sharing Agreements. Accordingly, related-party tax allocations prior to July 1, 2015 are reflected as adjustments to accumulated net contributions (distributions) in our consolidated statements of equity.

In connection with the LiLAC Transaction, effective July 1, 2015, the allocation of tax attributes between Liberty Latin America and subsidiaries of Liberty Global that were not included in Liberty Latin America were based on a tax sharing policy. This tax sharing policy generally resulted in the allocation of a portion of Liberty Global's tax attributes to Liberty Latin America based on the relative tax attributes of the legal entities included in Liberty Latin America. Nevertheless, to the extent that Liberty Global management concluded the actions or results of one group gave rise to changes in the tax attributes of the other group, the change in those tax attributes were generally allocated to the group whose actions or results gave rise to such changes. Similarly, in cases where legal entities in one group joined in a common tax filing with entities of the other group, changes in the tax attributes of the group that included the filing entity that were the result of the actions or financial results of one or more entities of the other group were allocated to the group that did not include the filing entity. For periods beginning on and after July 1, 2015, we did not record non-interest bearing related-party payables and receivables in connection with the allocation of tax attributes to the extent that tax assets were utilized or taxable income was included in the return for the applicable tax year. These related-party payables and receivables were expected to be cash settled annually within 90 days following the filing of the relevant tax return. Changes to previously filed tax returns will be reflected in the related-party payables and receivables, and any prior settlement of payables will be adjusted to reflect amended tax filings.

On July 11, 2017, Liberty Latin America was formed as a corporation in Bermuda where a Tax Assurance Certificate has been granted to guarantee that any imposition of income or other taxes will not be applicable to Liberty Latin America through March 31, 2035. Accordingly, Liberty Latin America does not file a primary corporate income tax return in Bermuda, although various subsidiaries in other jurisdictions are taxable on operations and do file income tax returns in their respective jurisdictions. The income taxes of Liberty Latin America are presented, prior to the Split-Off, on a separate return basis for each tax-paying entity or group.

The components of our earnings (loss) before income taxes are as follows:

	Year ended December 31,		
	2017	2016	2015
	in millions		
U.K.	\$ (188.7)	\$ (234.8)	\$ (2.3)
Puerto Rico	(101.8)	57.0	13.9
Chile	127.2	47.4	182.3
The Netherlands	(24.3)	(42.2)	(106.1)
Barbados	(39.0)	(29.7)	—
Jamaica	13.3	(25.9)	—
U.S.	(194.0)	24.5	4.5
The Bahamas	(90.5)	22.7	—
Panama	86.2	19.4	—
Other (a)	(239.6)	63.5	—
Total	<u>\$ (651.2)</u>	<u>\$ (98.1)</u>	<u>\$ 92.3</u>

- (a) The amount for the year ended December 31, 2017 includes impairment charges of \$191.2 million and \$112.5 million in our Trinidad and Tobago and British Virgin Islands reporting units, respectively. For additional information regarding asset impairments, see note 8.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Income tax benefit (expense) consists of:

	Current	Deferred	Total
	in millions		
Year ended December 31, 2017:			
Chile	\$ (178.6)	\$ (2.6)	\$ (181.2)
Puerto Rico	(2.1)	41.5	39.4
U.K.	(6.1)	(0.6)	(6.7)
Barbados	(18.3)	3.1	(15.2)
The Netherlands	(2.6)	(1.3)	(3.9)
Panama	(23.8)	7.4	(16.4)
Other (a)	(51.1)	87.6	36.5
Total	<u>\$ (282.6)</u>	<u>\$ 135.1</u>	<u>\$ (147.5)</u>
Year ended December 31, 2016:			
Chile	\$ (162.6)	\$ (11.2)	\$ (173.8)
Puerto Rico	0.2	(23.1)	(22.9)
U.K.	(3.0)	(6.4)	(9.4)
Barbados	(13.9)	5.8	(8.1)
The Netherlands	(0.1)	(7.6)	(7.7)
Panama	(18.6)	14.1	(4.5)
Other (a)	(14.4)	(65.1)	(79.5)
Total	<u>\$ (212.4)</u>	<u>\$ (93.5)</u>	<u>\$ (305.9)</u>
Year ended December 31, 2015:			
Chile	\$ (57.4)	\$ 13.5	\$ (43.9)
U.S (a)	1.2	(9.9)	(8.7)
Puerto Rico	(3.0)	8.6	5.6
U.K.	—	0.5	0.5
Total	<u>\$ (59.2)</u>	<u>\$ 12.7</u>	<u>\$ (46.5)</u>

- (a) The amounts include (i) related-party current tax expense of Liberty Latin America of \$9.4 million during 2017, (ii) related-party current tax benefit of the U.S. Tax Group of \$12.0 million during 2016, (iii) related-party current tax benefit of the U.S. Tax Group of \$2.1 million during the six months ended December 31, 2015 and (iii) related-party deferred tax benefit of the U.S. Tax Group of \$1.5 million during the six months ended June 30, 2015. The U.S. Tax Group benefits were recorded as an adjustment of equity through June 30, 2015 and as a current receivable at subsequent balance sheet dates.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Income tax expense attributable to our earnings (loss) before income taxes differs from the amounts computed by using the applicable tax rate as a result of the following:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Computed expected tax benefit (expense) (a)	\$ —	\$ 19.6	\$ (18.7)
Non-deductible expenses	(173.4)	(155.8)	(5.9)
Basis and other differences in the treatment of items associated with investments in Liberty Latin America Group entities	5.5	(92.0)	(9.6)
Increase in valuation allowances	(59.0)	(27.2)	(14.8)
International rate differences (a) (b)	116.4	(17.1)	(0.6)
Enacted tax law and rate changes (c) (d) (e) (f)	83.7	(4.5)	1.5
Effect of non-deductible goodwill impairments	(101.9)	—	—
Other, net	(18.8)	(28.9)	1.6
Total income tax expense	<u>\$ (147.5)</u>	<u>\$ (305.9)</u>	<u>\$ (46.5)</u>

- (a) On July 11, 2017, Liberty Latin America was formed as a corporation in Bermuda and, therefore, the “statutory” or “expected” tax rate for the 2017 tax year is 0% as the Company is exempt from income taxes on ordinary income and capital gains. However, a majority of our subsidiaries operate in jurisdictions where income tax is imposed at local applicable statutory rates. Accordingly, “international rate differences” set forth in the table above, reflects the computed tax benefit (expense) on pre-tax book income or (loss) in each taxable jurisdiction. The comparative years of 2016 and 2015 were computed on the basis that the statutory or “expected” tax rates are the U.K. rates of 20% for 2016 and 20.25% for 2015, given the organizational structure of the Company in those years. The statutory or “expected” rate for 2015 is a blended rate based on applicable U.K. rates before and after the rate change that took place on April 1 of such year.
- (b) The 2017 corporate tax rates applicable to our primary tax jurisdictions are: Chile 25.5%; Puerto Rico 39%; U.K. 19%; Barbados 2.5% and 25%; the Netherlands 25%; and Panama 25%. The corporate tax rates applicable to our Barbados operations varies as we have operations that represent different types of business entities and, accordingly, calculate tax at both 2.5% and 25%.
- (c) On January 1, 2017, legislation was enacted that changed the income tax rate in Trinidad and Tobago from 25% to 30%. Substantially all of the impact of this rate change on our deferred tax balances was recorded during the first quarter of 2017 when the change in tax law was enacted.
- (d) On December 22, 2017, the Tax Cuts and Jobs Act legislation was enacted in the U.S., which permanently reduces the corporate income tax rate to 21% (effective January 1, 2018), among other corporate income tax changes. Substantially all of the impact of this rate change on our U.S. deferred tax balances was recorded during the fourth quarter of 2017 when the change in tax law was enacted.
- (e) During 2015, the U.K. enacted legislation that will change the corporate income tax rate from the current rate of 20% to 19% in April 2017 and 18% in April 2020. Substantially all of the impact of these rate changes on Liberty Latin America’s deferred tax balances was recorded in the fourth quarter of 2015 when the change in law was enacted. During the third quarter of 2016, the U.K. enacted legislation that will further reduce the corporate income tax rate in April 2020 from 18% to 17%. Substantially all of the impact of this rate change on Liberty Latin America’s deferred tax balances was recorded during the third quarter of 2016.
- (f) The corporate tax rate applicable to our Chilean operations increased from 22.5% in 2015 to 24% in 2016 and 25.5% in 2017 and, in 2018 and future years, will increase to 27%. As of 2017, the 35% withholding tax applicable to payments made by our Chilean operations to non-resident shareholders will be based only on actual distributions to shareholders and only 65% of the actual corporate tax paid by our Chilean operations will be available to be used as a credit against this withholding tax. In the case of shareholders resident in countries that have tax treaties in force with Chile, there will be a full credit for the corporate tax paid.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. The components of our deferred tax assets (liabilities) are as follows:

	December 31,	
	2017	2016
	in millions	
Deferred tax assets	\$ 138.0	\$ 103.7
Deferred tax liabilities	(533.4)	(637.9)
Net deferred tax liability	<u>\$ (395.4)</u>	<u>\$ (534.2)</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31,	
	2017	2016
	in millions	
Deferred tax assets:		
Net operating losses and other carryforwards	\$ 1,305.2	\$ 1,299.8
Debt	89.6	69.0
Property and equipment, net	121.8	68.2
Intangible assets	98.4	13.4
Derivative instruments	30.2	13.1
Other future deductible amounts	117.2	101.0
Deferred tax assets	1,762.4	1,564.5
Valuation allowance	(1,282.2)	(1,328.4)
Deferred tax assets, net of valuation allowance	480.2	236.1
Deferred tax liabilities:		
Investments	(232.3)	(341.2)
Intangible assets	(300.2)	(237.6)
Property and equipment, net	(301.1)	(174.5)
Other future taxable amounts	(42.0)	(17.0)
Deferred tax liabilities	(875.6)	(770.3)
Net deferred tax liability	<u>\$ (395.4)</u>	<u>\$ (534.2)</u>

The changes in our valuation allowances are summarized below:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Balance at beginning of period	\$ 1,328.4	\$ 70.1	\$ 67.5
Net tax expense related to operations	59.0	27.2	14.8
Translation adjustments	26.1	(238.0)	(9.8)
Business acquisitions and other	(131.3)	1,469.1	(2.4)
Balance at end of period	<u>\$ 1,282.2</u>	<u>\$ 1,328.4</u>	<u>\$ 70.1</u>

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Deferred tax assets related to net operating losses may be used to offset future taxable income. The significant components of our tax loss carryforwards and related tax assets at December 31, 2017 are as follows:

Country	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
U.K.:			
Amount attributable to capital losses	\$ 4,791.6	\$ 814.6	Indefinite
Amount attributable to net operating losses	1,313.5	223.3	Indefinite
Barbados	969.8	41.1	2018 - 2024
Jamaica	424.1	141.3	Indefinite
United States	138.6	31.7	2027 - 2037
Puerto Rico	61.2	23.9	2024 - 2027
Chile	24.5	6.6	Indefinite
Other	83.9	22.7	Various
Total	<u>\$ 7,807.2</u>	<u>\$ 1,305.2</u>	

A valuation allowance of \$1,227.5 on the net operating loss carryforwards as of December 31, 2017 has been recorded where we do not expect to generate future taxable income or where certain losses may be limited in use due to change in control or same-business tests.

Our tax loss carryforwards within each jurisdiction combine all companies' tax losses (both capital and ordinary losses) in that jurisdiction, however, certain tax jurisdictions limit the ability to offset taxable income of a separate company or different tax group with the tax losses associated with another separate company or group. Further, tax jurisdictions restrict the type of taxable income that the above losses are able to offset.

Through our consolidated subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes. We have accounted for the effect of these taxes based on what we believe is reasonably expected to apply to us and our consolidated subsidiaries based on tax laws currently in effect and reasonable interpretations of these laws. Because some jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in other major industrialized countries, it may be difficult to anticipate how other jurisdictions will tax our and our consolidated subsidiaries' current and future operations.

Although we intend to take reasonable tax planning measures to limit our tax exposures, no assurance can be given that we will be able to do so.

We file income tax returns in various jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

In general, tax returns filed by, or that include, entities comprising Liberty Latin America for years prior to 2008 are no longer subject to examination by tax authorities. We are currently undergoing income tax audits in Chile, Panama, Trinidad and Tobago and certain other jurisdictions within the Caribbean and Latin America. Except as noted below, any adjustments that might arise from the foregoing examinations are not expected to have a material impact on our consolidated financial position or results of operations. At VTR, adjustments received from the Chilean tax authorities for the tax years 2011 through 2014 are in dispute. We have appealed the adjustments related to the 2011 through 2014 tax years to the Chilean tax courts.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The changes in our unrecognized tax benefits are summarized below:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Balance at January 1	\$ 182.3	\$ 3.6	\$ —
Additions for tax positions of prior years	67.6	136.4	—
Effects of business acquisitions	—	38.0	—
Additions based on tax positions related to the current year	24.0	10.0	3.9
Lapse of statute of limitations	(5.9)	(6.0)	—
Foreign currency translation	17.8	1.1	(0.3)
Decrease for settlement with tax authorities	(1.0)	—	—
Reductions for tax positions of prior years	(20.3)	(0.8)	—
Balance at December 31	<u>\$ 264.5</u>	<u>\$ 182.3</u>	<u>\$ 3.6</u>

No assurance can be given that any of these unrecognized tax benefits will be recognized or realized.

As of December 31, 2017, our unrecognized tax benefits included \$261.1 million of tax benefits that would have a favorable impact on our effective income tax rate if ultimately recognized, after considering amounts that we would expect to be offset by valuation allowances and other factors.

During 2018, it is reasonably possible that the resolution of ongoing examinations by tax authorities as well as expiration of statutes of limitation could result in reductions to our unrecognized tax benefits related to tax positions taken as of December 31, 2017. Other than the potential impacts of ongoing examinations and the expected expiration of certain statutes of limitation, we do not expect any material changes to our unrecognized tax benefits during 2018. No assurance can be given as to the nature or impact of any changes in our unrecognized tax positions during 2018.

During 2017, 2016 and 2015, our income tax benefit (expense) includes net income tax expense of \$21.6 million, \$14.6 million and nil, respectively, representing the net accrual of interest and penalties during the period. Our other long-term liabilities include accrued interest and penalties of \$40.7 million and \$19.0 million at December 31, 2017 and 2016, respectively.

(11) Equity

Share Capital. In connection with the Split-Off, we issued 48,428,841, 1,940,193 and 120,843,539 shares of Class A, Class B and Class C common stock, respectively. As a result, the accumulated net contributions balance as of December 29, 2017 was reclassified to additional paid-in capital and is reflected as a change in capitalization in connection with the Split-Off in our consolidated statement of equity.

Voting rights. Holders of Class A common shares and Class B common shares will vote together as a single class on all matters submitted to a vote of Liberty Latin America's shareholders. The holders of Class A common shares have one vote per share, the holders of Class B common shares have 10 votes per share and the holders of Class C common shares generally have no votes per share, unless a right to vote is required under applicable law, in which case holders of Class C common shares will vote as a single class with the holders of Class A common shares and Class B common shares and will be entitled to 1/100 of a vote on such matter for each Class C common share. Each Class B common share is convertible at the option of the holder for one Class A common share.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The U.S. dollar equivalents (at the applicable rate) of the components of our contributions (distributions), net, in our consolidated statements of equity are as follows:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Contributions from (distributions to) Liberty Global (a) (b) (c)	\$ (53.2)	\$ (21.4)	\$ 110.2
C&W Barbados NCI Acquisition (d)	(39.6)	—	—
Contributions from (distributions to) noncontrolling interest owners (e) (f)	(45.9)	(61.9)	6.8
Total	<u>\$ (138.7)</u>	<u>\$ (83.3)</u>	<u>\$ 117.0</u>

- (a) During 2017 (for the period prior to December 29, 2017) and 2016, we made capital distributions to reimburse Liberty Global for LiLAC Shares repurchased by Liberty Global.
- (b) On June 30, 2015, Liberty Global made a \$100.0 million cash contribution to Liberty Latin America in order to provide liquidity to fund, among other things, Liberty Latin America's ongoing operating costs and acquisitions.
- (c) On June 3, 2015, Liberty Global and Searchlight made cash capital contributions of \$10.2 million and \$6.8 million, respectively, to a parent of Liberty Puerto Rico to partially fund the purchase price for the Choice Acquisition.
- (d) Effective September 1, 2017, we increased our ownership in C&W Barbados from 81.1% to 100% by acquiring all of the issued and outstanding common shares of C&W Barbados that we did not already own for Barbadian dollars (**Bds**) of Bds\$2.86 per share (the **C&W Barbados NCI Acquisition**). As of December 31, 2017, Bds\$64.5 million (\$32.3 million) of the consideration was paid, including Bds\$1.7 million (\$0.9 million) in transaction fees, and the remaining Bds\$14.7 million (\$7.3 million) was recorded as a liability in our consolidated balance sheet.
- (e) During 2017, C&W and Liberty Puerto Rico paid distributions aggregating \$31.3 million and \$14.6 million, respectively, to noncontrolling interest owners.
- (f) During 2016, C&W and Liberty Puerto Rico paid distributions aggregating \$52.1 million and \$9.8 million, respectively, to noncontrolling interest owners.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(12) Related-party Transactions

Prior to the consummation of the Split-Off, certain Liberty Global subsidiaries charged fees and allocated costs and expenses to our company, as further described below. Upon completion of the Split-Off, the fees and allocated costs and expenses have been replaced by fees pursuant to the Split-Off Agreements. See discussion under “*Split-Off Agreements*” below for additional information regarding fees to be charged by Liberty Global to us subsequent to the Split-Off.

Our related-party transactions are as follows:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Revenue	\$ 4.0	\$ 6.5	\$ —
Allocated share-based compensation expense	(12.5)	(8.7)	(0.9)
Charges from Liberty Global	(12.0)	(8.5)	(4.3)
Included in operating income (loss)	(20.5)	(10.7)	(5.2)
Interest income	1.5	4.2	—
Allocated tax benefit (expense)	(9.4)	12.0	3.6
Included in net earnings (loss)	\$ (28.4)	\$ 5.5	\$ (1.6)

Revenue. Amounts primarily represent revenue from the Carve-out Entities for (i) management services C&W provided to the Carve-out Entities to operate and manage their business under a management services agreement and (ii) products and services that C&W provided to the Carve-out Entities in the normal course of business. The services that we provided to the Carve-out Entities were provided at the direction of, and subject to the ultimate control and oversight of, the Carve-out Entities. As discussed in note 4, C&W acquired the Carve-out Entities on April 1, 2017.

Allocated share-based compensation expense. These amounts represent share-based compensation that Liberty Global allocated to us with respect to share-based incentive awards held by our employees. For additional information, see note 15.

Charges from Liberty Global. Following the LiLAC Transaction, Liberty Global began to allocate a portion of the costs of their corporate functions, excluding share-based compensation expense, to us based primarily on the estimated percentage of time spent by corporate personnel providing services to us. From July 1, 2015 through December 31, 2016, the annual amount allocated was \$8.5 million. Effective January 1, 2017, the annual allocation was increased to \$12.0 million. The allocated costs, which were cash settled, are included in SG&A expenses in our consolidated statements of operations. Although we believe the allocated costs are reasonable, no assurance can be given that such costs are reflective of the costs we would have incurred as a standalone company. Upon consummation of the Split-Off, we will no longer be allocated costs from Liberty Global but will prospectively incur charges under certain of the Split-Off Agreements described below.

Interest income. These amounts includes interest income on C&W’s related-party loans receivable, as further described below. This amount is included in other income (expense), net, in our consolidated statements of operations.

Tax allocations. Amounts represent related-party income tax allocations recognized prior to the Split-Off, as further described in note 10. See below and note 10 for additional information regarding the Tax Sharing Agreement with Liberty Global that became effective upon the consummation of the Split-Off.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The following table provides details of our significant related-party balances:

	December 31,	
	2017	2016
	in millions	
Assets:		
Loans receivable (a)	\$ —	\$ 86.2
Current assets – related-party receivables (b)	4.2	58.5
Income tax receivable (c)	—	12.0
Total assets	\$ 4.2	\$ 156.7
Liabilities – Accounts payable and other accrued and current liabilities (d)	\$ 1.4	\$ 28.9

- (a) Represents loans receivable from New Cayman to C&W that bore interest at 8.0% per annum. On April 1, 2017, subsidiaries of C&W acquired the Carve-out Entities, at which time these loans receivable were settled in exchange for the equity of the Carve-out Entities. For additional information regarding the Carve-out Entities, see note 4.
- (b) Represents (i) non-interest bearing receivables due from New Cayman (\$45.5 million at December 31, 2016) and (ii) non-interest bearing receivables due from certain Liberty Global subsidiaries.
- (c) Represents amount related to tax allocations from Liberty Global, as further described in note 10, which was settled during 2017.
- (d) Represents (i) non-interest bearing amounts owed by C&W to the Carve-out Entities (\$19.4 million at December 31, 2016) and (ii) non-interest bearing payables to certain Liberty Global subsidiaries. As discussed in note 4, C&W acquired the Carve-out Entities on April 1, 2017.

Split-Off Agreements

In connection with the Split-Off, Liberty Latin America, Liberty Global and/or certain of their respective subsidiaries entered into the Split-Off Agreements. The following summarizes the material agreements:

- a reorganization agreement, (the **Reorganization Agreement**), which provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between Liberty Global and Liberty Latin America with respect to and resulting from the Split-Off;
- a tax sharing agreement (the **Tax Sharing Agreement**), which governs the parties' respective rights, responsibilities and obligations with respect to taxes and tax benefits, the filing of tax returns, the control of audits and other tax matters. For additional information, see note 10;
- a services agreement (the **Services Agreement**), pursuant to which, for up to two years following the Split-Off with the option to renew for a one-year period, Liberty Global will provide Liberty Latin America with specified services, including access to Liberty Global's procurement team and tools to leverage scale and take advantage of joint purchasing opportunities, certain management services, other services to support Liberty Latin America's legal, tax, accounting and finance departments, and certain technical and information technology services (including software development services associated with the Horizon platform, management information systems, computer, data storage, and network and telecommunications services);
- a sublease agreement (the **Sublease Agreement**), pursuant to which Liberty Latin America will sublease office space from Liberty Global in Denver, Colorado until May 31, 2031, subject to customary termination and notice provisions; and
- a facilities sharing agreement (the **Facilities Sharing Agreement**), pursuant to which, for as long as the Sublease Agreement remains in effect, Liberty Latin America will pay a fee for the usage of certain facilities at the office space in Denver, Colorado.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(13) Restructuring Liabilities

A summary of changes in our restructuring liabilities during 2017 is set forth in the table below:

	Employee severance and termination	Contract termination and other	Total
	in millions		
Restructuring liability as of January 1, 2017	\$ 4.0	\$ 26.9	\$ 30.9
Restructuring charges	34.7	6.3	41.0
Cash paid	(33.1)	(10.0)	(43.1)
Foreign currency translation adjustments and other	0.6	2.2	2.8
Restructuring liability as of December 31, 2017	<u>\$ 6.2</u>	<u>\$ 25.4</u>	<u>\$ 31.6</u>
Current portion	\$ 6.2	\$ 11.0	\$ 17.2
Noncurrent portion	—	14.4	14.4
Total	<u>\$ 6.2</u>	<u>\$ 25.4</u>	<u>\$ 31.6</u>

Our restructuring charges during 2017 primarily include (i) employee severance and termination costs associated with certain reorganization and integration activities of \$23.3 million and \$10.2 million at C&W and VTR, respectively, and (ii) contract termination costs of \$5.7 million at VTR.

A summary of changes in our restructuring liabilities during 2016 is set forth in the table below:

	Employee severance and termination	Contract termination and other	Total
	in millions		
Restructuring liability as of January 1, 2016	\$ 2.2	\$ 28.9	\$ 31.1
Restructuring charges	17.3	17.1	34.4
Cash paid	(27.8)	(12.0)	(39.8)
C&W Acquisition	15.3	0.7	16.0
Foreign currency translation adjustments and other	(3.0)	(7.8)	(10.8)
Restructuring liability as of December 31, 2016	<u>\$ 4.0</u>	<u>\$ 26.9</u>	<u>\$ 30.9</u>
Current portion	\$ 4.0	\$ 8.2	\$ 12.2
Noncurrent portion	—	18.7	18.7
Total	<u>\$ 4.0</u>	<u>\$ 26.9</u>	<u>\$ 30.9</u>

Our restructuring charges during 2016 primarily include (i) employee severance and termination costs of \$11.6 million at VTR related to certain reorganization and integration activities and (ii) contract termination costs of \$11.6 million at Liberty Puerto Rico and \$5.5 million at VTR.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

A summary of changes in our restructuring liabilities during 2015 is set forth in the table below:

	Employee severance and termination	Contract termination and other	Total
	in millions		
Restructuring liability as of January 1, 2015	\$ 2.4	\$ 43.8	\$ 46.2
Restructuring charges	3.1	10.5	13.6
Cash paid	(1.9)	(21.1)	(23.0)
Foreign currency translation adjustments and other	(1.4)	(4.3)	(5.7)
Restructuring liability as of December 31, 2015	<u>\$ 2.2</u>	<u>\$ 28.9</u>	<u>\$ 31.1</u>

Our restructuring charges during 2015 primarily include (i) employee severance and termination costs related to certain reorganization and integration activities of \$2.6 million at Liberty Puerto Rico following the Choice Acquisition and (ii) contract termination costs of \$6.0 million at VTR and \$4.5 million at Liberty Puerto Rico.

(14) Defined Benefit Plans

C&W maintains various funded defined benefit plans for its employees, including (i) the Cable & Wireless Superannuation Fund (CWSF), which is C&W's largest defined benefit plan, and (ii) plans in Jamaica and Barbados. A significant portion of these defined benefit plans are closed to new entrants, and existing participants do not accrue any additional benefits.

C&W also operates unfunded defined benefit arrangements in the U.K., which are governed by individual trust deeds. One arrangement incorporates a covenant requiring C&W to hold security against the value of the liabilities. The security is in the form of U.K. Government Gilts, which are included in other assets, net, in our consolidated balance sheets. At December 31, 2017 and 2016, the carrying value of our investment in the U.K. Government Gilts was \$37.2 million and \$32.3 million, respectively.

Annual service costs for these employee benefit plans is determined using the projected unit credit actuarial method. The C&W subsidiaries that maintain funded plans have established investment policies for plan assets. The investment strategies are long-term in nature and generally designed to meet the following objectives:

- ensure that funds are available to pay benefits as they become due;
- maximize the total returns on plan assets subject to prudent risk taking; and
- preserve or improve the funded status of the trusts over time.

The weighted average assumptions used in determining our benefit obligations and net periodic pension cost are as follows:

	December 31,	
	2017	2016
Expected rate of salary increase	0.6%	0.7%
Discount rate	3.0%	3.3%
Discount rate – CWSF uninsured liability	2.4%	2.3%
Return on plan assets	3.2%	3.9%
Retail price index inflation rate	3.7%	3.5%
Consumer price index inflation rate	2.2%	2.0%

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The present value of the CWSF vested benefit obligations has been calculated as of December 31, 2017. Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice. The assumptions related to mortality rates for the CWSF and U.K. unfunded plans are based upon the second series of Self-Administered Pension Scheme and the actual experience of the plan participants and dependents. In addition, allowance was made for future mortality improvements in line with the 2016 Continuous Mortality Investigation core projections with a long-term rate of improvement of 1.25% per annum. Based on these assumptions, the life expectancies of participants aged 60 are as follows:

	December 31,		
	2017	2027	2037
	years		
Male participants and dependents	28.0	28.7	29.6
Female participants	28.0	28.9	29.7
Female dependents	28.4	29.2	30.0

Risk

Through our defined benefit pension plans, we are exposed to a number of risks, the most significant of which are detailed below. The net pension liability can be significantly influenced by short-term market factors.

The calculation of the net surplus or deficit of the respective plans depends on factors that are beyond our control, principally (i) the value at the balance sheet date of equity securities in which the respective plan has invested and (ii) long-term interest rates, which are used to discount future liabilities. The funding of the respective plans is based on long-term trends and assumptions relating to market growth, as advised by qualified actuaries and investment advisors, including:

- Investment returns: Our net pension assets (liabilities) and contribution requirements are heavily dependent upon the return on the invested assets;
- Longevity: The cost to the company of the pensions promised to members is dependent upon the expected term of these payments. To the extent that members live longer than expected this will increase the cost of these arrangements; and
- Inflation rate risk: In the U.K., pension obligations are impacted by inflation and, as such, higher inflation will lead to higher pension liabilities.

At December 31, 2017, the above risks have been mitigated for approximately 61% of the CWSF's liabilities and all of the Jamaican plan's liabilities through the purchase of insurance policies, the payments from which exactly match the corresponding obligations to employees. The remaining investment risks in the CWSF have also been mitigated to a certain extent by diversification of the return-seeking assets.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Sensitivity analysis

The following table summarizes (i) the impact a 1.0% increase or decrease in the applicable actuarial assumed rate would have on the valuation of our pension plans and (ii) the impact of plan participants living, on average, one year longer or one year less than assumed would have on the valuation of the CWSF:

	Increase	Decrease
	in millions	
CWSF and U.K. unfunded arrangements		
Discount rate:		
Effect on defined benefit obligation	\$ (229.0)	\$ 289.0
Effect on defined benefit obligation, net of annuity insurance policies	\$ (111.0)	\$ 146.0
Inflation (and related increases):		
Effect on defined benefit obligation	\$ 161.0	\$ (152.0)
Effect on defined benefit obligation, net of annuity insurance policies	\$ 87.0	\$ (79.0)
Life expectancy:		
Effect on defined benefit obligation	\$ 84.0	\$ (82.0)
Effect on defined benefit obligation, net of annuity insurance policies	\$ 23.0	\$ (23.0)
Other plans		
Discount rate – effect on defined benefit obligation	\$ (14.8)	\$ 18.8

The sensitivity analysis is based on a standalone change in each assumption while holding all other assumptions constant. As reflected above, the impact on the net pension liability is significantly reduced for the CWSF as a result of the annuity insurance policies we hold.

Using the projected unit credit method for the valuation of liabilities, the current service cost is expected to increase when expressed as a percentage of pensionable payroll as the members of the plans approach retirement.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The following tables summarize the activities of the C&W pension plans during the year ended December 31, 2017 and for the period from the date of the C&W Acquisition (May 16, 2016) to December 31, 2016, as applicable.

The following is a summary of the funded status of our defined benefit plans:

	December 31,	
	2017	2016
	in millions	
Projected benefit obligation at beginning of period	\$ 1,944.0	\$ —
Acquisition (a)	—	2,025.5
Service cost	1.2	0.9
Contributions by plan participants	1.2	—
Interest cost	58.8	42.9
Actuarial loss (gain)	(47.2)	213.0
Benefits paid	(103.1)	(68.8)
Divestitures, settlements and other	0.3	6.9
Effect of changes in foreign currency exchange rates	164.8	(276.4)
Projected benefit obligation at end of period	<u>\$ 2,020.0</u>	<u>\$ 1,944.0</u>
Accumulated benefit obligation at end of period	<u>\$ 2,016.3</u>	<u>\$ 1,939.6</u>
Fair value of plan assets at beginning of period	\$ 1,909.1	\$ —
Acquisition (a)	—	1,993.4
Actual return on plan assets	13.8	252.4
Contributions by employer	130.0	(5.6)
Contributions by plan participants	1.2	—
Benefits paid	(103.1)	(68.8)
Divestitures, settlements and other	0.3	6.9
Effect of changes in foreign currency exchange rates	167.4	(269.2)
Fair value of plan assets at end of period	<u>\$ 2,118.7</u>	<u>\$ 1,909.1</u>
Net asset (liability)	<u>\$ 98.7</u>	<u>\$ (34.9)</u>

(a) Relates to the C&W Acquisition.

Defined benefit plan amounts included in our consolidated balance sheets are as follows:

	December 31,	
	2017	2016
	in millions	
Noncurrent assets	\$ 143.9	\$ 19.3
Noncurrent liabilities	(45.2)	(54.2)
	<u>\$ 98.7</u>	<u>\$ (34.9)</u>

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The asset allocation by asset category, asset mix and fair value hierarchy level (as further described in note 6) of our defined benefit plan assets are as follows:

	Asset mix (a) %	December 31, 2017			
		Total	Level 1	Level 2	Level 3
		in millions			
Equity securities	27.0	\$ 572.8	\$ 347.5	\$ 225.3	\$ —
Bonds (b)	8.4	177.2	175.1	2.1	—
Insurance contracts (c)	54.2	1,147.8	—	—	1,147.8
Real estate	1.2	26.5	13.9	0.9	11.7
Private equity	0.6	11.9	—	—	11.9
Guarantee investment contracts	5.8	122.7	10.8	111.9	—
Cash	2.8	59.8	59.8	—	—
Total	100.0	\$ 2,118.7	\$ 607.1	\$ 340.2	\$ 1,171.4

	Asset mix (a) %	December 31, 2016			
		Total	Level 1	Level 2	Level 3
		in millions			
Equity securities	22.9	\$ 436.7	\$ 436.7	\$ —	\$ —
Bonds (b)	15.1	288.5	287.7	0.8	—
Insurance contracts (c)	52.7	1,006.9	—	—	1,006.9
Real estate	2.0	38.3	13.1	0.9	24.3
Private equity	0.6	11.4	—	—	11.4
Guarantee investment contracts	6.0	114.5	7.6	106.9	—
Cash	0.7	12.8	12.8	—	—
Total	100.0	\$ 1,909.1	\$ 757.9	\$ 108.6	\$ 1,042.6

- (a) We review the asset allocations within the respective portfolios on a regular basis. Generally, the plans do not have explicit asset mix targets other than for the equity securities and bond portfolios within the CWSF on a consolidated basis. The asset mix is primarily subject to, among other considerations, a de-risking plan related to the CWSF.
- (b) Amounts primarily include (i) fixed-interest and index-linked U.K. Government Gilts held by the CWSF and (ii) bonds held by the Jamaica plan.
- (c) The trustee of the CWSF has purchased a bulk annuity policy pursuant to which the insurer assumed responsibility for the benefits payable to certain of the CWSF's participants. At December 31, 2017 and 2016, approximately 61% and 60%, respectively, of the liabilities in the CWSF are matched by the annuity policy assets, which reduces the funding risk for the company.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

A reconciliation of the beginning and ending balances of our plan assets measured at fair value using Level 3 inputs is as follows:

	December 31,	
	2017	2016
	in millions	
Balance at beginning of period	\$ 1,042.6	\$ —
Acquisition (a)	—	1,158.1
Gains (losses) relating to assets still held at year-end	(9.0)	99.5
Purchases, sales and settlements of investments, net	38.0	(48.8)
Foreign currency translation adjustments	99.8	(166.2)
Balance at end of period	<u>\$ 1,171.4</u>	<u>\$ 1,042.6</u>

(a) Relates to the C&W Acquisition.

The components of net periodic pension benefit recorded in our consolidated statements of operations are as follows:

	Year ended December 31,	
	2017	2016
	in millions	
Service cost	\$ 1.2	\$ 0.9
Interest cost	58.8	42.9
Expected return on plan assets	(73.0)	(46.7)
Other	(0.3)	—
Net periodic pension benefit	<u>\$ (13.3)</u>	<u>\$ (2.9)</u>

The net actuarial loss recognized in accumulated other comprehensive earnings (loss) during the year and not yet recognized as a component of net period benefit cost at December 31, 2017 is as follows:

	Year ended December 31,	
	2017	2016
	in millions	
Balance at beginning of period	\$ (9.7)	\$ —
Actuarial gain (loss) on projected benefit obligation	47.2	(213.0)
Actuarial gain (loss) on plan assets (a)	(59.2)	202.9
Foreign currency translation adjustments	1.9	0.4
Balance at end of period	<u>\$ (19.8)</u>	<u>\$ (9.7)</u>

(a) Represents the actual less expected return on plan assets.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Based on December 31, 2017 exchange rates, the benefits that we currently expect to pay during the next five years and in the aggregate for the five years thereafter with respect to our defined benefit plans are as follows (in millions):

Year ending December 31:		
2018	\$	85.6
2019		87.3
2020		89.4
2021		91.3
2022		93.0
2023 – 2027		483.2

Other

Subsequent to the completion of the C&W Acquisition, C&W made cash contributions to the CWSF of \$1.1 million during 2016, which was based in part on the triennial actuarial funding valuation as of March 31, 2013.

The C&W Acquisition constituted a “change of control” under a contingent funding agreement between C&W and the trustee of the CWSF (the **Contingent Funding Agreement**). Under the terms of the Contingent Funding Agreement, the change in control provided the trustee of the CWSF with the right to satisfy certain funding requirements of the CWSF through the utilization of letters of credit aggregating £100.0 million that were put in place in connection with the Columbus Acquisition. On June 26, 2017, the trustee of the CWSF elected to utilize the funding right under these letters of credit and, accordingly, C&W contributed £100.0 million (\$129.6 million at the applicable rate) to the CWSF on July 3, 2017, comprising \$79.6 million (equivalent) of existing cash and \$50.0 million of borrowings under the C&W Revolving Credit Facility.

Taking into account the aforementioned £100.0 million contribution and based on the triennial valuation that was completed in July 2017, no funding deficit exists with respect to the CWSF. As a result, we do not expect to make material contributions to the CWSF through April 2019. In addition, based on December 31, 2017 exchange rates and information available as of that date, C&W’s 2018 contributions are expected to aggregate \$5.6 million, including amounts contributed to the unfunded defined benefit arrangements in the U.K. and the defined benefit plans in Jamaica and Barbados.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(15) Share-based Compensation

Our share-based compensation expense includes (i) amounts allocated from Liberty Global to Liberty Latin America prior to the Split-Off related to share-based incentive awards held by our employees, (ii) amounts related to the VTR Plan and (iii) amounts related to the Liberty Puerto Rico Plan. The amounts allocated from Liberty Global to Liberty Latin America relate to share-based incentive awards held by our employees associated with both LiLAC Shares, which, as discussed below, were replaced with Liberty Latin America based awards, and Liberty Global Shares.

Share-based compensation expense allocated to Liberty Latin America by Liberty Global is reflected as an increase (decrease) to accumulated net contributions (distributions) in our consolidated statements of equity. Share-based compensation expense related to share-based incentive awards issued under the VTR Plan and the Liberty Puerto Rico Plan are accounted for under the liability method. Following the Split-Off, Liberty Global no longer allocates share-based compensation expense to our company. The following table summarizes our share-based compensation expense:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Liberty Global share-based incentive awards (a)	\$ 12.5	\$ 8.7	\$ 0.9
Other (b)	1.7	6.7	1.5
Total	<u>\$ 14.2</u>	<u>\$ 15.4</u>	<u>\$ 2.4</u>
Included in:			
Other operating expense	\$ 0.5	\$ 1.4	\$ 0.3
SG&A expense	13.7	14.0	2.1
Total	<u>\$ 14.2</u>	<u>\$ 15.4</u>	<u>\$ 2.4</u>

- (a) Represents amounts allocated to us by Liberty Global related to share-based incentive awards held by employees of Liberty Latin America.
- (b) Amounts primarily represent share-based compensation expense related to liability-based share incentive awards issued under the VTR Plan and the Liberty Puerto Rico Plan.

As of December 31, 2017, \$41.0 million of total unrecognized compensation cost, related to both Liberty Latin America and Liberty Global share-based compensation awards held by our employees, is expected to be recognized as a future expense over a weighted-average period of approximately 2.6 years.

Liberty Latin America Ltd. Transitional Share Conversion Plan

In connection with the Split-Off, share-based incentive awards with respect to LiLAC Shares outstanding as of December 29, 2017 (the **Original Awards**) were cancelled and replaced with corresponding share-based incentive awards with respect to Liberty Latin America Shares pursuant to the Liberty Latin America Ltd. Transitional Share Conversion Plan (the **Transition Plan**). Specifically, each option, SAR, RSU and PSU outstanding as of the Split-Off Distribution Date was cancelled and replaced with the same number of corresponding Liberty Latin America awards (the **Replacement Awards**). We did not recognize any incremental share-based compensation expense associated with these modifications as we determined that the incremental value was immaterial. Additionally, and in accordance with the Transition Plan, Liberty Latin America's compensation committee will determine and approve the number of PSUs earned by each participant based upon the three-year performance period ending December 31, 2018.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Equity Incentive Plans

In connection with the Split-Off, we adopted the Liberty Latin America Ltd. 2018 Incentive Plan (the **Employee Incentive Plan**) and the Liberty Latin America Ltd. 2018 Nonemployee Director Incentive Plan (the **Nonemployee Director Incentive Plan**). Options, SARs, RSUs, cash awards, performance awards or any combination of the foregoing may be granted under the Employee Incentive Plan and the Nonemployee Director Incentive Plan. The maximum number of Liberty Latin America common shares that may be issued under the Employee Incentive Plan and the Nonemployee Director Incentive Plan is 25 million (of which no more than 10 million shares may consist of Class B shares) and 5 million, respectively, in each case subject to anti-dilution and other adjustment provisions in the respective plans. Liberty Latin America common shares issuable pursuant to awards will be made available from either authorized but unissued shares or shares that have been issued but reacquired by Liberty Latin America.

Share-based Incentive Awards

The following tables summarize the share-based incentive awards related to Liberty Latin America shares held by our employees as of December 31, 2017:

Share-based incentive award type	Number of shares	Weighted average base price	Weighted average remaining contractual term in years
SARs:			
Class A shares:			
Outstanding	1,001,578	\$ 27.95	5.6
Exercisable	280,550	\$ 31.70	4.5
Class C shares:			
Outstanding	2,068,399	\$ 28.36	5.5
Exercisable	626,417	\$ 31.78	4.3

Share-based incentive award type	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term in years
RSUs outstanding:			
Class A shares	152,606	\$ 29.40	2.7
Class C shares	314,521	\$ 30.39	2.6
PSUs outstanding:			
Class A shares	173,219	\$ 22.83	1.8
Class C shares	346,443	\$ 23.15	1.8

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The following tables summarize the share-based incentive awards related to Liberty Global Shares granted to employees of Liberty Latin America as of December 31, 2017:

Share-based incentive award type	Number of shares	Weighted average base price	Weighted average remaining contractual term in years
SARs:			
Liberty Global Class A ordinary shares:			
Outstanding	1,177,536	\$ 32.12	3.8
Exercisable	753,714	\$ 29.67	2.8
Liberty Global Class C ordinary shares:			
Outstanding	2,798,710	\$ 29.84	3.5
Exercisable	1,949,581	\$ 27.46	2.6

Share-based incentive award type	Number of shares	Weighted average grant-date fair value per share	Weighted average remaining contractual term in years
RSUs outstanding:			
Liberty Global Class A ordinary shares	16,208	\$ 37.85	1.9
Liberty Global Class C ordinary shares	32,523	\$ 36.41	1.9
PSUs outstanding:			
Liberty Global Class A ordinary shares	129,434	\$ 30.29	1.8
Liberty Global Class C ordinary shares	259,145	\$ 29.31	1.8

(16) Accumulated Other Comprehensive Earnings (Loss)

Accumulated other comprehensive earnings (loss) included in our consolidated balance sheets and statements of equity reflect the aggregate impact of foreign currency translation adjustments and pension-related adjustments and other. The changes in the components of accumulated other comprehensive earnings (loss), net of taxes, are summarized as follows:

Liberty Latin America shareholders					
	Foreign currency translation adjustments	Pension- related adjustments and other	Accumulated other comprehensive earnings (loss)	Non-controlling interests	Total accumulated other comprehensive earnings (loss)
in millions					
Balance at January 1, 2015	\$ 19.1	\$ —	\$ 19.1	\$ —	\$ 19.1
Other comprehensive earnings	33.7	1.5	35.2	—	35.2
Balance at December 31, 2015	52.8	1.5	54.3	—	54.3
Other comprehensive loss	(58.0)	(13.0)	(71.0)	(0.9)	(71.9)
Balance at December 31, 2016	(5.2)	(11.5)	(16.7)	(0.9)	(17.6)
Other comprehensive loss	(37.2)	(10.3)	(47.5)	0.9	(46.6)
Balance at December 31, 2017	\$ (42.4)	\$ (21.8)	\$ (64.2)	\$ —	\$ (64.2)

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The components of other comprehensive earnings (loss), net of taxes, are reflected in our consolidated statements of comprehensive earnings (loss). The following table summarizes the tax effects related to each component of other comprehensive earnings (loss), net of amounts reclassified to our consolidated statements of operations:

	Pre-tax amount	Tax benefit (expense)	Net-of-tax amount
	in millions		
Year ended December 31, 2017:			
Foreign currency translation adjustments	\$ (35.6)	\$ —	\$ (35.6)
Pension-related adjustments and other	(12.1)	1.1	(11.0)
Other comprehensive loss	(47.7)	1.1	(46.6)
Other comprehensive earnings attributable to noncontrolling interests (a)	(0.9)	—	(0.9)
Other comprehensive loss attributable to Liberty Latin America shareholders	\$ (48.6)	\$ 1.1	\$ (47.5)
Year ended December 31, 2016:			
Foreign currency translation adjustments	\$ (58.7)	\$ —	\$ (58.7)
Pension-related adjustments and other	(13.4)	0.2	(13.2)
Other comprehensive loss	(72.1)	0.2	(71.9)
Other comprehensive loss attributable to noncontrolling interests (a)	0.9	—	0.9
Other comprehensive loss attributable to Liberty Latin America shareholders	\$ (71.2)	\$ 0.2	\$ (71.0)
Year ended December 31, 2015:			
Foreign currency translation adjustments	\$ 33.7	\$ —	\$ 33.7
Pension-related adjustments and other	1.9	(0.4)	1.5
Other comprehensive earnings attributable to Liberty Latin America shareholders	\$ 35.6	\$ (0.4)	\$ 35.2

(a) Amounts represent the noncontrolling interest owners' share of our foreign currency translation adjustments and pension-related adjustments.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

(17) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to programming contracts, network and connectivity commitments, purchases of customer premises and other equipment and services, non-cancellable operating leases and other items. The following table sets forth the U.S. dollar equivalents of such commitments as of December 31, 2017:

	Payments due during:						Total
	2018	2019	2020	2021	2022	Thereafter	
	in millions						
Programming commitments	\$ 142.5	\$ 45.4	\$ 12.1	\$ 5.5	\$ 5.0	\$ —	\$ 210.5
Network and connectivity commitments	84.5	54.6	18.6	15.8	12.6	25.3	211.4
Purchase commitments	113.4	26.4	5.7	3.3	3.2	6.4	158.4
Operating leases (a)	29.4	20.0	16.3	12.7	10.7	23.3	112.4
Other commitments (a)	5.0	3.0	1.3	1.3	1.3	11.4	23.3
Total (b)	<u>\$ 374.8</u>	<u>\$ 149.4</u>	<u>\$ 54.0</u>	<u>\$ 38.6</u>	<u>\$ 32.8</u>	<u>\$ 66.4</u>	<u>\$ 716.0</u>

(a) Amounts include commitments under the Sublease Agreement and the Facilities Sharing Agreement as further described in note 12.

(b) The commitments included in this table do not reflect any liabilities that are included in our December 31, 2017 consolidated balance sheet.

Programming commitments consist of obligations associated with certain programming, studio output and sports rights contracts that are enforceable and legally binding on us as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium sports services. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect that this will continue to be the case in future periods. In this regard, our total programming and copyright costs aggregated \$387.5 million, \$344.9 million and \$247.3 million during 2017, 2016 and 2015, respectively.

Network and connectivity commitments relate largely to (i) VTR's domestic network service agreements with certain other telecommunications companies and (ii) VTR's mobile virtual network operator (MVNO) agreement. The amounts reflected in the above table with respect to certain of our MVNO commitments represent fixed minimum amounts payable under these agreements and, therefore, may be significantly less than the actual amounts VTR ultimately pays in these periods.

Purchase commitments include unconditional and legally-binding obligations related to (i) the purchase of customer premises and other equipment and (ii) certain service-related commitments, including call center, information technology and maintenance services.

In addition to the commitments set forth in the table above, we have commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during 2017, 2016 and 2015, see note 5. For information concerning our defined benefit plans, see note 14.

Rental expense under operating lease arrangements amounted to \$49.1 million, \$45.4 million and \$14.3 million during 2017, 2016 and 2015, respectively. It is expected that in the normal course of business, operating leases that expire generally will be renewed or replaced by similar leases.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

We have established various defined contribution benefit plans for our employees. Our aggregate expense for matching contributions under the various defined contribution employee benefit plans was \$12.1 million, \$6.4 million and \$1.7 million for during 2017, 2016 and 2015, respectively.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future. In addition, C&W has provided indemnifications of (i) up to \$300.0 million in respect of any potential tax-related claims related to the disposal in April 2013 of C&W's interests in certain businesses and (ii) an unlimited amount of qualifying claims associated with the disposal of another business in May 2014. The first indemnification expires in April 2020 and the second expires in May 2020. We do not expect that either of these arrangements will require us to make material payments to the indemnified parties.

Legal and Regulatory Proceedings and Other Contingencies

Liberty Puerto Rico Matter. In November 2012, Liberty Puerto Rico acquired San Juan Cable, LLC dba OneLink Communications (**OneLink**). In connection with this transaction (the **OneLink Acquisition**), Liberty Puerto Rico became a party to certain claims previously asserted by the incumbent telephone operator (**PRTC**) against OneLink based on alleged conduct of OneLink that occurred prior to the OneLink Acquisition (the **PRTC Claim**). In July 2016, the judge presiding over the PRTC Claim granted OneLink summary judgment that dismissed the PRTC Claim in its entirety. Accordingly, we released our previously-recorded provision and related indemnification asset associated with the PRTC Claim, resulting in a \$5.1 million reduction to our SG&A expenses during the third quarter of 2016. In December 2016, we received \$7.5 million related to the reimbursement of legal fees we incurred in connection with the PRTC Claim, resulting in a reduction to our SG&A expenses during the fourth quarter of 2016 and the release of the former owners of OneLink from their obligations under the indemnification agreement entered into in connection with the OneLink Acquisition.

Regulatory Issues. Video distribution, broadband internet, fixed-line telephony and mobile are regulated in each of the countries in which we operate. The scope of regulation varies from country to country. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(18) Segment Reporting

We generally identify our reportable segments as those operating segments that represent 10% or more of our revenue, Adjusted OIBDA (as defined below) or total assets. We evaluate performance and make decisions about allocating resources to our reportable segments based on financial measures such as revenue and Adjusted OIBDA. In addition, we review non-financial measures such as subscriber growth, as appropriate.

Adjusted OIBDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance. Adjusted OIBDA is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources to segments and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

plans. As we use the term, “**Adjusted OIBDA**” is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe Adjusted OIBDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (i) readily view operating trends, (ii) perform analytical comparisons and benchmarking between segments and (iii) identify strategies to improve operating performance in the different countries in which we operate. Effective December 31, 2017, we include certain charges previously allocated to us by Liberty Global in the calculation of Adjusted OIBDA. These charges represent fees for certain services provided to us and totaled \$12.0 million, \$8.5 million and \$4.3 million for the years ended December 31, 2017, 2016 and 2015, respectively. We believe changing the definition of Adjusted OIBDA to include these charges is meaningful given they represent operating costs we will continue to incur subsequent to the Split-Off as a standalone public company. This change has been given effect for all periods presented. A reconciliation of total Adjusted OIBDA to our earnings (loss) before income taxes is presented below.

As of December 31, 2017, our reportable segments are as follows:

- C&W
- VTR
- Liberty Puerto Rico

Our reportable segments derive their revenue primarily from residential and B2B services, including video, broadband internet and fixed-line telephony services and, with the exception of Liberty Puerto Rico, mobile services. We provide residential and B2B services in (i) 18 countries, all but one of which are located in Latin America and the Caribbean, through C&W, (ii) Chile through VTR and (iii) Puerto Rico through Liberty Puerto Rico. C&W also provides (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale services over its sub-sea and terrestrial networks that connect over 40 markets in that region. Our corporate and other category includes our corporate operations and/or applicable intersegment eliminations.

Performance Measures of our Reportable Segments

The amounts presented below represent 100% of each of our reportable segment’s revenue and Adjusted OIBDA. As we have the ability to control Liberty Puerto Rico and certain subsidiaries of C&W that are not wholly owned, we include 100% of the revenue and expenses of these entities in our consolidated statements of operations despite the fact that third parties own significant interests in these entities. The noncontrolling owners’ interests in the operating results of Liberty Puerto Rico and certain subsidiaries of C&W are reflected in net earnings or loss attributable to noncontrolling interests in our consolidated statements of operations.

	Year ended December 31,					
	2017		2016		2015	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	in millions					
C&W (a)	\$ 2,322.1	\$ 876.3	\$ 1,444.8	\$ 541.9	\$ —	\$ —
VTR	952.9	383.3	859.5	339.3	838.1	328.1
Liberty Puerto Rico (b)	320.5	132.6	420.8	211.8	379.2	167.2
Corporate and intersegment eliminations	(5.5)	(25.1)	(1.3)	(17.4)	—	(8.6)
Total	<u>\$ 3,590.0</u>	<u>\$ 1,367.1</u>	<u>\$ 2,723.8</u>	<u>\$ 1,075.6</u>	<u>\$ 1,217.3</u>	<u>\$ 486.7</u>

(a) The amounts presented for 2016 exclude the pre-acquisition revenue and Adjusted OIBDA of C&W, which was acquired on May 16, 2016.

(b) The amounts presented for 2015 exclude the pre-acquisition revenue and Adjusted OIBDA of Choice, which was acquired on June 3, 2015.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The following table provides a reconciliation of total Adjusted OIBDA to earnings (loss) before income taxes:

	Year ended December 31,		
	2017	2016	2015
	in millions		
Total Adjusted OIBDA	\$ 1,367.1	\$ 1,075.6	\$ 486.7
Share-based compensation	(14.2)	(15.4)	(2.4)
Depreciation and amortization	(793.7)	(587.3)	(216.4)
Impairment, restructuring and other operating items, net	(707.6)	(153.8)	(19.8)
Operating income (loss)	(148.4)	319.1	248.1
Interest expense	(381.8)	(314.4)	(157.9)
Realized and unrealized gains (losses) on derivative instruments, net	(170.1)	(225.9)	227.3
Foreign currency transaction gains (losses), net	94.4	110.1	(223.4)
Gains (losses) on debt modification and extinguishment, net	(51.8)	0.9	—
Other income (expense), net	6.5	12.1	(1.8)
Earnings (loss) before income taxes	<u>\$ (651.2)</u>	<u>\$ (98.1)</u>	<u>\$ 92.3</u>

Balance Sheet Data of our Reportable Segments

Selected balance sheet data of our reportable segments is set forth below:

	Long-lived assets		Total assets	
	December 31,		December 31,	
	2017	2016	2017	2016
	in millions			
C&W	\$ 9,240.1	\$ 9,585.7	\$ 10,637.0	\$ 10,945.2
VTR	1,178.8	993.9	1,576.6	1,441.9
Liberty Puerto Rico	1,305.2	1,355.6	1,387.9	1,465.9
Corporate and other (a)	0.3	120.9	15.4	290.9
Total	<u>\$ 11,724.4</u>	<u>\$ 12,056.1</u>	<u>\$ 13,616.9</u>	<u>\$ 14,143.9</u>

- (a) The 2016 long-lived asset amount represents enterprise-level goodwill that was allocated to our Liberty Puerto Rico segment for purposes of our impairment tests. As further described in note 8, such goodwill was fully impaired during the third quarter of 2017 as a result of the impacts of Hurricanes Irma and Maria.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Property and Equipment Additions of our Reportable Segments

The property and equipment additions of our reportable segments (including capital additions financed under vendor financing or capital lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our consolidated statements of cash flows. For additional information concerning capital additions financed under vendor financing and capital lease arrangements, see note 8.

	Year ended December 31,		
	2017	2016	2015
	in millions		
C&W (a)	\$ 431.8	\$ 282.6	\$ —
VTR	212.7	194.6	149.0
Liberty Puerto Rico (b)	132.2	91.0	78.1
Total property and equipment additions	776.7	568.2	227.1
Assets acquired under capital-related vendor financing arrangements	(54.9)	(45.5)	—
Assets acquired under capital leases	(4.2)	(7.4)	—
Changes in current liabilities related to capital expenditures	(78.3)	(24.9)	0.1
Total capital expenditures	\$ 639.3	\$ 490.4	\$ 227.2

- (a) The amount presented at December 31, 2016 excludes the pre-acquisition property and equipment additions of C&W, which was acquired on May 16, 2016.
- (b) The amount presented at December 31, 2015 excludes the pre-acquisition property and equipment additions of Choice, which was acquired on June 3, 2015.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Revenue by Major Category

Our revenue by major category for our reportable segments is set forth below. Effective April 1, 2017, we changed the categories that we present in this table in order to align with our internal reporting. These changes were retroactively reflected in the prior-year periods.

	Year ended December 31,		
	2017	2016	2015
	in millions		
Residential revenue:			
Residential cable revenue (a):			
Subscription revenue (b):			
Video	\$ 652.2	\$ 603.9	\$ 489.2
Broadband internet	672.8	588.8	408.7
Fixed-line telephony	270.5	235.8	174.3
Total subscription revenue	1,595.5	1,428.5	1,072.2
Non-subscription revenue	118.4	110.6	62.5
Total residential cable revenue	1,713.9	1,539.1	1,134.7
Residential mobile revenue (c):			
Subscription revenue (b)	701.2	459.0	35.6
Non-subscription revenue	99.9	62.7	7.8
Total residential mobile revenue	801.1	521.7	43.4
Total residential revenue	2,515.0	2,060.8	1,178.1
B2B revenue (d):			
Subscription revenue	41.6	31.6	23.8
Non-subscription revenue	1,029.2	624.9	8.0
Total B2B revenue	1,070.8	656.5	31.8
Other revenue	4.2	6.5	7.4
Total	\$ 3,590.0	\$ 2,723.8	\$ 1,217.3

- (a) Residential cable subscription revenue includes amounts received from subscribers for ongoing services. Residential cable non-subscription revenue includes, among other items, installation revenue, late fees and revenue from the sale of equipment.
- (b) Subscription revenue from subscribers who purchase bundled services at a discounted rate is allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.
- (c) Residential mobile subscription revenue includes amounts received from subscribers for ongoing services. Residential mobile non-subscription revenue includes, among other items, interconnect revenue and revenue from sales of mobile handsets and other devices.
- (d) B2B subscription revenue represents revenue from services to certain small or home office (SOHO) subscribers. SOHO subscribers pay a premium price to receive expanded service levels along with video, broadband internet, fixed-line telephony or mobile services that are the same or similar to the mass marketed products offered to our residential subscribers. B2B non-subscription revenue includes business broadband internet, video, fixed-line telephony, mobile and data services offered to medium to large enterprises and, on a wholesale basis, to other telecommunication operators.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

Geographic Segments

The revenue of our geographic segments is set forth below:

	Year ended December 31,		
	2017	2016	2015
	in millions		
C&W (a):			
Panama	\$ 624.9	\$ 414.8	\$ —
Jamaica	352.4	202.9	—
The Bahamas	261.3	181.5	—
Barbados	163.1	143.1	—
Trinidad and Tobago	165.6	103.0	—
Other (b)	754.8	399.5	—
Total C&W	2,322.1	1,444.8	—
Chile	952.9	859.5	838.1
Puerto Rico (c)	320.5	420.8	379.2
Intersegment eliminations	(5.5)	(1.3)	—
Total	<u>\$ 3,590.0</u>	<u>\$ 2,723.8</u>	<u>\$ 1,217.3</u>

- (a) For each C&W jurisdiction, the amounts presented include (i) revenue from residential and B2B operations and (ii) revenue derived from wholesale network customers, as applicable. The amounts presented for 2016 exclude the pre-acquisition revenue of C&W, which was acquired on May 16, 2016.
- (b) The amounts relate to a number of countries in which C&W has less significant operations, all but one of which are located in Latin America and the Caribbean, and include (i) revenue from residential and B2B operations, (ii) revenue derived from wholesale network customers and (iii) intercompany eliminations.
- (c) The amount presented for 2015 excludes the pre-acquisition revenue of Choice, which was acquired on June 3, 2015.

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

The long-lived assets of our geographic segments are set forth below:

	December 31,	
	2017	2016
	in millions	
C&W:		
Panama	\$ 2,473.5	\$ 2,330.0
Jamaica	1,921.1	943.3
Networks (a)	1,605.9	1,547.1
The Bahamas	526.1	869.1
Barbados	564.3	645.1
Trinidad and Tobago	538.2	1,024.5
Other (b)	1,611.0	2,226.6
Total C&W	9,240.1	9,585.7
Chile	1,178.8	993.9
Puerto Rico	1,305.2	1,355.6
Corporate and other	0.3	120.9
Total	\$ 11,724.4	\$ 12,056.1

(a) Represents long-lived assets related to C&W's sub-sea and terrestrial network that connects over 40 markets in Latin America and the Caribbean.

(b) The amounts include long-lived assets of C&W's other operations, which are primarily located in the Caribbean.

(19) Quarterly Financial Information (Unaudited)

	2017			
	1st quarter	2nd quarter	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	\$ 910.9	\$ 920.9	\$ 908.1	\$ 850.1
Operating income (loss)	\$ 138.0	\$ 158.7	\$ (201.5)	\$ (243.6)
Net loss attributable to Liberty Latin America shareholders	\$ (5.8)	\$ (28.2)	\$ (343.3)	\$ (400.8)
Basic and diluted net loss per share attributable to Liberty Latin America shareholders (a)	\$ (0.03)	\$ (0.16)	\$ (2.00)	\$ (2.34)
	2016			
	1st quarter	2nd quarter (b)	3rd quarter	4th quarter
	in millions, except per share amounts			
Revenue	\$ 303.9	\$ 602.9	\$ 894.1	\$ 922.9
Operating income (loss)	\$ 60.0	\$ (20.9)	\$ 138.8	\$ 141.2
Net loss attributable to Liberty Latin America shareholders	\$ (39.4)	\$ (123.4)	\$ (162.3)	\$ (107.2)
Basic and diluted net loss per share attributable to Liberty Latin America shareholders (c)	\$ (0.90)	\$ (1.12)	\$ (0.93)	\$ (0.62)

(a) Amounts are calculated based on weighted average number of shares outstanding of 172,743,854, 172,074,934, 171,304,720 and 171,198,846, respectively. The amount for the three months ended December 31, 2017 is based on (i) the weighted average number of LiLAC Shares outstanding during the period prior to the Split-Off and (ii) the weighted average number of Liberty Latin America Shares outstanding during the period subsequent to the Split-Off. The amounts for the three months

Liberty Latin America Ltd.
Notes to Consolidated Financial Statements – (Continued)
December 31, 2017, 2016 and 2015

ended March 31, June 30 and September 30 are based on the weighted average number of LiLAC Shares outstanding during each respective period.

- (b) We acquired C&W on May 16, 2016.
- (c) Amounts are calculated based on weighted average number of shares outstanding of 43,933,746, 109,718,510, 174,075,080 and 173,722,723, respectively. The amount for the three months ended June 30, 2016 represents the actual weighted average number of LiLAC Shares outstanding, as adjusted to reflect the total 117,430,965 Class A and Class C LiLAC Shares issued to holders of Class A and Class C Liberty Global Shares pursuant to the LiLAC Distribution as if such distribution was completed on the May 16, 2016 date of the C&W Acquisition. The amounts for the three months ended March 31, September 30 and December 31 are based on the weighted average number of LiLAC Shares outstanding during each respective period.

(20) Subsequent Events

Refinancing Transaction

On February 7, 2018, C&W entered into a \$1,875.0 million principal amount term loan facility (the **C&W Term Loan B-4 Facility**) at a rate of LIBOR plus 3.25%. The C&W Term Loan B-4 Facility was issued at 99.875% of par with a maturity date of January 2026. The net proceeds of the C&W Term Loan B-4 Facility were used to repay in full the \$1,825.0 million outstanding principal amount of the C&W Term Loan B-3 Facility and repay certain amounts drawn under the C&W Revolving Credit Facility.

Pending Acquisition

On February 12, 2018, we entered into a definitive agreement to acquire 80% of Costa Rican cable operator, Cabletica, which is part of Televisora de Costa Rica S.A. in an all cash transaction. In the transaction, Cabletica was valued at an enterprise value in Costa Rican Colon (**CRC**) of CRC 143 billion (approximately \$250 million). We intend to finance the acquisition of the 80% equity stake in Cabletica through a combination of incremental debt borrowings and existing liquidity. The current owners of Cabletica will retain the remaining 20% interest. The transaction is subject to customary closing adjustments and conditions, including regulatory approvals, and is expected to close during the second half of 2018.

PART III

The following required information is incorporated by reference to our definitive proxy statement for our 2018 Annual General Meeting of Shareholders, which we intend to hold during the second quarter of 2018.

- Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE
- Item 11. EXECUTIVE COMPENSATION
- Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS
- Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE
- Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

We intend to file our definitive proxy statement for our 2018 Annual General Meeting of Shareholders with the Securities and Exchange Commission on or before April 30, 2018.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) FINANCIAL STATEMENT

The financial statements required under this Item begin on page II-43 of this Annual Report on Form 10-K.

(a) (2) FINANCIAL STATEMENT SCHEDULES

The financial statement schedules required under this Item are as follows:

Schedule I - Condensed Financial Information of Registrant (Parent Company Information):

Liberty Latin America Ltd. Condensed Balance Sheet as of December 31, 2017 (Parent Company Only)	IV-6

Liberty Latin America Ltd. Condensed Statement of Operations from the Date of Inception (July 11, 2017) to December 31, 2017 (Parent Company Only)	IV-7

Liberty Latin America Ltd. Condensed Statement of Cash Flows from the Date of Inception (July 11, 2017) to December 31, 2017 (Parent Company Only)	IV-8

Schedule II - Valuation and Qualifying Accounts	IV-9

(a) (3) EXHIBITS

Listed below are the exhibits filed as part of this Annual Report on Form 10-K (according to the number assigned to them in Item 601 of Regulation S-K):

2.1	Reorganization Agreement, dated as of December 29, 2017, by and between Liberty Global plc (Liberty Global) and Liberty Latin America Ltd. (Liberty Latin America) (incorporated by reference to Exhibit 2.1 to Post-Effective Amendment No. 1 to Liberty Latin America's Registration Statement on Form S-1 filed on December 29, 2017 (File No. 333-221608)).
3.1	Memorandum of Association of Liberty Latin America (incorporated by reference to Exhibit 3.1 to Liberty Latin America's Registration Statement on Form S-1 filed on November 16, 2017 (File No. 333-221608) (the S-1 Registration Statement)).
3.2	Memorandum of Increase of Share Capital of Liberty Latin America (incorporated by reference to Exhibit 3.1 to Liberty Latin America's Current Report on Form 8-K filed on January 5, 2018 (File No. 001-38335) (the January 2018 8-K)).
3.3	Bye-laws of Liberty Latin America (incorporated by reference to Exhibit 3.2 to the January 2018 8-K).
4.1	Specimen Certificate for shares of Class A common shares, par value \$.01 per share, of Liberty Latin America (incorporated by reference to Exhibit 4.1 to the S-1 Registration Statement).
4.2	Specimen Certificate for shares of Class B common shares, par value \$.01 per share, of Liberty Latin America (incorporated by reference to Exhibit 4.2 to the S-1 Registration Statement).
4.3	Specimen Certificate for shares of Class C common shares, par value \$.01 per share, of Liberty Latin America (incorporated by reference to Exhibit 4.3 to the S-1 Registration Statement).
4.4	Indenture dated January 24, 2014, between VTR Finance B.V. (VTR Finance), The Bank of New York Mellon, London Branch, as Trustee and Security Agent, and The Bank of New York Mellon as Paying Agent, Registrar and Transfer Agent, relating to VTR Finance's 6.875% senior secured notes due 2024 (incorporated by reference to Exhibit 4.1 to Liberty Global's Current Report on Form 8-K filed January 24, 2014 (File No. 001-35961)).
4.5	Indenture dated August 5, 2015, among Sable International Finance Limited (Sable) as Issuer, each of the Guarantors a party thereto, Deutsche Bank Trust Company Americas as Trustee, Principal Paying Agent, Registrar and Transfer Agent and Deutsche Bank Luxembourg, S.A. as Luxembourg Paying Agent and (Regulation S) Transfer Agent, relating to Sable's 6.875% senior notes due 2022 (incorporated by reference to Exhibit 4.3 to Liberty Global's Current Report on Form 8-K filed May 20, 2016 (File No. 001-35961) (the May 2016 8-K)).

- 4.6 [First Supplemental Indenture dated November 23, 2015 among Sable as Issuer, each of the Guarantors a party thereto, and Deutsche Bank Trust Company Americas as Trustee, Principal Paying Agent, Registrar and Transfer Agent, relating to Sable's 6.875% senior notes due 2022 \(incorporated by reference to Exhibit 4.4 to the May 2016 8-K\).](#)
- 4.7 [Indenture dated August 16, 2017, among C&W Senior Financing Designated Activity Company \(C&W Financing\) as Issuer, The Bank of New York Mellon, London Branch, as Trustee, Principal Paying Agent and Security Trustee and The Bank of New York Mellon as Paying Agent, Transfer Agent and Registrar in New York, relating to \\$700.0 million aggregate principal amount of C&W Financing's 6.875% senior notes due 2027 \(incorporated by reference to Exhibit 4.1 to Liberty Global's Current Report on Form 8-K filed August 16, 2017 \(File No. 001-35961\)\).](#)
- 10.1 [Amended and Restated First Lien Credit Agreement dated as of July 7, 2014, among Liberty Cablevision of Puerto Rico LLC \(Liberty Puerto Rico\), the Guarantors party thereto from time to time, The Bank of Nova Scotia, as Administrative Agent, each lender from time to time party thereto and Scotiabank de Puerto Rico as L/C Issuer and Swing Line Lender \(incorporated by reference to Exhibit 4.1 to Liberty Global's Current Report on Form 8-K filed July 2, 2015 \(File No. 001-35961\) \(the July 2015 8-K\)\).](#)
- 10.2 [Amended and Restated Second Lien Credit Agreement dated as of July 7, 2014, among Liberty Puerto Rico, the Guarantors party thereto from time to time, The Bank of Nova Scotia as Administrative Agent, and each lender from time to time party thereto \(incorporated by reference to Exhibit 4.2 to the July 2015 8-K\).](#)
- 10.3 [Additional Term B-1 Facility Joinder Agreement dated as of June 1, 2015, among Liberty Puerto Rico, The Bank of Nova Scotia as Administrative Agent and Collateral Agent and the Additional Term B-1 Facility Lenders party thereto, relating to the Amended and Restated First Lien Credit Agreement dated as of July 7, 2014 \(incorporated by reference to Exhibit 4.3 to the July 2015 8-K\).](#)
- 10.4 [Additional Term B-2 Facility Joinder Agreement dated as of June 1, 2015, among Liberty Puerto Rico, The Bank of Nova Scotia as Administrative Agent and Collateral Agent and the Additional Term B-2 Facility Lenders party thereto, relating to the Amended and Restated Second Lien Credit Agreement dated as of July 7, 2014 \(incorporated by reference to Exhibit 4.4 to the July 2015 8-K\).](#)
- 10.5 [First Amendment to Amended and Restated First Lien Credit Agreement entered into as of December 20, 2017 among Liberty Cablevision of Puerto Rico LLC, a limited liability company organized under the laws of Puerto Rico, LiLAC Communications Inc., a Delaware corporation, SCPV LEO, L.P., SC LEO, L.P., SC AIV LEO, L.P., SEARCHLIGHT/SIP HOLDCO SPV II \(TRI\), L.P., the guarantors party thereto, The Bank of Nova Scotia, as Administrative Agent, the lenders party thereto and Scotiabank de Puerto Rico, as L/C Issuer and Swing Line Lender \(incorporated by reference to Exhibit 4.1 to Liberty Global's Current Report on Form 8-K filed December 21, 2017 \(File No. 001-35961\)\).](#)
- 10.6 [First Amendment to Amended and Restated Second Lien Credit Agreement entered into as of December 20, 2017 among Liberty Cablevision of Puerto Rico LLC, a limited liability company organized under the laws of Puerto Rico, LiLAC Communications Inc., a Delaware corporation, SCPV LEO, L.P., SC LEO, L.P., SC AIV LEO, L.P., SEARCHLIGHT/SIP HOLDCO SPV II \(TRI\), L.P., the guarantors party thereto, The Bank of Nova Scotia, as Administrative Agent and the lenders party thereto \(incorporated by reference to Exhibit 4.2 to Liberty Global's Current Report on Form 8-K filed December 21, 2017 \(File No. 001-35961\)\).](#)
- 10.7 [Amended and Restated Credit Agreement, originally dated as of May 16, 2016, and as amended and restated as of May 26, 2017, among, among others, Cable & Wireless Limited, Sable International Finance Limited, Coral-US Co-Borrower LLC and The Bank of Nova Scotia, as Administrative Agent.*](#)
- 10.8 [Additional Facility Joinder Agreement dated July 24, 2017 and entered into between, among others, Sable, Coral-US Co-Borrower LLC and The Bank of Nova Scotia, relating to the Credit Agreement dated May 16, 2016 as amended and restated on May 26, 2017 \(incorporated by reference to Exhibit 4.1 to Liberty Global's Current Report on Form 8-K filed July 28, 2017 \(File No. 001-35961\)\).](#)
- 10.9 [Additional Facility Joinder Agreement dated February 7, 2018 and entered into between, among others, Sable International Finance Limited, Coral-US Co-Borrower LLC and The Bank of Nova Scotia \(incorporated by reference to Exhibit 4.1 to Liberty Latin America's Current Report on Form 8-k filed on February 12, 2018 \(File No. 001-38335\)\).](#)
- 10.10 [Tax Sharing Agreement, dated as of December 29, 2017, between Liberty Global and Liberty Latin America \(incorporated by reference to Exhibit 10.1 to the January 2018 8-K\).](#)
- 10.11 [Services Agreement, dated as of December 29, 2017, between Liberty Global B.V. and Liberty Latin America \(incorporated by reference to Exhibit 10.2 to the January 2018 8-K\).](#)
- 10.12 [Sublease Agreement, dated as of December 29, 2017, between Liberty Global, Inc. and LiLAC Communications Inc. \(incorporated by reference to Exhibit 10.3 to the January 2018 8-K\).](#)
- 10.13 [Facilities Sharing Agreement, dated as of December 29, 2017, between Liberty Global, Inc. and LiLAC Communications Inc. \(incorporated by reference to Exhibit 10.4 to the January 2018 8-K\).](#)

- 10.14 [Employment Agreement, dated as of November 1, 2017, by and among Liberty Latin America, LiLAC Communications Inc. and Balan Nair \(incorporated by reference to Exhibit 10.8 to the S-1 Registration Statement\).](#)
 - 10.15 [Form of Indemnification Agreement by and between Liberty Latin America and its executive officers/directors \(incorporated by reference to Exhibit 10.9 to Amendment No. 1 to Liberty Latin America's Registration Statement on Form S-1 filed on December 8, 2017 \(File No. 333-221608\)\).](#)
 - 10.16 [Liberty Latin America 2018 Incentive Plan \(incorporated by reference to Exhibit 99.1 to Liberty Latin America's Registration Statement on Form S-8 filed on January 11, 2018 \(File No. 333-222515\) \(the S-8 Registration Statement\).](#)
 - 10.17 [Liberty Latin America 2018 Nonemployee Director Incentive Plan \(incorporated by reference to Exhibit 99.2 to the S-8 Registration Statement\).](#)
 - 10.18 [Liberty Latin America Transitional Share Conversion Plan \(incorporated by reference to Exhibit 99.3 to the S-8 Registration Statement\).](#)
 - 21.1 [List of Subsidiaries.*](#)
 - 23.1 [Consent of KPMG LLP \(U.S.\).*](#)
 - 23.2 [Consent of KPMG Auditores Consultores Ltda.*](#)
 - 23.3 [Consent of KPMG LLP \(U.K.\).*](#)
 - 31.1 [Certification of President and Chief Executive Officer.*](#)
 - 31.2 [Certification of Senior Vice President and Chief Financial Officer \(Principal Financial Officer\).*](#)
 - 32.1 [Section 1350 Certifications.**](#)
-
- 101.INS XBRL Instance Document.*
 - 101.SCH XBRL Taxonomy Extension Schema Document.*
 - 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.*
 - 101.DEF XBRL Taxonomy Extension Definition Linkbase.*
 - 101.LAB XBRL Taxonomy Extension Label Linkbase Document.*
 - 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.*

* Filed herewith

** Furnished herewith

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

LIBERTY LATIN AMERICA LTD.

Dated: February 14, 2018

/s/ JOHN M. WINTER

John M. Winter
Senior Vice President, Chief Legal Officer and Secretary

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

Signature	Title	Date
/s/ MICHAEL T. FRIES Michael T. Fries	Executive Chairman of the Board	February 14, 2018
/s/ BALAN NAIR Balan Nair	President, Chief Executive Officer and Director (Principal Executive Officer)	February 14, 2018
/s/ JOHN C. MALONE John C. Malone	Director	February 14, 2018
/s/ ALFONSO DE ANGOITIA NORIEGA Alfonso de Angoitia Noriega	Director	February 14, 2018
/s/ CHARLES H.R. BRACKEN Charles H.R. Bracken	Director	February 14, 2018
/s/ MIRANDA CURTIS Miranda Curtis	Director	February 14, 2018
/s/ PAUL A. GOULD Paul A. Gould	Director	February 14, 2018
/s/ BRENDAN PADDICK Brendan Paddick	Director	February 14, 2018
/s/ ERIC L. ZINTERHOFER Eric L. Zinterhofer	Director	February 14, 2018
/s/ CHRISTOPHER NOYES Christopher Noyes	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 14, 2018
/s/ BRIAN ZOOK Brian Zook	Chief Accounting Officer (Principal Accounting Officer)	February 14, 2018

[THIS PAGE INTENTIONALLY LEFT BLANK]

LIBERTY LATIN AMERICA LTD.
SCHEDULE I
(Parent Company Information – See Notes to Consolidated Financial Statements)

CONDENSED BALANCE SHEET
(Parent Company Only)

As of December 31, 2017
(in millions, except share amounts)

ASSETS	
Current assets – cash and cash equivalents	\$ 105.3
Noncurrent assets:	
Investments in consolidated subsidiaries, including intercompany balances	3,329.6
Other assets, net	0.3
Total assets	<u>\$ 3,435.2</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Related-party loan payable	\$ 105.6
Total liabilities	<u>105.6</u>
Commitments and contingencies	
Shareholders' equity:	
Class A, \$0.01 par value; 500,000,000 shares authorized; 48,428,841 shares issued and outstanding	0.5
Class B, \$0.01 par value; 50,000,000 shares authorized; 1,940,193 shares issued and outstanding	—
Class C, \$0.01 par value; 500,000,000 shares authorized; 120,843,539 shares issued and outstanding	1.2
Additional paid-in capital	4,402.8
Accumulated deficit	(1,010.7)
Accumulated other comprehensive loss, net of taxes	(64.2)
Total shareholders' equity	<u>3,329.6</u>
Total liabilities and shareholders' equity	<u>\$ 3,435.2</u>

LIBERTY LATIN AMERICA LTD.
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENT OF OPERATIONS
(Parent Company Only)

From the Date of Inception (July 11, 2017) to December 31, 2017
(in millions)

Operating and other expenses	\$ —
Operating loss	—
Non-operating income – other expense	—
Loss before income taxes and equity in earnings of consolidated subsidiaries, net	—
Income tax expense	—
Equity in earnings of consolidated subsidiaries, net	—
Net loss	\$ —

LIBERTY LATIN AMERICA LTD.
SCHEDULE I
(Parent Company Information - See Notes to Consolidated Financial Statements)

CONDENSED STATEMENT OF CASH FLOWS
(Parent Company Only)

From the Date of Inception (July 11, 2017) to December 31, 2017
(in millions)

Cash flows from operating activities:	
Net loss	\$ —
Net cash provided by operating activities	<u>—</u>
Cash flows from investing:	
Other investing activities	(0.3)
Net cash used in investing activities	<u>(0.3)</u>
Cash flows from financing activities:	
Borrowings of related-party debt	105.6
Net cash provided by financing activities	<u>105.6</u>
Net increase in cash and cash equivalents	105.3
Cash and cash equivalents:	
As of date of inception (July 11, 2017)	—
End of period	<u><u>\$ 105.3</u></u>

LIBERTY LATIN AMERICA LTD.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Allowance for doubtful accounts—Trade receivables						
	Balance at beginning of period	Additions to costs and expenses	Acquisitions	Deductions or write-offs	Foreign currency translation adjustments	Balance at end of period
in millions						
Year ended December 31:						
2015	\$ 30.5	24.0	0.7	(20.4)	(3.9)	\$ 30.9
2016	\$ 30.9	46.9	82.7	(45.1)	0.7	\$ 116.1
2017	\$ 116.1	77.1	5.4	(62.5)	6.1	\$ 142.2

Independent Auditors' Report

The Board of Directors
Cable & Wireless Communications Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cable & Wireless Communications Limited and its subsidiaries, which comprise the consolidated statement of financial position as of March 31, 2016 and 2015 and the related consolidated statements of operations, comprehensive income, changes in owners' equity, and cash flows for the years ended March 31, 2016 and 2015 and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Cable & Wireless Communications Limited and its subsidiaries as of March 31, 2016 and 2015 and the results of their operations and their cash flows for the years ended March 31, 2016 and 2015 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG LLP

London, United Kingdom
April 12, 2017

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,	
	2016	2015 (a)
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 167.5	\$ 402.3
Trade and other receivables (note 10)	501.7	442.7
Loans receivable – related-party (note 26)	86.2	74.3
Prepaid expenses	74.5	70.0
Inventory (note 11)	58.1	50.2
Other current assets (note 12)	25.1	25.2
Assets held for sale (note 13)	154.5	164.0
Total current assets	1,067.6	1,228.7
Noncurrent assets:		
Property and equipment, net (note 14)	2,756.3	2,579.4
Goodwill (note 14)	2,143.7	2,159.6
Intangible assets subject to amortization, net (note 14)	828.2	873.5
Other noncurrent assets (notes 10 and 12)	295.8	301.4
Total noncurrent assets	6,024.0	5,913.9
Total assets	7,091.6	7,142.6
LIABILITIES		
Current liabilities:		
Trade and other payables	230.9	334.5
Deferred revenue and advance payments	121.4	89.8
Current portion of debt and finance lease obligations (note 15)	87.4	82.2
Derivative instruments and other financial liabilities (notes 8 and 9)	279.0	—
Accrued taxes payable	87.2	119.7
Current provisions (note 17)	61.3	129.4
Other accrued and current liabilities (note 16)	344.0	429.2
Total current liabilities	1,211.2	1,184.8
Noncurrent liabilities:		
Noncurrent debt and finance lease obligations (note 15)	2,941.0	2,684.5
Derivative instruments and other financial liabilities (notes 8 and 9)	691.4	879.1
Deferred revenue and advance payments	288.0	266.1
Deferred tax liabilities (note 18)	278.1	293.2
Other noncurrent liabilities (note 16)	278.9	360.0
Total noncurrent liabilities	4,477.4	4,482.9
Net assets	\$ 1,403.0	\$ 1,474.9
Commitments and contingencies (notes 5, 8, 15, 17, 18, 21 and 28)		
Owners' equity (note 19):		
Capital and reserves attributable to parent:		
Share capital	\$ 223.8	\$ 223.8
Share premium	260.3	260.3
Reserves	534.3	651.3
Total parent's equity	1,018.4	1,135.4
Noncontrolling interests	384.6	339.5
Total owners' equity	\$ 1,403.0	\$ 1,474.9

(a) As reclassified – see note 2.

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended March 31,	
	2016	2015
	in millions	
Revenue (note 26)	\$ 2,389.6	\$ 1,752.6
Operating costs and expenses (note 26):		
Employee and other staff expenses (notes 22 and 25)	368.4	340.7
Interconnect costs	231.3	208.3
Network costs	154.2	133.5
Equipment sales expenses	132.9	143.9
Programming expenses	96.3	19.3
Managed services costs	96.2	55.4
Other operating expenses (note 23)	462.7	434.3
Other operating income (note 24)	(5.6)	(38.1)
Depreciation and amortization (note 14)	441.0	256.6
Impairment expense (recovery) (note 14)	(70.3)	127.2
	<u>1,907.1</u>	<u>1,681.1</u>
Operating income	<u>482.5</u>	<u>71.5</u>
Financial income (expense) (note 20):		
Finance expense	(330.6)	(120.8)
Finance income	25.2	48.3
	<u>(305.4)</u>	<u>(72.5)</u>
Earnings (loss) before income taxes	177.1	(1.0)
Income tax expense (note 18)	(51.5)	(31.7)
Earnings (loss) from continuing operations	<u>125.6</u>	<u>(32.7)</u>
Discontinued operation (note 7):		
Earnings from discontinued operation, net of taxes	—	8.2
Gain on disposal of discontinued operation, net of taxes	—	346.0
	<u>—</u>	<u>354.2</u>
Net earnings	125.6	321.5
Net earnings attributable to noncontrolling interests	(92.1)	(68.1)
Net earnings attributable to parent	<u>\$ 33.5</u>	<u>\$ 253.4</u>

The accompanying notes are an integral part of these consolidated financial statements.
IV-12

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended March 31,	
	2016	2015
	in millions	
Net earnings	\$ 125.6	\$ 321.5
Other comprehensive income (loss):		
Items that will not be reclassified to earnings (loss) in subsequent periods:		
Actuarial losses in the value of defined benefit pension plans	(2.9)	(77.1)
Income tax related to items that will not be reclassified to earnings (loss) in subsequent periods	1.4	0.5
Total items that will not be reclassified to earnings (loss) in subsequent periods	(1.5)	(76.6)
Items that may be classified to earnings (loss) in subsequent periods:		
Foreign currency translation adjustments	(34.7)	(11.2)
Fair value movements in available-for-sale financial assets (note 9)	—	3.5
Foreign currency translation reserves recycled on disposal of operations	—	(94.2)
Foreign currency translation reserves recycled on held-for-sale associate	—	(31.0)
Income tax related to items that may be reclassified to earnings (loss) in subsequent periods	—	—
Total items that may be classified to earnings (loss) in subsequent periods	(34.7)	(132.9)
Other comprehensive loss	(36.2)	(209.5)
Comprehensive income	89.4	112.0
Comprehensive income attributable to noncontrolling interests	(99.1)	(69.4)
Comprehensive income (loss) attributable to parent	\$ (9.7)	\$ 42.6

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY

	Share capital	Share premium	Foreign currency translation	Capital and other reserves	Accumulated deficit	Total parent's equity	Noncontrolling interests	Total owners' equity
	in millions							
Balance at April 1, 2014	\$ 133.3	\$ 96.6	\$ 18.1	\$3,286.6	\$ (3,046.2)	\$ 488.4	\$ 349.5	\$ 837.9
Net earnings	—	—	—	—	253.4	253.4	68.1	321.5
Other comprehensive loss	—	—	(138.5)	3.5	(75.8)	(210.8)	1.3	(209.5)
Put option arrangements	—	—	—	(879.1)	—	(879.1)	—	(879.1)
Issuance of ordinary shares	90.5	163.7	—	1,312.0	—	1,566.2	—	1,566.2
Transfer of BTC noncontrolling interest	—	—	—	—	(6.6)	(6.6)	6.6	—
Dividends paid (note 19)	—	—	—	—	(103.7)	(103.7)	(86.0)	(189.7)
Share-based compensation (note 25)	—	—	—	—	27.6	27.6	—	27.6
Balance at March 31, 2015	<u>\$ 223.8</u>	<u>\$ 260.3</u>	<u>\$ (120.4)</u>	<u>\$3,723.0</u>	<u>\$ (2,951.3)</u>	<u>\$1,135.4</u>	<u>\$ 339.5</u>	<u>\$ 1,474.9</u>
Balance at April 1, 2015	\$ 223.8	\$ 260.3	\$ (120.4)	\$3,723.0	\$ (2,951.3)	\$1,135.4	\$ 339.5	\$ 1,474.9
Net earnings	—	—	—	—	33.5	33.5	92.1	125.6
Other comprehensive loss	—	—	(37.4)	—	(5.8)	(43.2)	7.0	(36.2)
Dividends paid (note 19)	—	—	—	—	(115.6)	(115.6)	(54.0)	(169.6)
Share-based compensation (note 25)	—	—	—	—	8.3	8.3	—	8.3
Balance at March 31, 2016	<u>\$ 223.8</u>	<u>\$ 260.3</u>	<u>\$ (157.8)</u>	<u>\$3,723.0</u>	<u>\$ (3,030.9)</u>	<u>\$1,018.4</u>	<u>\$ 384.6</u>	<u>\$ 1,403.0</u>

The accompanying notes are an integral part of these consolidated financial statements.
IV-14

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended March 31,	
	2016	2015
	in millions	
Cash flows from operating activities:		
Net earnings	\$ 125.6	\$ 321.5
Earnings from discontinued operations	—	354.2
Net earnings (loss) from continuing operations	125.6	(32.7)
Adjustments to reconcile net earnings (loss) from continuing operations to net cash provided by operating activities:		
Income tax expense	51.5	31.7
Share-based compensation expense	14.5	6.7
Depreciation, amortization and impairment	370.7	383.8
Interest expense	215.7	77.9
Interest income	(13.8)	(4.3)
Amortization of deferred financing costs and non-cash interest	14.9	6.4
Realized and unrealized losses on derivative instruments	78.7	—
Foreign currency transaction gains, net	(11.4)	(40.0)
Losses on debt modification and extinguishment	21.3	36.5
Gain on disposal of property and equipment	(5.6)	—
Loss on disposal of property and equipment	1.3	0.9
Share of results of joint ventures and affiliates, net of tax	0.6	(12.8)
Other	0.1	(2.7)
	864.1	451.4
Changes in:		
Receivables and other operating assets	(102.4)	(60.6)
Payables and accruals	(230.3)	44.0
Cash provided by operating activities	531.4	434.8
Interest paid	(217.2)	(89.5)
Interest received	17.3	3.6
Income taxes paid	(74.5)	(51.8)
Net cash provided by operating activities of discontinued operation	—	1.0
Net cash provided by operating activities	257.0	298.1
Cash flows from investing activities:		
Capital expenditures	(528.5)	(453.2)
Repayments from (loans to) affiliates and other related parties	4.0	(55.7)
Cash paid in connection with acquisitions, net of cash acquired	—	(676.5)
Net cash received upon disposition of discontinued operations, net of disposal costs	—	403.0
Cash received in connection with disposal of subsidiaries, net of cash disposed	—	15.9
Other investing activities	7.6	0.3
Net cash used by investing activities of discontinued operations	—	(3.9)
Net cash used by investing activities	\$ (516.9)	\$ (770.1)

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS – (Continued)

	Year ended March 31,	
	2016	2015
	in millions	
Cash flows from financing activities:		
Borrowings of debt	\$ 1,199.4	\$ 900.0
Repayments of debt and finance lease obligations	(933.0)	(176.3)
Dividends paid to shareholders	(115.6)	(103.7)
Payment of financing costs and debt premiums	(73.0)	(39.0)
Dividends paid to noncontrolling interests	(54.0)	(86.0)
Change in cash collateral	0.7	(4.3)
Proceeds from issuance of shares	—	176.3
Other financing activities	(0.4)	—
Net cash provided by financing activities	24.1	667.0
Effect of exchange rate changes on cash	1.0	(1.1)
Net increase (decrease) in cash and cash equivalents:		
Continuing operations	(234.8)	196.8
Discontinued operations	—	(2.9)
Net increase (decrease) in cash and cash equivalents:	(234.8)	193.9
Cash and cash equivalents:		
Beginning of year	402.3	208.4
End of year	\$ 167.5	\$ 402.3

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

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements
March 31, 2016 and 2015

(1) Basis of Presentation

Cable & Wireless Communications Limited, formerly known as Cable & Wireless Communications Plc, and its subsidiaries (collectively, **CWC**) is a provider of mobile, broadband internet, fixed-line telephony and video services to residential and business customers and managed services to business and government customers, primarily in the Caribbean and Latin America. In these notes, the terms “CWC,” “we,” “our,” “our company” and “us” may refer, as the context requires, to CWC or collectively to CWC and its subsidiaries.

On May 16, 2016, pursuant to a scheme of arrangement and following shareholder approvals, a subsidiary of Liberty Global plc (**Liberty Global**) acquired CWC for shares of Liberty Global (the **Liberty Global Transaction**). For additional information regarding the Liberty Global Transaction, see note 29.

CWC is incorporated and domiciled in the United Kingdom (**U.K.**). The address of our registered office is Griffin House, 161 Hammersmith Road, London W6 8BS.

Our annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB-IFRS**), on a historical cost basis except for liabilities for cash-settled share-based payment arrangements, derivative instruments and assets held for sale, which are measured at fair value. Certain noncurrent assets and disposal groups are stated at the lower of their carrying amount and fair value less costs to sell.

In connection with our acquisition of Columbus International Inc. and its subsidiaries (collectively, **Columbus**) on March 31, 2015 (as further described in note 6) and Liberty Global’s acquisition of our company pursuant to the Liberty Global Transaction, certain entities (the **Carve-out Entities**) that held licenses granted by the United States Federal Communications Commission (**FCC**) were transferred to entities not controlled by our company (collectively, “**New Cayman**”). The arrangements with respect to the Carve-out Entities, which were executed in connection with the acquisition of Columbus and the Liberty Global Transaction, contemplated that upon receipt of regulatory approval, we would acquire the Carve-out Entities. For additional information regarding the Carve-out Entities, see note 29.

On May 20, 2014, one of our subsidiaries sold its 55% stake in Monaco Telecom SAM (**Monaco Telecom**). We have presented Monaco Telecom as a discontinued operation in our consolidated statements of operations and cash flows for the year ended March 31, 2015. In the following notes to our consolidated financials statements, the amounts pertaining to our consolidated statements of operations and cash flows for the year ended March 31, 2015 relate only to our continuing operations, unless otherwise indicated. For additional information, see note 7.

We have prepared the accounts on a going concern basis.

Unless otherwise indicated, convenience translations into United States (**U.S.**) dollars are calculated as of March 31, 2016.

Management approval

These consolidated financial statements were authorized for issue by management on April 12, 2017 and reflect our consideration of the accounting and disclosure implications of subsequent events through such date.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(2) Reclassifications

In connection with the Liberty Global Transaction, we revised the presentation of our consolidated financial statements to align with the presentation policies of Liberty Global. Accordingly, certain amounts have been reclassified to conform with the current period presentation. Both the previously reported and revised presentation are in accordance with IASB-IFRS and the reclassifications had no impact on our net earnings (loss), net cash flows, net assets or total assets as previously reported. The impact the reclassifications had on certain revenue and other amounts are described further below.

The following table summarizes the reclassifications to our consolidated statements of financial position at March 31, 2015:

	As previously reported	Reclass adjustments in millions	As reclassified
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 402.3	\$ —	\$ 402.3
Trade and other receivables	556.5	(113.8)	442.7
Loans receivable – related-party	55.7	18.6	74.3
Prepaid expenses	—	70.0	70.0
Inventory	50.2	—	50.2
Other current assets	—	25.2	25.2
Assets held for sale	164.0	—	164.0
Total current assets	1,228.7	—	1,228.7
Noncurrent assets:			
Property and equipment, net	2,579.4	—	2,579.4
Goodwill	—	2,159.6	2,159.6
Intangible assets subject to amortization, net	—	873.5	873.5
Intangible assets	3,033.1	(3,033.1)	—
Available-for-sale financial assets	58.7	(58.7)	—
Other receivables	153.6	(153.6)	—
Deferred tax assets	56.7	(56.7)	—
Retired benefit assets	16.8	(16.8)	—
Financial assets at fair value through profit and loss	14.1	(14.1)	—
Investments in joint ventures and associates	1.5	(1.5)	—
Other noncurrent assets	—	301.4	301.4
Total noncurrent assets	5,913.9	—	5,913.9
Total assets	\$ 7,142.6	\$ —	\$ 7,142.6

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

	As previously reported	Reclass adjustments	As reclassified
	in millions		
LIABILITIES			
Current liabilities:			
Trade and other payables	\$ 853.5	\$ (519.0)	\$ 334.5
Deferred revenue and advance payments	—	89.8	89.8
Current portion of debt and finance lease obligations	82.2	—	82.2
Current tax liabilities	119.7	—	119.7
Provisions	129.4	—	129.4
Other accrued and current liabilities	—	429.2	429.2
Total current liabilities	1,184.8	—	1,184.8
Noncurrent liabilities:			
Trade and other payables	307.3	(307.3)	—
Noncurrent debt and finance lease obligations	2,684.5	—	2,684.5
Derivative instruments and other financial liabilities	879.1	—	879.1
Deferred tax liabilities	293.2	—	293.2
Deferred revenue and advance payments	—	266.1	266.1
Provisions	110.0	(110.0)	—
Retirement benefit obligations	208.8	(208.8)	—
Other noncurrent liabilities	—	360.0	360.0
Total noncurrent liabilities	4,482.9	—	4,482.9
Net assets	\$ 1,474.9	\$ —	\$ 1,474.9
Owners' equity			
Capital and reserves attributable to parent:			
Share capital	\$ 223.8	\$ —	\$ 223.8
Share premium	260.3	—	260.3
Reserves	651.3	—	651.3
Total parent's equity	1,135.4	—	1,135.4
Noncontrolling interests	339.5	—	339.5
Total equity	\$ 1,474.9	\$ —	\$ 1,474.9

(3) Accounting Changes and Recent Pronouncements

First-time Application of Accounting Standards

The application of the following accounting standards did not have a material impact on our consolidated financial statements:

Standard/ Interpretation	Title	Applicable for fiscal years beginning on or after
IAS 1 (amendments)	Disclosure Initiative	January 1, 2016
IAS 16 / IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
Annual improvements	Annual Improvements to IFRSs 2012–2014 Cycle	January 1, 2016

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

New Accounting Standards, Not Yet Effective

Except for the following accounting standards, there were no additional standards and interpretations issued by the International Accounting Standards Board (**IASB**) that are not yet effective for the current reporting period that we see as relevant for our company. We have not early adopted the accounting standards that are relevant for us.

Standard/ Interpretation	Title	Applicable for fiscal years beginning on or after
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions	January 1, 2018 (a)
IFRS 9	Financial Instruments	January 1, 2018 (b)
IFRS 15	Revenue from Contracts with Customers	January 1, 2018 (c)
IFRS 15 (amendments)	Clarifications to IFRS 15 Revenue from Contracts with Customers	January 1, 2018 (c)
IFRS 16	Leases	January 1, 2019 (d)
IAS 7 (amendments)	Disclosure Initiative	January 1, 2017 (e)
IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017 (e)

- (a) In June 2016, the IASB issued amendments to IFRS 2, *Share-based Payments* (**IFRS 2**), which includes new requirements for (i) the accounting of share-based payment transactions with a net settlement feature for withholding tax obligations, (ii) consideration of vesting conditions on the measurement of a cash-settled share-based payment transaction and (iii) the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from a cash-settled to equity-settled award. These amendments are effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. We are currently evaluating the effect that these amendments to IFRS 2 will have on our consolidated financial statements and related disclosures.
- (b) In July 2014, the IASB issued IFRS 9, *Financial Instruments* (**IFRS 9**), which introduces an approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model in which they are managed, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity's risk management activities, especially with regard to managing non-financial risks. This new standard is effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. We are currently evaluating the effect that IFRS 9 will have on our consolidated financial statements and related disclosures.
- (c) In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* (**IFRS 15**), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. IFRS 15 will replace existing revenue recognition guidance in IASB-IFRS when it becomes effective for annual and interim reporting periods beginning on or after January 1, 2018. This new standard permits the use of either the retrospective or cumulative effect transition method. We will adopt IFRS 15 effective January 1, 2018 using the cumulative effect transition method. While we are continuing to evaluate the effect that IFRS 15 will have on our consolidated financial statements, we have identified a number of our current revenue recognition policies and disclosures that will be impacted by IFRS 15, including the accounting for (i) time-limited discounts and free periods provided to our customers, (ii) certain up-front fees charged to our customers and (iii) subsidized handset plans. These impacts are discussed below:
- When we enter into contracts to provide services to our customers, we often provide time-limited discounts or free service periods. Under current accounting rules, we recognize revenue net of discounts during the promotional periods and do not recognize any revenue during free service periods. Under IFRS 15, revenue recognition will be accelerated for these contracts as the impact of the discount or free service period will be recognized uniformly over the total contractual period.
 - When we enter into contracts to provide services to our customers, we often charge installation or other up-front fees. Under current accounting rules, installation fees related to services provided over our fiber are recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Under IFRS 15, these fees will generally be deferred and recognized as revenue over the contractual period, or longer if the up-front fee results in a material renewal right.

- IFRS 15 will require the identification of deliverables in contracts with customers that qualify as performance obligations. The transaction price receivable from customers will be allocated between our performance obligations under contracts on a relative stand-alone selling price basis. Currently, we offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime. This limitation will no longer be applied under IFRS 15. The primary impact on revenue reporting will be that when we sell subsidized handsets together with airtime services to customers, revenue allocated to handsets and recognized when control of the device passes to the customer will increase and revenue recognized as services are delivered will reduce.
- IFRS 15 will require costs incurred to fulfill a customer contract involving the sale of an asset to be recognized only when those costs (i) relate directly to a contract or to an anticipated contract that can be specifically identified, (ii) generate or enhance resources that will be used in satisfying performance obligations in the future and (iii) are expected to be recovered. Currently, we recognize costs related to mobile handset sales as incurred and we do not expect the adoption of IFRS 15 to have a material impact on our recognition of these costs.

IFRS 15 will also impact our accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under our current policy, these costs are expensed as incurred unless the costs are in the scope of another accounting topic that allows for capitalization. Under IFRS 15, the upfront costs that are currently expensed as incurred will be recognized as assets and amortized over a period that is consistent with the transfer to the customers of the goods or services to which the assets relate, which we have generally interpreted to be the expected customer life. The impact of the accounting change for these costs will be dependent on numerous factors, including the number of new subscriber contracts added in any given period, but we expect the adoption of this accounting change will initially result in the deferral of a significant amount of operating and selling costs.

The ultimate impact of adopting IFRS 15 for both revenue recognition and costs to obtain and fulfill contracts will depend on the promotions and offers in place during the period leading up to and after the adoption of IFRS 15.

- (d) In January 2016, the IASB issued IFRS 16, *Leases (IFRS 16)*, which supersedes IAS 17 *Leases (IAS 17)*. IFRS 16 will result in lessees recognizing lease assets and lease liabilities on the statement of financial position, with lease assets to reflect the right-of-use and corresponding lease liabilities reflecting the present value of the lease payments. IFRS 16 will also result in additional disclosures about leasing arrangements and eliminate the classification of leases as either operating leases or finance leases for a lessee. IFRS 16 requires lessees and lessors to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach also includes a number of optional practical expedients an entity may elect to apply. IFRS 16 also replaces the straight-line operating lease expense for those lessees applying IAS 17 with a depreciation charge for the lease asset and an interest expense on the lease liability. This change aligns the lease expense treatment for all leases. The new standard is effective for annual reporting periods beginning on or after January 1, 2019, while early adoption is permitted if IFRS 15 is applied. Although we are currently evaluating the effect that IFRS 16 will have on our consolidated financial statements, we expect the adoption of this standard will increase the number of leases included in our consolidated statement of financial position.
- (e) We evaluated the impact of applying these accounting standards on our consolidated financial statements and do not believe the impact of the adoption of these standards to be material.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(4) Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with IASB-IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, programming expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets, share-based compensation and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of all voting interest entities where we exercise a controlling financial interest through the ownership of a direct or indirect controlling voting interest. All significant intercompany accounts and transactions have been eliminated in consolidation. Investments in special purpose entities that we do not control are accounted for using the equity method.

The following list of subsidiaries only includes those companies whose results or financial position principally affect our consolidated financial statements at March 31, 2016.

Name of subsidiary	Ownership interest	Country of incorporation	Area of operation
The Bahamas Telecommunications Company Limited (BTC) (a)	49%	The Bahamas	The Bahamas
Cable & Wireless Jamaica Limited (CW Jamaica)	82%	Jamaica	Jamaica
Cable & Wireless Panama, SA (CW Panama) (b)	49%	Panama	Panama
Cable & Wireless (Barbados) Limited (CW Barbados)	81%	Barbados	Barbados
Cable & Wireless (Cayman Islands) Limited	100%	Cayman Islands	Cayman Islands
Cable and Wireless (West Indies) Limited	100%	England	Caribbean
Cable & Wireless Limited	100%	England	England
Sable International Finance Limited (Sable)	100%	Cayman	England
Cable and Wireless International Finance B.V.	100%	Netherlands	England
Columbus International Inc.	100%	Barbados	Caribbean/Latin America
Columbus Communications Trinidad Limited	100%	Trinidad and Tobago	Trinidad and Tobago
Columbus Communications Jamaica Limited	100%	Jamaica	Jamaica
Columbus Networks, Limited	100%	Barbados	Caribbean/Latin America
Coral-U.S. Co-Borrower LLC (Coral-U.S.)	100%	United States	United States

- (a) We regard BTC as a subsidiary because we control the majority of the Board of Directors through a shareholders' agreement. On July 24, 2014, we transferred 2% of the share capital in BTC to the BTC Foundation, a charitable trust dedicated to investing in projects for the benefit of Bahamians. The remaining 49% non-controlling interest in BTC is held by The Bahamas government.
- (b) We regard CW Panama as a subsidiary because we control the majority of the Board of Directors through a shareholders' agreement.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on hand and demand deposits, which have a maturity of three months or less at the time of acquisition. Cash and cash equivalents are measured at cost. The details of our cash and cash equivalents are set forth as follows:

	March 31,	
	2016	2015
	in millions	
Cash at bank and in hand	\$ 2.1	\$ 5.9
Short-term bank deposits	165.4	396.4
Total	<u>\$ 167.5</u>	<u>\$ 402.3</u>

Restricted cash includes cash held in escrow and cash pledged as collateral. Restricted cash amounts that are required to be used to purchase noncurrent assets or repay noncurrent debt are classified as noncurrent assets. All other cash that is restricted to a specific use is classified as current or noncurrent based on the expected timing of the disbursement.

Trade Receivables

Our trade receivables are initially measured at fair value and subsequently reported at amortized cost, net of an allowance for impairment of trade receivables. The allowance for impairment of trade receivables is estimated based upon our assessment of anticipated loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is the price paid, less any rebates, trade discounts or subsidies. Cost is based on the first-in, first-out (FIFO) principle. For inventory held for sale, net realizable value is determined based on the estimated selling price, less costs to sell.

Investments

We make elections, on an investment-by-investment basis, as to whether we measure our investments at fair value. Such elections are generally irrevocable. For those investments over which we exercise significant influence, we elect the equity method of accounting.

We continually review our equity and cost method investments to determine whether a decline in fair value below the cost basis is other-than-temporary. The primary factors we consider in our determination are the extent and length of time that the fair value of the investment is below our company's carrying value and the financial condition, operating performance and near-term prospects of the investee, changes in the stock price or valuation subsequent to the balance sheet date, and the impacts of exchange rates, if applicable. If the decline in fair value of an equity or cost method investment is deemed to be other-than-temporary, the cost basis of the security is written down to fair value.

Available-for-sale securities are measured at fair value. Changes in the fair value of available-for-sale securities are reflected in other comprehensive income or loss until sold or other-than-temporarily impaired, at which time the amounts are reclassified from accumulated other comprehensive income or loss into finance income or expense in our consolidated statements of operations.

For additional information regarding our fair value measurements, see note 9.

Financial Instruments

Cash and cash equivalents, current trade and other receivables, other current assets, trade and other payables, other accrued and current liabilities are initially recognized at fair value and subsequently carried at amortized cost. Due to their relatively short maturities, the carrying values of these financial instruments approximate their respective fair value. The carrying amounts of trade receivables with a remaining term of more than one year are included in noncurrent assets, and the carrying amounts of these receivables approximate their fair value.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The carrying amounts of trade receivables with a remaining term of more than one year, loans and other receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

For information concerning how we arrive at certain of our fair value measurements, see note 9.

Fair value through profit or loss

Financial assets and liabilities recorded at fair value through profit or loss include financial assets and liabilities that are held-for-trading and those designated upon initial recognition. Financial assets and liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term or if designated as such by the company. These financial assets are initially recognized at fair value. Subsequent gains or losses related to changes in fair value are recognized in finance income or finance expense, respectively, in our statement of operations.

Debt

Debt is recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value of our debt is recognized in our consolidated statements of operations over the respective term of the borrowings using the effective interest method.

Derivative Instruments

All derivative instruments are recorded on the balance sheet at fair value. Changes to the fair value of our derivative instruments are recognized in realized and unrealized gains or losses on derivative instruments within either finance expense or finance income in our consolidated statements of operations.

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity.

For information regarding our derivative instruments, including our policy for classifying cash flows related to derivative instruments in our consolidated statements of cash flows, see note 8.

Property and Equipment

Property and equipment are measured at initial cost less accumulated depreciation and any accumulated impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Capitalized construction and installation costs include materials, labor and other directly attributable construction and installation costs and the costs of dismantling and removing the items and restoring the site on which the assets are located. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Financing costs capitalized with respect to construction activities were not material during any of the periods presented.

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is computed on a straight-line basis over the estimated useful lives of each major component of an item of property and equipment. The cable distribution systems have estimated useful lives ranging from 3 to 30 years. Support equipment have estimated useful lives ranging from 3 to 40 years. Buildings (including leasehold improvements) have estimated useful lives up to 40 years. Customer premises equipment have estimated useful lives of 4 to 10 years. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date and may be adjusted based on management's expectations of future use.

Assets held under financing leases are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. Impairment exists when the carrying value exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses are reversed if the reasons for the impairment loss no longer exist or the impairment loss has decreased.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be achieved and when the cost can be measured reliably. The carrying amount of any replaced item is derecognized. All other expenditures for repairs and maintenance are expensed as incurred.

Gains and losses due to disposals are included in other operating income in our consolidated statements of operations.

Intangible Assets

Our primary intangible assets are goodwill, customer relationships, licensing and operating agreements, software costs and trade names. Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized over their respective estimated useful lives on a straight-line basis and reviewed for impairment when circumstances warrant. Each reporting period, we evaluate the estimated useful lives of our intangible assets that are subject to amortization to determine whether events or circumstances warrant revised estimates of useful lives.

Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired. Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the related business combination. For each cash-generating unit, if the recoverable amount (i.e. the higher of fair value less costs to sell or value in use) of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Customer relationships and trade names are recognized at their fair values in connection with business combinations and are amortized over their estimated useful lives ranging from 4 to 20 years.

Costs associated with maintaining computer software are expensed as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by us for which it is probable that the expected future economic benefits attributable to the assets would flow to our company beyond one year are recognized as intangible assets. Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Capitalized internal-use software costs are amortized on a straight-line basis over their applicable expected useful lives, which are approximately three years. Where no internal-use intangible asset can be recognized, development expenditures are expensed as incurred.

Subsequent expenditures related to intangible assets are capitalized only when the expenditures increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated brands, are expensed as incurred.

Leasing

Payments associated with leases classified as operating leases are recognized in our consolidated statements of operations on a straight-line basis over the term of the lease.

Provisions

Provisions represent liabilities for which the timing of settlement and/or amount are uncertain. A provision is recognized when (i) a present legal or constructive obligation as a result of a past event exists, (ii) it is probable that an outflow of resources will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation.

For additional information on our provisions, see note 17.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Employee Benefit Plans

Certain of our subsidiaries maintain various employee defined benefit plans. Defined benefit pension plan costs are determined using actuarial methods and are accounted for using the projected unit credit method, which incorporates management's best estimates of future salary levels, other cost escalations, retirement ages of employees, and other actuarial factors. Our net obligation in respect of defined benefit pension plans represents the fair value of the plan assets, less the present value of the defined benefit obligations. Defined benefit obligations for each plan are calculated annually by independent qualified actuaries. Defined benefit assets are only recognized to the extent they are deemed recoverable.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in full in the period in which they arise through the statement of comprehensive income together with returns on plan assets, excluding net interest that is recorded in our consolidated statement of operations. These remeasurements are not subsequently reclassified to profit or loss.

Other movements in the net pension deficit or surplus are recognized in other operating expenses in our consolidated statement of operations. These generally comprise current and past service costs, including those arising from settlements and curtailments, and net interest amounts representing the change in the present value of plan obligations and plan assets resulting from the unwinding of discounts.

Certain of our subsidiaries participate in externally managed defined contribution pension plans. A defined contribution plan is a pension plan under which we have no further obligation once the fixed defined contribution has been paid to the third-party administrator of the plan. Contributions under our defined contribution pension plan are recognized as incurred in other operating expenses in our consolidated statement of operations.

For additional information on our employee benefit plans, see note 21.

Foreign Currency Translation and Transactions

The presentation currency of our company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary and equity method investee. Assets and liabilities of foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. With the exception of certain material transactions, the amounts reported in our consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded in foreign currency translation reserve in our consolidated statements of changes in owners' equity. With the exception of certain material transactions, the cash flows from our operations in foreign countries are translated at the average rate for the applicable period in our consolidated statements of cash flows. The impacts of material transactions generally are recorded at the applicable spot rates in our consolidated statements of operations and cash flows. The effect of exchange rates on cash balances held in foreign currencies are separately reported in our consolidated statements of cash flows.

Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our consolidated statements of financial position related to these non-functional currency transactions result in transaction gains and losses that are reflected in our consolidated statements of operations as unrealized (based on the applicable period end exchange rates) or realized upon settlement of the transactions.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business.

Service Revenue—Cable Networks. We recognize revenue from the provision of video, broadband internet and fixed-line telephony services over our cable network to customers in the period the related services are provided. Installation revenue (including reconnect fees) related to services provided over our cable network is generally recognized as revenue in the period during which the installation occurs.

Sale of Multiple Products and Services. We sell video, broadband internet, fixed-line telephony and, in most of our markets, mobile services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

basis. Revenue from bundled packages generally is allocated proportionally to the individual services based on the relative standalone price for each respective service.

Mobile Revenue—General. Consideration from mobile contracts is allocated to the airtime service element and the handset service element based on the relative standalone prices of each element. The amount of consideration allocated to the handset is limited to the amount that is not contingent upon the delivery of future airtime services. Certain of our operations that provide mobile services offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime services.

Mobile Revenue—Airtime Services. We recognize revenue from mobile services in the period the related services are provided. Revenue from pre-pay customers is recorded as deferred revenue prior to the commencement of services and revenue is recognized as the services are rendered or usage rights expire.

Mobile Revenue—Handset Revenue. Arrangement consideration allocated to handsets is recognized as revenue when the goods have been delivered and title has passed. Our assessment of collectibility is based principally on internal and external credit assessments as well as historical collection information for similar customers. To the extent that collectibility of installment payments from the customer is not reasonably assured upon delivery of the handset, handset revenue is not recognized until collectibility is reasonably assured.

Business-to-Business (B2B) Revenue. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

Promotional Discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognized only to the extent of the discounted fees charged to the subscriber, if any.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognized as revenue when the associated services are provided.

Sales, Use and Other Value-Added Taxes (VAT). Revenue is recorded net of applicable sales, use and other value-added taxes.

Income Taxes

The income taxes of CWC and its subsidiaries are presented on a separate return basis for each tax-paying entity or group based on the local tax law.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities at undiscounted values. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted as of the statement of financial position date.

Generally, deferred taxes are recognized for any temporary differences between the tax base and the IASB-IFRS base, except in situations where goodwill is not recognized for tax purposes.

Deferred tax assets are recognized for deductible temporary differences and tax loss and interest carryforwards, if it is probable that future taxable earnings will be available against which the unused tax losses or temporary differences can be utilized. However, deferred tax assets are not recognized if the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting earnings nor taxable earnings.

The recoverability of the carrying value of deferred taxes is determined based on management's estimates of future taxable earnings. If it is no longer probable that enough future taxable earnings will be available against which the unused tax losses or temporary differences can be used, an impairment in a corresponding amount is recognized on the deferred tax assets.

Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted as of the balance sheet date. Deferred taxes are not discounted.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

If the changes in the value of assets or liabilities are recognized in a separate component of equity, the change of value of the corresponding deferred tax assets and liabilities are also recognized in this separate component of equity (instead of income tax expense).

Deferred tax assets and liabilities are offset in our consolidated balance sheets if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

For additional information concerning our income taxes, see note 18.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

(5) Financial Risk Management

Overview

We have exposure to the following risks that arise from our financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Our exposure to each of these risks, the policies and procedures that we use to manage these risks and our approach to capital management are discussed below.

Credit Risk

Credit risk is the risk that we would experience financial loss if our customers or the counterparties to our financial instruments and cash investments were to default on their obligations to us.

We manage the credit risks associated with our trade receivables by performing credit verifications, following established dunning procedures and engaging collection agencies. We also manage this risk by disconnecting services to customers whose accounts are delinquent. Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries. For information concerning the aging of our trade receivables, see note 10.

We manage the credit risks associated with our financial instruments, cash investments and debt facilities primarily through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. Most of our cash currently is invested in either (i) AAA credit rated money market funds, including funds that invest in government obligations, or (ii) overnight deposits with banks. To date, neither the access to nor the value of our cash and cash equivalent balances have been adversely impacted by liquidity problems of financial institutions.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations and financial condition. In this regard, (i) the financial failure of any of our counterparties could reduce amounts available under committed credit facilities and adversely impact our ability to access cash deposited with any failed financial institution and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

Our maximum exposure to credit risk is represented by the carrying amounts of our financial assets. We do not believe there is any significant credit risk associated with these financial instruments.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash and cash equivalents, our primary sources of liquidity are cash provided by operations and access to the available borrowing capacity of our various debt facilities. For additional information related to our debt, see note 15.

Our liquidity is generally used to fund (i) corporate general and administrative expenses, (ii) interest payments on the CWC Notes and CWC Credit Facilities (each as defined and described in note 15), (iii) satisfy obligations under our employee benefit plans, (iv) the satisfaction of contingent liabilities, (v) acquisitions, (vi) other investment opportunities or (vii) income tax payments.

Our most significant financial obligations relate to our debt obligations, which are described in note 15. The terms of certain of our debt contain various restrictions, including covenants that restrict our ability to incur additional debt. As a result, additional debt financing is only a potential source of liquidity if the incurrence of any new debt is permitted by the terms of our existing debt instruments.

Our ability to generate cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that our sources of liquidity will be sufficient to fund our currently anticipated working capital needs, capital expenditures and other liquidity requirements during the next 12 months, although no assurance can be given that this will be the case. In this regard, it is not possible to predict how economic conditions, sovereign debt concerns and/or any adverse regulatory developments could impact the credit markets we access and, accordingly, our future liquidity and financial position. In addition, sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

We use budgeting and cash flow forecasting tools to ensure that we will have sufficient resources to timely meet our liquidity requirements. We also maintain a liquidity reserve to provide for unanticipated cash outflows.

The following table provides the timing of expected cash payments based on the contractually agreed upon terms for our financial liabilities as of March 31, 2016. The amounts are based on interest rates, interest payment dates and contractual maturities in effect as of March 31, 2016, as applicable. These amounts are presented for illustrative purposes only and will likely differ from the actual payments required in future periods.

Payments due during the year ending March 31:							
	2017	2018	2019	2020	2021	Thereafter	Total
	in millions						
Debt:							
Principal	\$ 81.6	\$ 57.5	\$ 251.3	\$ 616.8	\$ 1,281.7	\$ 783.4	\$ 3,072.3
Interest	234.4	222.5	212.4	201.5	146.4	57.6	1,074.8
Trade and other payables	230.9	—	—	—	—	—	230.9
Current tax liabilities	87.2	—	—	—	—	—	87.2
Provisions (a)	61.3	19.1	—	—	—	47.5	127.9
Other accrued and current liabilities	319.1	27.2	—	—	—	—	346.3
Total	<u>\$ 1,014.5</u>	<u>\$ 326.3</u>	<u>\$ 463.7</u>	<u>\$ 818.3</u>	<u>\$ 1,428.1</u>	<u>\$ 888.5</u>	<u>\$ 4,939.4</u>

(a) The amounts included in periods later than 2021 represent payments associated with our network-related asset retirement obligations.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The following table provides the timing of expected cash payments based on the contractually agreed upon terms for our financial liabilities as of March 31, 2015. The amounts are based on interest rates, interest payment dates and contractual maturities in effect as of March 31, 2015, as applicable. These amounts are presented for illustrative purposes only and will likely differ from the actual payments required in future periods.

	Payments due during the year ending March 31:						Total
	2016	2017	2018	2019	2020	Thereafter	
	in millions						
Debt principal	\$ 84.5	\$ 745.9	\$ 39.5	\$ 251.7	\$ 423.0	\$ 1,273.4	\$ 2,818.0
Debt interest	209.2	198.4	156.4	155.0	134.7	93.7	947.4
Trade and other payables	334.5	—	—	—	—	—	334.5
Current tax liabilities	119.7	—	—	—	—	—	119.7
Provisions (a)	129.4	60.8	—	—	—	49.2	239.4
Other accrued and current liabilities	372.1	41.2	—	—	—	—	413.3
Total	<u>\$ 1,249.4</u>	<u>\$ 1,046.3</u>	<u>\$ 195.9</u>	<u>\$ 406.7</u>	<u>\$ 557.7</u>	<u>\$ 1,416.3</u>	<u>\$ 4,872.3</u>

(a) The amounts included in periods later than 2020 represent payments associated with our network-related asset retirement obligations.

Market Risk

Interest Rate Risks

We are exposed to changes in interest rates primarily as a result of our related-party borrowing and investment activities, which include fixed-rate and variable-rate investments and borrowings by our subsidiaries. Our primary exposure to variable-rate debt is through the LIBOR-indexed CWC Credit Facilities, as defined and further described in note 15.

Assuming no change in the amounts outstanding, and without giving effect to any other variables, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by approximately \$3.4 million.

Foreign Currency Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases, programming and indefeasible rights of use contracts, notes payable and notes receivable (including intercompany amounts). Changes in exchange rates with respect to amounts recorded in our consolidated statements of financial position related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have not hedged any non-functional currency risks related to our revenue, operating costs and expenses and/or property and equipment additions as of March 31, 2016.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our presentation currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in foreign currency translation as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of foreign currency translation. Our primary exposure to foreign currency risk during the year ended March 31, 2016 was to the Jamaican dollar and Trinidad and Tobago dollar, as 13.0% and 7.6% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

currencies are the Jamaican dollar and Trinidad and Tobago dollar, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for the Colombian peso, Seychelles rupee and certain other local currencies in the Caribbean and Latin America. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars.

(6) Acquisitions

Columbus

On March 31, 2015, we purchased 100% of the issued and outstanding shares of Columbus (the **Columbus Acquisition**) for \$2.1 billion and assumed existing Columbus debt, including (i) the Columbus Senior Notes (as defined and described in note 15) and (ii) certain term loans (as further described in note 15). The term loans were subsequently refinanced in connection with the Liberty Global Transaction, as further described in note 29.

The fair value of the consideration provided in connection with the Columbus Acquisition was comprised of the following (in millions):

Ordinary common shares of C&W (a)	\$ 1,287.0
Cash	708.0
Put option (b)	103.0
Replacement share option awards (c)	23.0
Vendor taxes (d)	6.0
	<u>\$ 2,127.0</u>

- (a) Represents 1,557,529,605 ordinary common shares of \$0.05 each issued to CVBI Holdings (Barbados) Inc, Clearwater Holdings (Barbados) Limited, Columbus Holding LLC and Brendan Paddick (collectively, the “**Principal Vendors**”) in proportion to their Columbus shareholding. The fair value of these shares included a discount for lack of marketability.
- (b) The Principal Vendors entered into lock-up and put option arrangements in respect of the issued ordinary common shares in connection with the Columbus Acquisition. Under these arrangements each holder could require us to reacquire certain of the shares in four tranches between 2016 and 2019 at a strike price of \$0.7349 per share. The fair value of the put option was recognized in capital and other reserves in our consolidated statements of changes in owners’ equity. The put option meets the definition of an equity instrument, accordingly, it is revalued to fair value at each reporting date. The financial liability (repurchase option) in connection with the put option was valued on initial recognition using the present value technique of the future liability. For additional information, see note 8.
- (c) The Columbus employee incentive share option plan was cancelled, with certain employees of Columbus rolling over their options into an equivalent CWC share option plan. As set out in IFRS 3, *Business Combinations (IFRS 3)*, the fair value of these replacement awards attributable to the pre-acquisition service period is reflected as part of the consideration paid for Columbus.
- (d) As a consequence of the Columbus Acquisition, a deemed disposal of the shares of Columbus Dominicana S.A. was triggered giving rise to a potential capital gains tax liability of \$5 million under Dominican Republic tax law. In addition, an indirect ownership transfer was triggered under Panamanian tax law for Columbus Networks S. de R.L, Telecommunications Corporativas Panamenas S.A., Columbus Networks de Panama SRL and Columbus Networks Maritima S. de R.L. giving rise to a tax liability of \$1 million. As set out in IFRS 3, the fair value of these liabilities, which are paid on behalf of the seller, increased the consideration paid for Columbus.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

We have accounted for the Columbus Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Columbus based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet for Columbus at the March 31, 2015 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	\$ 80.0
Other current assets	123.0
Assets held at fair value	14.0
Property and equipment, net	1,134.0
Goodwill (a)	2,077.0
Intangible assets subject to amortization (b)	723.0
Deferred income tax assets	28.0
Assets held for sale	6.0
Accounts payable and accrued liabilities	(275.0)
Debt	(1,233.0)
Deferred income tax liabilities	(265.0)
Other noncurrent liabilities	(285.0)
Total purchase price	\$ 2,127.0

- (a) The goodwill recognized in connection with the Columbus Acquisition is primarily attributable to synergies arising from the acquisition and an assembled workforce, which are not separately recognized as they did not meet the recognition criteria of IAS 38, *Intangible Assets* (IAS 38).
- (b) Amount includes intangible assets primarily related to customer contracts and relationships.

Grupo Sonitel

On September 12, 2014, CW Panama agreed to acquire Panama-based Grupo Sonitel for \$36 million, plus contingent consideration of up to an additional \$5 million. Grupo Sonitel operates (i) SSA Sistemas, which provides end-to-end managed information technology solutions and telecommunication services to the government and business customers in Panama, as well as in El Salvador, Nicaragua and Peru, and (ii) Sonset, which provides information technology solutions and services to small and medium enterprise customers in Panama.

We have accounted for the acquisition of Grupo Sonitel using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Grupo Sonitel based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet for Grupo Sonitel at the September 12, 2014 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Property and equipment, net	\$ 2.0
Goodwill (a)	17.0
Intangible assets subject to amortization (b)	14.0
Other assets	6.0
Total purchase price	\$ 39.0

- (a) The goodwill recognized in connection with the acquisition of Grupo Sonitel is primarily attributable to synergies arising from the acquisition and an assembled workforce, which are not separately recognized as they did not meet the recognition criteria of IAS 38.
- (b) Represents intangible assets related to customer contracts and relationships.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Pro Forma Information

The following unaudited pro forma consolidated operating results for the year ended March 31, 2015 (in millions) give effect to (i) the Columbus Acquisition and (ii) the acquisition of Grupo Sonitel, as if they had been completed as of April 1, 2014. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable.

Revenue	\$ 2,404.6
Net earnings	\$ 283.5

Our consolidated statement of operations for the year ended March 31, 2015 includes revenue and net earnings of \$44 million and \$2 million, respectively, attributable to Grupo Sonitel.

(7) Discontinued Operation and Disposal

Discontinued operation

On May 15, 2014, CWC shareholders approved the sale of Compagnie Monégasque de Communication SAM (CMC) to a private investment company. CMC was the holding company for our 55% stake in Monaco Telecom. The sale of CMC was completed on May 20, 2014 for total consideration of \$453.6 million.

The results of Monaco Telecom, which is classified as a discontinued operation in our consolidated statement of operations for the year ended March 31, 2015, are as follows (in millions):

Revenue	\$ 29.2
Expenses	(20.3)
Earnings before income taxes	8.9
Income tax expense	(0.7)
Earnings from discontinued operations, net of taxes	8.2
Gain on disposal of discontinued operations, net of taxes	346.0
	<u>\$ 354.2</u>

Disposal

During the year ended March 31, 2015, we divested of our 32.577% non-controlling investment in Solomon Telekom Company Limited (Soltel) to the Solomon Islands National Provident Fund Board for total cash proceeds of approximately \$16.5 million. The transaction resulted in a gain on disposal of \$4 million. This divestment marked our exit from the South Pacific region as interests in Vanuatu and Fiji were previously sold.

The Soltel business did not constitute a discontinued operation in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, due to its size.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(8) Derivative Instruments and Financial Liabilities

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	March 31, 2016			March 31, 2015		
	Current	Long-term (a)	Total	Current	Long-term (a)	Total
<i>in millions</i>						
Assets – embedded derivatives:						
Columbus Senior Notes redemption option	\$ —	\$ 26.8	\$ 26.8	\$ —	\$ 14.1	\$ 14.1
Sable Senior Notes redemption option	—	4.1	4.1	—	—	—
	<u>\$ —</u>	<u>\$ 30.9</u>	<u>\$ 30.9</u>	<u>\$ —</u>	<u>\$ 14.1</u>	<u>\$ 14.1</u>
Liabilities – Columbus Put Option (b)	<u>\$ 279.0</u>	<u>\$ 691.4</u>	<u>\$ 970.4</u>	<u>\$ —</u>	<u>\$ 879.1</u>	<u>\$ 879.1</u>

(a) Our noncurrent derivative assets are included in other noncurrent assets in our consolidated statements of financial position.

(b) The Columbus Put Option is defined and described below.

The details of our realized and unrealized losses on derivative instruments for the year ended March 31, 2016, included in finance expense in our consolidated statements of operations, are as follows (in millions):

Embedded derivatives	\$ 12.6
Columbus Put Option	(91.3)
Total	<u>\$ (78.7)</u>

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity. We had no cash inflow or outflow activity related to derivative instruments during the years ended March 31, 2016 and 2015.

Embedded Derivatives

The redemption terms pursuant to the Columbus Senior Notes and Sable Senior Notes (each as defined and described in note 15) represent embedded derivative instruments, which require bifurcation from the applicable debt instrument. Each of the bifurcated amounts are carried at fair value in our consolidated statements of financial position. Any gain or loss associated with the recurring valuation of these embedded derivatives is recorded in realized and unrealized gains or losses on derivative instruments in our consolidated statements of operations.

Financial Liabilities

As part of the Columbus Acquisition, the Principal Vendors entered into lock-up and put option arrangements in respect of their issued consideration shares until 2019 (the **Columbus Put Option**). Our liability for the Columbus Put Option was valued on initial recognition using the present value technique of the future liability. Subsequent to March 31, 2016, the Columbus Put Option was settled in connection with the Liberty Global Transaction.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Reconciliations of the movements of the Columbus Put Option, held at amortized cost, are as follows:

	March 31,	
	2016	2015
	in millions	
Balance at beginning of period	\$ 879.1	\$ —
Recognition of put option liability	—	879.1
Accretion of Columbus Put Option	91.3	—
Balance at end of period	<u>\$ 970.4</u>	<u>\$ 879.1</u>

(9) Fair Value Measurements

We measure (i) certain of our investments and (ii) our derivative instruments at fair value. The reported fair values of these investments and derivative instruments as of March 31, 2016 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities. In the case of the investments that we measure at fair value, the values we realize upon disposition will be dependent upon, among other factors, market conditions and the forecasted financial performance of the investees at the time of any such disposition. With respect to our derivative instruments, we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

We disclose fair value measurements according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. We record transfers of assets or liabilities into or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During the year ended March 31, 2016, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (forecasted volatilities and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates. In the normal course of business, we receive market value assessments from the counterparties to our derivative contracts. Although we compare these assessments to our internal valuations and investigate unexpected differences, we do not otherwise rely on counterparty quotes to determine the fair values of our derivative instruments. The midpoints of applicable bid and ask ranges generally are used as inputs for our internal valuations.

We have bifurcated an embedded derivative associated with certain redemption terms of our Columbus Senior Notes and Sable Senior Notes (each as defined and described in note 15). The recurring fair value measurements of these embedded derivatives are determined using observable Level 2 data applying a binomial tree/lattice approach based on the Hull-White single factor interest rate term structure model. Under this approach, an interest rate lattice is constructed according to a given short-rate volatility and mean reversion constant as implied by the market at each valuation date.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. These nonrecurring valuations include the valuation of cash-generating units, customer relationship intangible assets and property and equipment. The valuation of cash-generating units is based at least in part on discounted cash flow analyses. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, are based on our assumptions, which are consistent with a market participant's approach. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer relationship, contributory asset charges and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During the year ended March 31, 2016, we finalized our nonrecurring valuation for the purpose of determining the acquisition accounting for the Columbus Acquisition.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The fair values of financial assets and liabilities, together with the carrying amounts shown in our consolidated statements of financial position, are as follows:

	Level	March 31, 2016		March 31, 2015	
		Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
in millions					
Assets carried at fair value:					
Held-for-sale investment in TSTT (note 13)	3	\$ 128.3	\$ 128.3	\$ 136.1	\$ 136.1
Embedded derivatives (a):					
Columbus Senior Notes redemption option	2	26.8	26.8	14.1	14.1
Sable Senior Notes redemption option	2	4.1	4.1	—	—
Government bonds	1	57.1	57.1	58.7	58.7
Total assets carried at fair value		<u>\$ 216.3</u>	<u>\$ 216.3</u>	<u>\$ 208.9</u>	<u>\$ 208.9</u>
Assets carried at cost or amortized cost:					
Trade and other receivables		\$ 505.6	\$ 505.6	\$ 444.4	\$ 444.4
Cash and cash equivalents		167.5	167.5	402.3	402.3
Loan receivable – related-party		86.2	86.2	74.3	74.3
Other current and noncurrent financial assets		55.2	55.2	48.1	48.1
Restricted cash		20.6	20.6	21.3	21.3
Total assets carried at cost or amortized cost		<u>\$ 835.1</u>	<u>\$ 835.1</u>	<u>\$ 990.4</u>	<u>\$ 990.4</u>
Liabilities carried at cost or amortized cost:					
Debt obligations		\$ 3,028.4	\$ 3,207.0	\$ 2,766.7	\$ 2,912.0
Accounts payable and other liabilities (including related-party)		276.4	276.4	401.0	401.0
Accrued liabilities (including related-party)		764.7	764.7	1,010.2	1,010.2
Columbus Put Option	2	970.4	970.4	879.1	879.1
Total liabilities carried at cost or amortized cost		<u>\$ 5,039.9</u>	<u>\$ 5,218.5</u>	<u>\$ 5,057.0</u>	<u>\$ 5,202.3</u>

- (a) These amounts represent embedded derivative instruments associated with the Columbus Senior Notes and the Sable Senior Notes, respectively (each as defined and described in note 15).

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Pre-tax amounts recognized in our consolidated statements of operations for the years ended March 31, 2016 and 2015 related to our financial assets and liabilities are as follows:

	Finance income	Finance expense	Other statement of operations effects (a)	Impact on earnings (loss) before income taxes
	in millions			
Year ended March 31, 2016:				
Derivative assets carried at fair value through our consolidated statement of operations	\$ —	\$ —	\$ (12.6)	\$ (12.6)
Assets carried at cost or amortized cost:				
Trade receivables (b)	—	—	25.2	25.2
Loan receivable	(11.3)	—	—	(11.3)
Cash and cash equivalents	(2.5)	—	—	(2.5)
Liabilities carried at fair value	—	17.4	—	17.4
Liabilities carried at cost or amortized cost	—	213.2	91.3	304.5
	<u>\$ (13.8)</u>	<u>\$ 230.6</u>	<u>\$ 103.9</u>	<u>\$ 320.7</u>
Year ended March 31, 2015:				
Assets carried at cost or amortized cost:				
Trade receivables (b)	\$ —	\$ —	\$ 19.7	\$ 19.7
Loan receivable	(1.0)	—	—	(1.0)
Cash and cash equivalents	(3.3)	—	—	(3.3)
Liabilities carried at fair value	—	9.3	—	9.3
Liabilities carried at cost or amortized cost	—	75.0	—	75.0
	<u>\$ (4.3)</u>	<u>\$ 84.3</u>	<u>\$ 19.7</u>	<u>\$ 99.7</u>

- (a) Except as noted in (b) below, amounts are included in realized and unrealized losses on derivative instruments within finance expense in our consolidated statements of operations.
- (b) The other statement of operations effects for trade receivables represent provisions for impairment of trade receivables and are included in other operating expenses in our consolidated statements of operations.

A reconciliation of the movements in the valuation basis of our financial instruments measured at fair value is as follows:

	Available-for-sale financial assets	Financial assets at fair value through earnings (loss) for the period	Total
	in millions		
Balance at April 1, 2015	\$ 58.7	\$ 14.1	\$ 72.8
Fair value gain	—	12.6	12.6
Additions	—	4.2	4.2
Sale of available-for-sale investment	0.7	—	0.7
Foreign currency translation adjustments	(2.3)	—	(2.3)
Balance at March 31, 2016	<u>\$ 57.1</u>	<u>\$ 30.9</u>	<u>\$ 88.0</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

	Available-for-sale financial assets	Financial assets at fair value through earnings (loss) for the period	Total
	in millions		
Balance at April 1, 2015	\$ 58.4	\$ —	\$ 58.4
Additions	2.4	14.1	16.5
Fair value gain	3.5	—	3.5
Sale of available-for-sale investment	(1.4)	—	(1.4)
Foreign currency translation adjustments	(4.2)	—	(4.2)
Balance at March 31, 2016	<u>\$ 58.7</u>	<u>\$ 14.1</u>	<u>\$ 72.8</u>

(10) Trade and Other Receivables

The details of our trade and other receivables, net, are set forth below:

	March 31,	
	2016	2015 (a)
	in millions	
Current trade and other receivables:		
Trade receivables – gross (b)	\$ 425.1	\$ 368.8
Allowance for impairment of trade receivables	(81.2)	(69.7)
Trade receivables, net	343.9	299.1
Other receivables (note 26) (c)	79.3	64.5
Unbilled revenue	77.6	78.1
Amounts receivable from joint ventures and associates	0.9	1.0
Total current trade and other receivables, net	501.7	442.7
Noncurrent – trade and other receivables	3.9	1.7
Total trade and other receivables	<u>\$ 505.6</u>	<u>\$ 444.4</u>

(a) As reclassified – see note 2.

(b) Includes \$49.3 million and \$52.7 million, respectively, representing a concentration of trade receivables due from various departments within a single government entity.

(c) Other receivables primarily include amounts due from New Cayman and VAT receivables.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The detailed aging of current trade receivables and related impairment amounts as of March 31, 2016 and 2015 is set forth below:

	March 31, 2016		March 31, 2015	
	Gross trade receivables	Allowance for impairment	Gross trade receivables	Allowance for impairment
	in millions			
Days past due:				
Current	\$ —	\$ —	\$ 40.0	\$ —
1 - 30	132.8	—	128.0	(0.3)
31 - 60	62.2	(0.2)	46.4	(0.1)
61 - 90	43.9	(0.7)	26.2	(0.2)
Over 90	186.2	(80.3)	128.2	(69.1)
Total	<u>\$ 425.1</u>	<u>\$ (81.2)</u>	<u>\$ 368.8</u>	<u>\$ (69.7)</u>

Based on historic default rates, we believe that no impairment allowance is necessary in respect of trade and other receivables not past due. Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have lengthy settlement periods. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

The following table shows the development of the allowance for impairment of trade receivables:

	Year ended March 31,	
	2016	2015
	in millions	
Allowance at beginning of period	\$ 69.7	\$ 78.0
Reclassification from held-for-sale	0.9	1.9
Business disposals	—	(6.8)
Provisions for impairment of receivables	25.2	19.7
Write-off of receivables	(14.4)	(22.4)
Foreign currency translation	(0.2)	(0.7)
Allowance at end of period	<u>\$ 81.2</u>	<u>\$ 69.7</u>

When a trade receivable is uncollectible, it is written off against the allowance account. Provisions for impairment of trade receivables are included in other operating expenses in our consolidated statements of operations.

(11) Inventory

Our inventory is primarily composed of mobile handsets and equipment. Inventory is not pledged as security or collateral against any of our borrowings. The cost of inventory held for sale that was expensed during the years ended March 31, 2016 and 2015 was \$138.8 million and \$148.0 million, respectively.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(12) Other Assets

The details of our other current assets are set forth as follows:

	March 31,	
	2016	2015
	in millions	
Restricted cash (a)	\$ 4.5	\$ 5.2
Income taxes receivable	7.4	9.6
Accrued other income	6.5	4.1
Other current assets	6.7	6.3
Total	<u>\$ 25.1</u>	<u>\$ 25.2</u>

- (a) Restricted cash primarily includes funding for seniority provisions in Panama and cash collateral related to certain loans in Barbados.

The details of our other noncurrent assets are set forth as follows:

	March 31,	
	2016	2015
	in millions	
Prepaid expenses (a)	\$ 117.3	\$ 126.4
Derivative instruments (note 8)	30.9	14.1
Available-for-sale financial assets (note 9) (b)	57.1	58.7
Retirement benefit plan assets (note 21)	28.0	16.8
Deferred income taxes (note 18)	35.8	55.8
Restricted cash (c)	16.1	16.1
Other noncurrent assets	10.6	13.5
Total	<u>\$ 295.8</u>	<u>\$ 301.4</u>

- (a) Amounts include \$101.9 million in prepaid mobile spectrum, which we do not currently have the right to use.
- (b) Amounts relate to U.K. Government Gilts, which are held as security against certain noncurrent employee benefit plan liabilities. For additional information, see note 21.
- (c) Restricted cash represents funding for seniority provisions in Panama.

(13) Assets Held for Sale

The details of our assets held for sale are as follows:

	March 31,	
	2016	2015
	in millions	
Investment in Telecommunications Services of Trinidad and Tobago Limited (TSTT)	\$ 128.3	\$ 136.1
Property and equipment (a)	26.2	27.9
Total	<u>\$ 154.5</u>	<u>\$ 164.0</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

- (a) Represents property and equipment primarily related to the Barbados fiber network, which is being divested as part of the regulatory approval from the Barbados Fair Trading Commission.

In connection with our acquisition of Columbus in March 2015, certain conditions were included in the regulatory approval of the transaction from the Telecommunications Authority of Trinidad and Tobago, including the requirement that we dispose of our investment in TSTT by a certain date, which has been extended to June 30, 2017. We cannot predict when, or if, we will be able to dispose of this investment at an acceptable price. As such, no assurance can be given that we will be able to recover the carrying value of our investment in TSTT. For additional information regarding our investment in TSTT, see note 29.

(14) Long-lived Assets

Property and Equipment, Net

Changes during the year ended March 31, 2016 in the carrying amounts of our property and equipment, net, are as follows:

	Plant and equipment	Land and buildings	Assets under construction	Total
	in millions			
Cost:				
April 1, 2015	\$ 5,128.0	\$ 485.8	\$ 298.4	\$ 5,912.2
Additions	141.7	3.1	359.4	504.2
Retirements and disposals	(142.3)	(1.0)	—	(143.3)
Transfers between categories	341.9	6.5	(348.4)	—
Transfers from (to) intangible assets	(5.7)	1.6	(39.0)	(43.1)
Foreign currency translation and other	(52.8)	(7.7)	(0.5)	(61.0)
March 31, 2016	<u>\$ 5,410.8</u>	<u>\$ 488.3</u>	<u>\$ 269.9</u>	<u>\$ 6,169.0</u>
Accumulated depreciation:				
April 1, 2015	\$ 3,109.7	\$ 222.7	\$ 0.4	\$ 3,332.8
Depreciation	315.1	18.8	—	333.9
Impairment	(52.0)	(21.6)	—	(73.6)
Retirements and disposals	(135.9)	—	—	(135.9)
Transfers to intangible assets	(6.9)	(0.1)	(0.4)	(7.4)
Foreign currency translation and other	(33.1)	(4.0)	—	(37.1)
March 31, 2016	<u>\$ 3,196.9</u>	<u>\$ 215.8</u>	<u>\$ —</u>	<u>\$ 3,412.7</u>
Property and equipment, net:				
March 31, 2016	\$ 2,213.9	\$ 272.5	\$ 269.9	\$ 2,756.3

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Changes during the year ended March 31, 2015 in the carrying amounts of our property and equipment, net, are as follows:

	Plant and equipment	Land and buildings	Assets under construction	Total
	in millions			
Cost:				
April 1, 2014	\$ 4,001.0	\$ 423.0	\$ 220.0	\$ 4,644.0
Acquisitions	1,054.0	41.0	53.0	1,148.0
Additions	11.9	0.5	403.7	416.1
Business disposals	(109.1)	—	(1.5)	(110.6)
Write-offs	(49.0)	—	—	(49.0)
Retirements and disposals	(94.0)	(2.0)	(0.4)	(96.4)
Reclassification from assets held for sale	55.0	8.0	9.0	72.0
Transfers between categories	334.0	21.4	(355.4)	—
Transfers from (to) intangible assets	—	—	(28.4)	(28.4)
Transfers to assets held for sale	(42.0)	—	—	(42.0)
Foreign currency translation and other	(33.8)	(6.1)	(1.6)	(41.5)
March 31, 2015	<u>\$ 5,128.0</u>	<u>\$ 485.8</u>	<u>\$ 298.4</u>	<u>\$ 5,912.2</u>
Accumulated depreciation:				
April 1, 2014	\$ 3,022.0	\$ 204.0	\$ 0.4	\$ 3,226.4
Depreciation (a)	196.2	14.6	—	210.8
Impairment	70.1	8.2	—	78.3
Write-offs	49.0	—	—	49.0
Retirements and disposals	(137.5)	(1.1)	—	(138.6)
Business disposals	(70.7)	—	—	(70.7)
Reclassification from assets held for sale	25.0	2.0	—	27.0
Transfers to assets held for sale	(14.8)	—	—	(14.8)
Foreign currency translation and other	(29.6)	(5.0)	—	(34.6)
March 31, 2015	<u>\$ 3,109.7</u>	<u>\$ 222.7</u>	<u>\$ 0.4</u>	<u>\$ 3,332.8</u>
Property and equipment, net:				
March 31, 2015	\$ 2,018.3	\$ 263.1	\$ 298.0	\$ 2,579.4

(a) Includes \$1.4 million related to discontinued operations.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Intangible Assets Subject to Amortization, Net

Changes in the carrying amounts of our finite-lived intangible assets during the year ended March 31, 2016 are as follows:

	Customer relationships	Software	Licensing and operating agreements	Other (a)	Total
	in millions				
Cost:					
April 1, 2015	\$ 645.4	\$ 324.5	\$ 93.4	\$ 89.1	\$ 1,152.4
Additions	—	30.3	—	—	30.3
Retirements and disposals	(4.3)	(3.1)	—	—	(7.4)
Transfers from property and equipment	—	16.1	27.0	—	43.1
Foreign currency translation and other	(0.5)	(3.8)	(7.2)	—	(11.5)
March 31, 2016	<u>\$ 640.6</u>	<u>\$ 364.0</u>	<u>\$ 113.2</u>	<u>\$ 89.1</u>	<u>\$ 1,206.9</u>
Accumulated amortization:					
April 1, 2015	\$ 7.5	\$ 243.1	\$ 28.0	\$ 0.3	\$ 278.9
Amortization	53.8	33.5	11.9	7.9	107.1
Retirements and disposals	(4.3)	(3.1)	—	—	(7.4)
Transfers from property and equipment	—	2.6	4.8	—	7.4
Foreign currency translation and other	0.1	(2.6)	(4.8)	—	(7.3)
March 31, 2016	<u>\$ 57.1</u>	<u>\$ 273.5</u>	<u>\$ 39.9</u>	<u>\$ 8.2</u>	<u>\$ 378.7</u>
Intangible assets subject to amortization, net:					
March 31, 2016	\$ 583.5	\$ 90.5	\$ 73.3	\$ 80.9	\$ 828.2

(a) Primarily includes brand names.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Changes in the carrying amounts of our finite-lived intangible assets during the year ended March 31, 2015 are as follows:

	Customer relationships	Software	Licensing and operating agreements	Other (a)	Total
	in millions				
Cost:					
April 1, 2014	\$ 27.0	\$ 260.0	\$ 175.6	\$ 70.0	\$ 532.6
Acquisitions	625.0	18.7	14.8	87.0	745.5
Additions	—	18.9	38.5	0.7	58.1
Business disposals	—	(2.4)	(135.4)	(69.6)	(207.4)
Retirements and disposals	(6.4)	(0.1)	—	—	(6.5)
Transfers from property and equipment	—	28.2	0.3	—	28.5
Foreign currency translation and other	(0.2)	1.2	(0.4)	1.0	1.6
March 31, 2015	<u>\$ 645.4</u>	<u>\$ 324.5</u>	<u>\$ 93.4</u>	<u>\$ 89.1</u>	<u>\$ 1,152.4</u>
Accumulated amortization:					
April 1, 2014	\$ 6.7	\$ 211.0	\$ 89.2	\$ 55.0	\$ 361.9
Amortization (b)	8.0	32.6	7.4	0.8	48.8
Business disposals	—	(1.6)	(68.4)	(55.4)	(125.4)
Retirements and disposals	(6.4)	(0.1)	—	—	(6.5)
Foreign currency translation and other	(0.8)	1.2	(0.2)	(0.1)	0.1
March 31, 2015	<u>\$ 7.5</u>	<u>\$ 243.1</u>	<u>\$ 28.0</u>	<u>\$ 0.3</u>	<u>\$ 278.9</u>
Intangible assets subject to amortization, net:					
March 31, 2015	\$ 637.9	\$ 81.4	\$ 65.4	\$ 88.8	\$ 873.5

(a) Primarily includes brand names.

(b) Includes \$1.6 million related to discontinued operations.

Goodwill

Goodwill is allocated to our cash-generating units, as defined and further described below, as follows:

Cash-generating unit	Reportable segment	March 31,	
		2016	2015
		in millions	
	Networks and Liberty Latin America	\$	
Networks	America	\$	844.9
Trinidad and Tobago	Caribbean		759.5
Jamaica	Caribbean		173.8
Curacao	Caribbean		97.0
			1,875.2
Other			268.5
		\$	2,143.7
		\$	2,159.6

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Changes in the carrying amount of our goodwill are set forth below:

	Year ended March 31,	
	2016	2015
	in millions	
Balance at beginning of year	\$ 2,159.6	\$ 355.8
Acquisitions	—	1,804.8
Impairment	(3.3)	—
Foreign currency translation adjustments	(12.6)	(1.0)
Balance at end of year	<u>\$ 2,143.7</u>	<u>\$ 2,159.6</u>

Impairment

We perform annual impairment reviews of the carrying value of goodwill in each of the reportable segments in which we operate. For the purpose of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows, known as cash-generating units. We have principally determined our cash-generating units to be the country in which the business operates with the exception of those segments that have discrete service lines and cash inflows, which are monitored by management on that basis.

We performed our annual impairment review effective March 31, 2016. In performing the review, the recoverable amounts of the cash-generating unit was determined based on the higher of the fair value less costs of disposal and the value in use of the respective cash-generating unit. The fair value measurement was categorized as Level 3 fair value based on the inputs in the valuation technique used. The value in use for each cash-generating unit was estimated using discounting cash flows, which used pre-tax discount rates dependent on the risk-adjusted cost of capital of the respective cash-generating unit. In connection with the annual impairment review, we impaired \$3.3 million of goodwill associated with Dekal Wireless (Holding) Limited, which is included in our “other” cash-generating unit.

The key assumptions used in the impairment review and the estimated recoverable amount of the cash-generating unit over its carrying value are as follows:

	Networks	Trinidad & Tobago	Jamaica	Curacao
Key assumptions:				
Pre-tax discount rate	9.2%	14.6%	11.5%	10.9%
Long-term growth rate	1.5%	5.0%	3.5%	5.0%
Budgeted Adjusted EBITDA (a)	9.3 - 25.2	6.0 - 9.5	6.8 - 18.6	6.0 - 9.0
Budgeted capital expenditure (b)	8.4 - 12.9	3.6	17.4 - 27.5	1.0
Change required for carrying amount to equal recoverable amount (in millions)	\$617.0	\$56.0	\$272.0	\$7.0

(a) Budgeted Adjusted EBITDA is expressed as the range of annual growth rates in operations in the initial five years of the value in use calculation as derived from a three-year forecast approved by the board of directors.

(b) Budgeted capital expenditures is expressed as a percentage of revenue in the initial five years of the value in use calculation.

Our impairment review results of the recoverable amounts of our cash-generating units are sensitive to a number of assumptions, including those key assumptions noted in the table above.

If, among other factors, (i) our enterprise value were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that further impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment expense is composed of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Depreciation expense	\$ 333.9	\$ 209.4
Amortization expense	107.1	47.2
Total depreciation and amortization	441.0	256.6
Impairment expense (recovery) (a)	(70.3)	127.2
Total depreciation, amortization and impairment	\$ 370.7	\$ 383.8

- (a) In connection with the Columbus Acquisition, certain assets in the legacy Columbus markets that overlapped with existing CWC markets were impaired during the year ended March 31, 2015 based on the expected timing of customer migration to the CWC fiber networks. During the year ended March 31, 2016, the timing of the migration plan was reassessed and extended. Accordingly, the discounted cash flow analysis associated with the 2015 impairment charge was revised to account for a change in the expected useful lives of the underlying assets, which resulted in a \$74.3 million impairment recovery during the 2016 period.

(15) Debt and Finance Lease Obligations

The U.S. dollar equivalents of the components of our consolidated third-party debt are as follows:

	March 31, 2016		Estimated fair value (c)		Principal amount	
	Weighted average interest rate (a)	Unused borrowing capacity (b)	March 31,		March 31,	
			2016	2015	2016	2015
			in millions			
C&W Notes	7.32%	\$ —	\$ 2,322.0	\$ 1,560.0	\$ 2,207.1	\$ 1,469.0
C&W Credit Facilities	5.11%	493.0	885.0	1,352.0	865.2	1,349.0
Total debt before discounts, premiums and deferred financing costs	6.70%	\$ 493.0	\$ 3,207.0	\$ 2,912.0	\$ 3,072.3	\$ 2,818.0

The following table provides a reconciliation of total debt before discounts, premiums and deferred financing costs to total debt and finance lease obligations:

	March 31,	
	2016	2015
	in millions	
Total debt before discounts, premiums and deferred financing costs	\$ 3,072.3	\$ 2,818.0
Discounts, net of premiums	(17.5)	(23.7)
Deferred financing costs	(26.4)	(27.6)
Total carrying amount of debt	3,028.4	2,766.7
Current maturities of debt and finance lease obligations	(87.4)	(82.2)
Long-term debt and finance lease obligations	\$ 2,941.0	\$ 2,684.5

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

-
- (a) Represents the weighted average interest rate in effect at March 31, 2016 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of financing costs, our weighted average interest rate on our aggregate variable- and fixed-rate indebtedness was 7.0% at March 31, 2016. For information regarding our derivative instruments, see note 8.
- (b) Unused borrowing capacity under the CWC Credit Facilities includes \$390.0 million under the CWC Revolving Credit Facility (as defined and described below), which represents the maximum availability without regard to covenant compliance calculations or other conditions precedent to borrowing. At March 31, 2016, based on the applicable leverage and other financial covenants, which take into account letters of credit issued in connection with the Cable & Wireless Superannuation Fund (CWSF) (as described in note 21), \$340.7 million of unused borrowing capacity was available to be borrowed under the CWC Credit Facilities.
- (c) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information regarding fair value hierarchies, see note 9.

General Information

Our “borrowing groups” include the respective restricted parent and subsidiary entities within CWC and Columbus and entities holding certain of our CWC Regional Facilities, as defined and described below. At March 31, 2016, all of our outstanding debt had been incurred by two of our primary borrowing groups.

Credit Facilities. Each of our borrowing groups has entered into one or more credit facility agreements with certain financial institutions. Each of these credit facilities contain certain covenants, the more notable of which are as follows:

- Our credit facilities contain certain consolidated gross or net leverage ratios, as specified in the relevant credit facility, which are required to be complied with on an incurrence and/or maintenance basis;
- Our credit facilities contain certain restrictions which, among other things, restrict the ability of the members of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to their direct and/or indirect parent companies (and indirectly to CWC) through dividends, loans or other distributions, subject to compliance with applicable covenants;
- Our credit facilities require that certain members of the relevant borrowing group guarantee the payment of all sums payable under the relevant credit facility and such group members are required to grant first-ranking security over their shares or, in certain borrowing groups, over substantially all of their assets to secure the payment of all sums payable thereunder;
- In addition to certain mandatory prepayment events, the instructing group of lenders under the relevant credit facility may cancel the commitments thereunder and declare the loans thereunder due and payable after the applicable notice period following the occurrence of a change of control (as specified in the relevant credit facility);
- Our credit facilities contain certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the instructing group of lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand;
- Our credit facilities require members of the relevant borrowing group to observe certain affirmative and negative undertakings and covenants, which are subject to certain materiality qualifications and other customary and agreed exceptions; and

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

- In addition to customary default provisions, our credit facilities generally include certain cross-default and cross-acceleration provisions with respect to other indebtedness of members of the relevant borrowing group, subject to agreed minimum thresholds and other customary and agreed exceptions.

Senior Notes. CWC and Columbus have issued senior notes. In general, our senior notes (i) are senior obligations of each respective issuer within the relevant borrowing group that rank equally with all of the existing and future senior debt of such issuer and are senior to all existing and future subordinated debt of each respective issuer within the relevant borrowing group and (ii) contain, in most instances, certain guarantees from other members of the relevant borrowing group (as specified in the applicable indenture). In addition, the indentures governing our senior notes contain certain covenants, the more notable of which are as follows:

- Our notes contain certain customary incurrence-based covenants. In addition, our notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of the issuer or certain subsidiaries, over agreed minimum thresholds (as specified under the applicable indenture), is an event of default under the respective notes;
- Our notes contain certain restrictions that, among other things, restrict the ability of the members of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to its direct and/or indirect parent companies (and indirectly to CWC) through dividends, loans or other distributions, subject to compliance with applicable covenants; and
- If the relevant issuer or certain of its subsidiaries (as specified in the applicable indenture) sell certain assets, such issuer must offer to repurchase the applicable notes at par, or if a change of control (as specified in the applicable indenture) occurs, such issuer must offer to repurchase all of the relevant notes at a redemption price of 101%.

CWC Notes

The details of our outstanding notes as of March 31, 2016 are summarized in the following table:

C&W Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value
			Borrowing currency	U.S. \$ equivalent		
			in millions			
Columbus Senior Notes (a)	March 30, 2021	7.375%	\$ 1,250.0	\$ 1,250.0	\$ 1,334.0	\$ 1,236.3
Sable Senior Notes (b)	August 1, 2022	6.875%	\$ 750.0	750.0	760.0	725.0
C&W Senior Notes (c)	March 25, 2019	8.625%	£ 200.0	207.1	228.0	207.1
Total				\$ 2,207.1	\$ 2,322.0	\$ 2,168.4

- (a) The Columbus Senior Notes were issued by Columbus. The Columbus Senior Notes include certain redemption terms that represent an embedded derivative. We have bifurcated the embedded derivative from the Columbus Senior Notes and recorded the liability associated with the redemption features at fair value in our consolidated statements of financial position. For additional information on the embedded derivative, see note 8.
- (b) On August 1, 2015, Sable issued the Sable Senior Notes, which had an issue price of 98.644%. A portion of the proceeds from the Sable Senior Notes and amounts drawn under the CWC Revolving Credit Facility were primarily used to repay amounts outstanding under certain then existing terms loans. In connection with these transactions, we recognized a loss on debt extinguishment of \$21.3 million.
- (c) The CWC Senior Notes, which are non-callable, were issued by Cable & Wireless International Finance B.V., a wholly-owned subsidiary of CWC.

Upon a change in control, we are required to make an offer to each holder of the Columbus Senior Notes to purchase such notes at a price equal to 101% of the principal amount plus accrued and unpaid interest. Subsequent to March 31, 2016, in connection with the Liberty Global Transaction, on May 23, 2016, we provided such notice of a change in control and offered to purchase for

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

cash any and all outstanding Columbus Senior Notes from each registered holder of the Columbus Senior Notes (the **Offer**). None of the Columbus Senior Notes were redeemed during the Offer period, which expired on June 20, 2016.

Subject to the circumstances described below, the Columbus Senior Notes are non-callable until March 30, 2018 and the Sable Senior Notes are non-callable until August 1, 2018. At any time prior to March 30, 2018, in the case of the Columbus Senior Notes and August 1, 2018, in the case of the Sable Senior Notes, Columbus and Sable may redeem some or all of the applicable notes by paying a “make-whole” premium, which is generally based on the present value of all scheduled interest payments until March 30, 2018 or August 1, 2018 (as applicable) using the discount rate (as specified in the applicable indenture) as of the redemption date, plus 50 basis points, and in the case of the Sable Senior Notes is subject to a minimum 1% of the principal amount outstanding at any redemption date prior to August 1, 2018.

Columbus and Sable (as applicable) may redeem some or all of the Columbus Senior Notes and Sable Senior Notes, respectively, at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the redemption date, as set forth below:

	Redemption price	
	Columbus Senior Notes	Sable Senior Notes
12-month period commencing	March 30	August 1
2018	103.688%	105.156%
2019	101.844%	103.438%
2020	100.000%	101.719%
2021 and thereafter	N.A.	100.000%

CWC Credit Facilities

The CWC Credit Facilities are the senior secured credit facilities of certain of our subsidiaries. The details of our borrowings under the CWC Credit Facilities as of March 31, 2016 are summarized in the following table:

C&W Credit Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Outstanding principal amount	Unused borrowing capacity (a)	Carrying value (b)
in millions						
C&W Term Loan	February 1, 2020	8.75%	\$ 400.0	\$ 400.0	\$ —	\$ 395.0
C&W Revolving Credit Facility	March 31, 2020	LIBOR + 3.50% (c)	\$ 570.0	180.0	390.0	180.0
C&W Regional Facilities (d)	various dates ranging from 2017 to 2038	3.65% (e)	\$ 443.4	285.2	103.0	285.0
Total				<u>\$ 865.2</u>	<u>\$ 493.0</u>	<u>\$ 860.0</u>

- (a) The amount related to the CWC Revolving Credit Facility represents the maximum availability without regard to covenant compliance calculations or other conditions precedent to borrowing. At March 31, 2016, based on the applicable leverage and other financial covenants, which take into account letters of credit issued in connection with the CWSF, \$340.7 million of unused borrowing capacity was available to be borrowed under the CWC Credit Facilities.
- (b) Amounts are net of discounts and deferred financing costs, where applicable.
- (c) The CWC Revolving Credit Facility has a fee on unused commitments of 0.5% per year.
- (d) Represents certain amounts borrowed by CW Panama, BTC and CW Jamaica, each a subsidiary of CWC (collectively, the **CWC Regional Facilities**).
- (e) Represents a blended weighted average rate for all CWC Regional Facilities.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Maturities of Debt Obligations

The U.S. dollar equivalents of the maturities of our debt, including amounts representing interest payments, as of March 31, 2016 are presented below (in millions):

Year ending March 31:	
2017	\$ 316.0
2018	280.0
2019	463.7
2020	818.3
2021	1,428.1
Thereafter	841.0
Total debt maturities	4,147.1
Discounts, net of premiums	(17.5)
Deferred financing costs	(26.4)
Amounts representing interest	(1,074.8)
Total	\$ 3,028.4
Current portion	\$ 82.2
Noncurrent portion	\$ 2,946.2

Subsequent events

For information regarding certain financing transactions completed subsequent to March 31, 2016, see note 29.

(16) Other Liabilities

The details of our other accrued and current liabilities are set forth as follows:

	March 31,	
	2016	2015
	in millions	
Accrued and other operating liabilities	\$ 242.8	\$ 274.5
Accrued interest payable	18.4	56.5
Accrued capital expenditures	56.0	76.7
Payroll and employee benefits (note 22)	20.3	20.9
Accrued share-based compensation	6.5	0.6
Total	\$ 344.0	\$ 429.2

The details of our other noncurrent liabilities are set forth as follows:

	March 31,	
	2016	2015
	in millions	
Retirement benefit obligations (note 21)	\$ 185.1	\$ 208.8
Provisions (note 17)	66.6	110.0
Accrued capital expenditures	19.3	12.9
Other accrued noncurrent liabilities	7.9	28.3
Total	\$ 278.9	\$ 360.0

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(17) Provisions

A summary of changes in our provisions for liabilities and charges during the years ended March 31, 2016 and 2015 is set forth in the tables below:

	Network and asset retirement obligations Legal and other Total			
	Restructuring			
	in millions			
April 1, 2015	\$ 96.9	\$ 51.6	\$ 90.9	\$ 239.4
Additional provisions	7.1	2.0	38.2	47.3
Amounts used	(65.8)	(5.5)	(66.5)	(137.8)
Unused amounts released	(16.8)	—	(5.6)	(22.4)
Effect of discounting	—	2.5	—	2.5
Transfers	1.8	(2.0)	0.2	—
Foreign currency translation adjustments and other	(0.4)	(0.7)	—	(1.1)
March 31, 2016	\$ 22.8	\$ 47.9	\$ 57.2	\$ 127.9
Current portion	\$ 20.6	\$ 0.4	\$ 40.3	\$ 61.3
Noncurrent portion	2.2	47.5	16.9	66.6
	\$ 22.8	\$ 47.9	\$ 57.2	\$ 127.9

	Network and asset retirement obligations Legal and other Total			
	Restructuring			
	in millions			
April 1, 2014	\$ 66.5	\$ 29.9	\$ 86.8	\$ 183.2
Acquisitions	—	—	33.1	33.1
Business disposals	(0.6)	(2.2)	(11.0)	(13.8)
Additional provisions	78.0	21.9	22.0	121.9
Amounts used	(46.8)	(0.2)	(25.5)	(72.5)
Unused amounts released	—	—	(14.4)	(14.4)
Effect of discounting	—	2.8	—	2.8
Foreign currency translation adjustments and other	(0.2)	(0.6)	(0.1)	(0.9)
March 31, 2015	\$ 96.9	\$ 51.6	\$ 90.9	\$ 239.4
Current portion	\$ 62.7	\$ 2.4	\$ 64.3	\$ 129.4
Noncurrent portion	34.2	49.2	26.6	110.0
	\$ 96.9	\$ 51.6	\$ 90.9	\$ 239.4

Our restructuring charges during the year ended March 31, 2016 include employee severance and termination costs related to reorganization and integration activities, primarily associated with the integration of Columbus.

Our network obligations include costs associated with redundant leased network capacity, including break fees in certain network contracts. Cash outflows associated with network obligations are expected to occur over the shorter of the period to exit and the lease contract life.

Our legal and other provisions include amounts relating to specific legal claims against our company and certain employee benefits and sales taxes. The timing of the utilization of the provision is uncertain and is largely outside our control, including matters that are contingent upon litigation. During 2015, we received an unfavorable ruling associated with pre-acquisition legal

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

risks of Columbus and were ordered to pay the majority of the Columbus purchase price hold back, a disputed non-competition payment and other amounts (including costs) of approximately \$11.0 million in aggregate, substantially all of which was paid during the year ended March 31, 2016.

(18) Income Taxes

Through our subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in the U.K. We have accounted for the effect of these taxes based on what we believe is reasonably expected to apply to us and our subsidiaries based on tax laws currently in effect and reasonable interpretations of these laws. Because some jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in the U.K. or tax regimes used in other major industrialized countries, it may be difficult to anticipate how other jurisdictions will tax our and our subsidiaries' current and future operations. The income taxes of CWC and its subsidiaries are presented on a separate return basis for each tax-paying entity or group based on the local tax law.

The combined details of our current and deferred income tax benefit (expense) that are included in our consolidated statements of operations are as follows:

	Year ended March 31,	
	2016	2015
	in millions	
Current tax expense	\$ 44.6	\$ 36.4
Deferred tax expense (benefit)	6.9	(4.7)
Total income tax expense	<u>\$ 51.5</u>	<u>\$ 31.7</u>

Income tax expense attributable to our earnings (loss) before income taxes differs from the amounts computed by applying the U.K. tax rate as a result of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Income tax expense (benefit) at U.K. statutory tax rate (a)	\$ 35.4	\$ (0.2)
Effect of changes in unrecognized deferred tax assets	46.5	17.0
Adjustments relating to prior years	(33.9)	10.0
Non-deductible or non-taxable interest and other expenses	26.0	8.0
International rate differences (b)	(24.5)	(17.6)
Effect of withholding tax and intra-group dividends	2.0	16.0
Other	—	(1.5)
Total income tax expense	<u>\$ 51.5</u>	<u>\$ 31.7</u>

- (a) The applicable statutory tax rate in the U.K. is 20% and 21% for the years ended March 31, 2016 and 2015, respectively.
- (b) Amounts reflect adjustments (either an increase or a decrease) to "expected" tax benefit (loss) for statutory rates in jurisdictions in which we operate outside of the U.K.

During 2015, the U.K. enacted legislation that will change the corporate income tax rate from the current rate of 20.0% to 19.0% in April 2017 and 18.0% in April 2020. During the third quarter of 2016, the U.K. enacted legislation that will further reduce the corporate income tax rate in April 2020 from 18.0% to 17.0%. Due to our unrecognized deferred tax assets in the U.K., these U.K. statutory rate changes are not expected to significantly impact our deferred income taxes.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The details of our deferred tax balances at March 31, 2016 and our deferred tax expense for the year ended March 31, 2016 are as follows:

	March 31, 2016		Year ended March 31, 2016	
	Deferred tax assets	Deferred tax liabilities	Foreign currency translation adjustments	Recognition in statement of operations
in millions				
Net operating loss and other carryforwards	\$ 17.4	\$ —	\$ —	\$ 4.0
Property and equipment	19.6	(154.8)	(1.3)	7.0
Intangible assets	—	(164.5)	(1.2)	(0.2)
Investments	—	(0.5)	—	—
Receivables	4.9	—	—	—
Accrued interest	10.4	—	—	—
Other	49.1	(23.9)	0.5	(3.9)
Net assets with liabilities within same jurisdiction	(65.6)	65.6	—	—
Total	\$ 35.8	\$ (278.1)	\$ (2.0)	\$ 6.9

The details of our deferred tax balances at March 31, 2015 and our deferred tax expense for the year ended March 31, 2015 are as follows:

	March 31, 2015		Year ended March 31, 2015		
	Deferred tax assets	Deferred tax liabilities	Acquisitions, net of disposals	Foreign currency translation adjustments	Recognition in statement of operations
	in millions				
Net operating loss and other carryforwards	\$ 21.4	\$ —	\$ (4.0)	\$ —	\$ (1.4)
Long-lived assets	22.0	(274.0)	(233.0)	0.8	(5.8)
Other	20.6	(27.4)	(10.4)	0.9	2.5
Net assets with liabilities within same jurisdiction	(8.2)	8.2	—	—	—
Total	\$ 55.8	\$ (293.2)	\$ (247.4)	\$ 1.7	\$ (4.7)

Deferred tax assets have not been recognized in respect of the following temporary differences:

	March 31,	
	2016	2015
in millions		
Net operating loss and other carryforwards	\$ 7,960.0	\$ 7,339.0
Capital allowances available on noncurrent assets	150.0	70.0
Pensions	186.0	205.0
Other	133.0	156.0
	\$ 8,429.0	\$ 7,770.0

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The significant components of our net operating loss and other carryforwards and related tax assets at March 31, 2016 are as follows:

Jurisdiction	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
Barbados	\$ 73.3	\$ 12.2	2016 - 2022
Colombia	9.5	3.6	Indefinite
All other countries	6.6	1.6	Various
Total	<u>\$ 89.4</u>	<u>\$ 17.4</u>	

We and our subsidiaries file consolidated and standalone income tax returns in various jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

(19) Owners' Equity

We had 4,475,953,616 fully paid ordinary shares at \$0.05 nominal value outstanding as of March 31, 2016 and 2015. In connection with the Liberty Global Transaction, all issued and outstanding CWC shares (including all shares then held in treasury) were cancelled, and CWC became a private, wholly-owned subsidiary of Liberty Global. For additional information, see note 29.

Dividends

During the year ended March 31, 2016, no dividends were declared or paid. On August 7, 2015, we paid the final dividend of \$115.6 million (2.67 cents per share) for the year ended March 31, 2015.

In addition, CW Panama and BTC declared and paid dividends in aggregate of \$54.0 million and \$86.0 million during the years ended March 31, 2016 and 2015, respectively. For additional information, see note 27.

Foreign currency translation reserve

The foreign currency translation reserve primarily contains exchange rate differences related to the translation of financial statements of our subsidiaries that do not have the U.S. dollar as their functional currency.

Capital and other reserves

Capital and other reserves is composed of the following:

	March 31,	
	2016	2015
	in millions	
Capital reserve	\$ 986.8	\$ 986.8
Other reserves:		
De-merger reserve (a)	2,288.6	2,288.6
Merger relief reserve (b)	1,208.8	1,208.8
Fair value reserve	19.8	19.8
Transactions with noncontrolling interests	(5.3)	(5.3)
Put option arrangements	(775.7)	(775.7)
	<u>2,736.2</u>	<u>2,736.2</u>
Total	<u>\$ 3,723.0</u>	<u>\$ 3,723.0</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

- (a) Represents reserves created on demerger of the legacy Cable and Wireless Limited business in 2010.
- (b) Represents a reserve related to the statutory relief from recognizing share premium when issuing equity shares in order to acquire the legal entity shares of another company when certain conditions are met. The merger reserve was formed in connection with the Columbus Acquisition on March 31, 2015 when we acquired 100% of the issued share capital of Columbus for consideration that included the issuance of shares.

(20) Finance Expense and Finance Income

Finance expense is composed of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Interest expense on third-party debt	\$ 207.9	\$ 74.2
Realized and unrealized losses on derivative instruments (note 8)	78.7	—
Losses on debt extinguishment (note 15)	21.3	36.5
Amortization of deferred financing costs and accretion of discounts (note 14)	14.9	6.4
Other financial expense items	7.8	3.7
Total	<u>\$ 330.6</u>	<u>\$ 120.8</u>

Finance income is composed of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Foreign currency transaction gains	\$ 11.4	\$ 40.0
Interest on related-party loans receivable (note 26)	5.0	0.9
Interest on cash and bank deposits	2.5	3.3
Other financial income items	6.3	4.1
Total	<u>\$ 25.2</u>	<u>\$ 48.3</u>

(21) Employee Benefit Plans

We operate pension plans for our current and former U.K. and overseas employees. These plans include both defined benefit plans, where retirement benefits are based on employees' remuneration and length of service, and defined contribution plans, where retirement benefits reflect the accumulated value of agreed contributions paid by, and in respect of, employees. Contributions to the defined benefit plans are made in accordance with the recommendations of independent actuaries who value the plans.

Cable & Wireless Superannuation Fund (CWSF)

The CWSF provides defined benefit and defined contribution arrangements for current and former employees of CWC. The CWSF has been closed to new defined benefit members since 1998 and was closed to future accrual of benefits effective from March 31, 2016.

Regulatory framework and governance

U.K. regulations govern (i) the nature of the relationship between CWC and the CWSF Board of Trustees (the **Trustees**) and (ii) the trustee-administered funds in which the assets of the CWSF are held. Responsibility for the governance of the CWSF, including investment decisions and contribution schedules, lies with the Trustees who must consult with the company on such matters. In accordance with the CWSF's governing documents, the Trustees must be composed of representatives of the company, plan participants and an independent trustee.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The weighted average duration of the total expected benefit payments from the CWSF is 16 years, and the weighted average duration of the expected uninsured benefit payments from the CWSF is 21 years.

We made contributions of \$48.8 million and \$51.4 million during the years ended March 31, 2016 and 2015, respectively, to the CWSF.

We are party to a contingent funding agreement (the **Contingent Funding Arrangement**) with the Trustees, under which the Trustees can call for a letter of credit or cash escrow in certain circumstances, such as a breach of certain financial covenants, the incurrence of secured debt above an agreed level or the failure to maintain available commitments of at least \$150 million under the CWC Revolving Credit Facility. Our acquisition of Columbus constituted a “change of control” under the Contingent Funding Arrangement and, therefore, the Trustees have the right to drawdown on the £100.0 million (\$143.9 million) letters of credit that were put in place in connection with the acquisition of Columbus pursuant to the terms of the Contingent Funding Arrangement. Based on the pending outcome of the triennial actuarial valuation as of March 31, 2016, which is expected to be completed during the second quarter of 2017, our contributions necessary to fund the CWSF by April 2019 are currently expected to range from nil to £23.0 million (\$33.1 million) per year during 2017, 2018 and 2019. We are currently in negotiations with the Trustees with respect to the future funding requirements of the CWSF and the outstanding letters of credit with a view to addressing the remaining deficit through future contributions over a period of time similar in structure to prior triennial period contribution schedules. No assurance can be given as to the outcome of such negotiations.

Minimum funding requirement

The deficit recovery funding plan agreed with the Trustees as part of the March 2013 actuarial valuation constitutes a minimum funding requirement. An adjustment to the deficit in the CWSF to account for the minimum funding requirement has been calculated in accordance with IFRIC 14, *The Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The adjustment to the deficit, which is recorded in other comprehensive loss, was \$54.3 million and \$21.4 million during the years ended March 31, 2016 and 2015, respectively.

Asset-liability matching

The Trustees have purchased a bulk annuity policy pursuant to which the insurer assumed responsibility for the benefits payable to certain of the CWSF's participants. At March 31, 2016, approximately 63% of the liabilities in the CWSF are matched by the annuity policy asset, which reduces the funding risk for the company.

U.K. unfunded pension arrangements

We operate unfunded defined benefit arrangements in the U.K. that primarily relate to pension provisions for former Directors and other senior employees in respect of their earnings in excess of the previous Inland Revenue salary cap. These arrangements are governed by individual trust deeds. One arrangement incorporates a covenant requiring us to hold security against the value of the liabilities. The security is in the form of U.K. Government Gilts, which are included in other noncurrent assets on our consolidated statements of financial position as available-for-sale financial assets.

The weighted average duration of the expected benefit payments from the unfunded arrangements is 16 years.

Overseas schemes

We operate other defined benefit pension schemes in Jamaica and Barbados, which are governed by local pension laws and regulations. These defined benefit schemes are closed to new entrants and, in Jamaica, existing participants do not accrue any additional benefits.

The Jamaican scheme owns an insurance policy, which matches in full the value of the defined benefit liabilities.

When defined benefit funds have an IAS 19, *Employee Benefits*, (**IAS 19**) surplus, they are recorded at the lower of that surplus and the future economic benefits available in the form of a cash refund or a reduction in future contributions. Any adjustment to the surplus (net of interest), referred to as an asset ceiling adjustment, is recorded in other comprehensive income. During the years ended March 31, 2016 and 2015, we recorded asset ceiling adjustments related to the Jamaican scheme of nil and \$26.0 million, respectively. The maximum economic benefit was determined by reference to the reductions in future contributions available to the company.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Based on March 31, 2016 exchange rates and information available as of that date, contributions to the overseas defined benefit pension schemes in 2017 are expected to aggregate \$3.0 million.

Merchant Navy Officers Pension Fund

While we have ceased participation in the Merchant Navy Officers Pension Fund (MNOFF), we may be liable for contributions to fund a portion of any funding deficits of the MNOFF that may occur in the future. At March 31, 2016, our scheduled payments to the MNOFF are estimated to be approximately \$2.0 million in aggregate through September 2020 relating to past actuarial valuations of the MNOFF. To the extent that there is an actuarially determined funding deficit of the MNOFF in the future, we may be required to fund a portion of such deficit.

IAS 19 Employee Benefits Valuation – CWSF and other schemes

The IAS 19 valuations of our major defined benefit pension schemes have been updated to March 31, 2016 by independent actuaries who prepared the valuation for the CWSF and the U.K. unfunded arrangements and reviewed the IAS 19 valuations prepared for the Jamaica overseas scheme. The IAS 19 valuation of our Barbados overseas scheme was also prepared by independent actuaries.

Our plan assets are composed of the following:

	March 31, 2016		March 31, 2015	
	CWSF	Overseas schemes	CWSF	Overseas schemes
	in millions			
Annuity policies	\$ 1,100.4	\$ 96.0	\$ 1,235.3	\$ 88.0
Equities – quoted	323.5	45.0	338.4	37.0
Bonds and gilts – quoted	247.0	36.0	237.7	39.0
Property	1.0	42.0	1.0	41.0
Cash and swaps	20.2	22.0	17.6	23.0
Total	<u>\$ 1,692.1</u>	<u>\$ 241.0</u>	<u>\$ 1,830.0</u>	<u>\$ 228.0</u>

The primary financial assumptions applied in the valuations and analysis of our schemes' assets are as follows:

	March 31, 2016			March 31, 2015		
	CWSF	U.K. unfunded arrangements	Overseas schemes (a)	CWSF	U.K. unfunded arrangements	Overseas schemes (a)
%						
Significant actuarial assumptions:						
RPI inflation rate	2.90	2.90	4.70	2.80	2.80	4.10
Discount rate	3.40	3.40	8.60	3.10	3.10	9.20
Discount rate – CWSF uninsured liability	3.50	—	—	3.20	—	—
Other actuarial assumptions:						
CPI inflation rate	1.90	1.90	—	1.80	1.80	—
Salary/wage increase	3.50	—	5.30	3.40	—	5.90
Pension increase (b)	1.8 - 2.9	—	2.7	1.7 - 2.7	—	2.8

(a) Represents the weighted average of the assumptions used for the respective schemes.

(b) The rate is primarily associated with the RPI inflation rate before and after expected retirement.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice. The assumptions related to mortality rates for the CWSF and U.K. unfunded plans are based upon the second series of Self-Administered Pension Scheme (SAPS 2) and the actual experience of the plan participants and dependents. In addition, allowance was made for future mortality improvements in line with the 2015 Continuous Mortality Investigation core projections with a long-term rate of improvement of 1.5% per annum. Based on these assumptions, the life expectancies of participants aged 60 are as follows:

	March 31,		
	2016	2026	2036
	years		
Male participants and dependents	28.9	30.1	31.4
Female participants	28.4	29.7	30.9
Female dependents	31.4	32.6	33.7

Risk

Through our defined benefit pension plans, we are exposed to a number of risks, the most significant of which are detailed below. The net pension liability can be significantly influenced by short-term market factors.

The calculation of the net surplus or deficit of the respective plans depends on factors that are beyond our control, principally (i) the value at the balance sheet date of equity shares in which the respective scheme has invested and (ii) long-term interest rates, which are used to discount future liabilities. The funding of the respective schemes is based on long-term trends and assumptions relating to market growth, as advised by qualified actuaries and investment advisors, including:

- Investment returns: Our net pension assets (liabilities) and contribution requirements are heavily dependent upon the return on the invested assets;
- Longevity: The cost to the company of the pensions promised to members is dependent upon the expected term of these payments. To the extent that members live longer than expected this will increase the cost of these arrangements; and
- Inflation rate risk: In the U.K., pension obligations are impacted by inflation and, as such, higher inflation will lead to higher pension liabilities.

The above risks have been mitigated for a large proportion of the CWSF's and all of the Jamaican scheme's liabilities through the purchase of insurance policies, the payments from which exactly match the corresponding obligations to employees. Remaining investment risks in the CWSF have also been mitigated to a certain extent by diversification of the return-seeking assets.

In addition, the defined benefit obligations as measured under IAS 19 are linked to yields on AA rated corporate bonds; however, the majority of our arrangements invest in a number of other assets, which generally move in a different manner from these bonds. Accordingly, changes in market conditions may lead to volatility in the net pension liability, actuarial gains or losses in other comprehensive income (loss), and, to a lesser extent, in the IAS 19 pension expense in our consolidated statements of operations.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Sensitivity analysis

The following table summarizes (i) the impact a 0.25% increase or decrease in the applicable actuarial assumed rate would have on the valuation of our pension schemes and (ii) the impact of plan participants living, on average, one year longer or one year less than assumed would have on the valuation of the CWSF:

	Increase	Decrease
	in millions	
CWSF and U.K. unfunded arrangements		
Discount rate:		
Effect on defined benefit obligation	\$ (69.0)	\$ 69.0
Effect on defined benefit obligation, net of annuity insurance policies	\$ (36.0)	\$ 36.0
Inflation (and related increases):		
Effect on defined benefit obligation	\$ 48.0	\$ (48.0)
Effect on defined benefit obligation, net of annuity insurance policies	\$ 28.0	\$ (28.0)
Life expectancy:		
Effect on defined benefit obligation	\$ 53.0	\$ (53.0)
Effect on defined benefit obligation, net of annuity insurance policies	\$ 19.0	\$ (19.0)
Overseas schemes		
Discount rate – effect on defined benefit obligation	\$ (6.0)	\$ 6.0
Inflation – effect on defined benefit obligation	\$ 1.0	\$ (1.0)

The sensitivity analysis is based on a standalone change in each assumption while holding all other assumptions constant. As reflected above, the impact on the net pension liability is significantly reduced for the CWSF scheme as a result of the annuity insurance policies we hold.

The methods used to prepare the sensitivity analysis did not change compared to the prior period.

Using the projected unit credit method for the valuation of liabilities, the current service cost is expected to increase when expressed as a percentage of pensionable payroll as the members of the scheme approach retirement.

Pension plan assets and liabilities

The assets and liabilities of our defined benefit pension schemes are as follows:

	March 31, 2016				March 31, 2015			
	CWSF	U.K. unfunded arrangements	Overseas schemes	Total	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions							
Fair value of plan assets	\$ 1,692.1	\$ —	\$ 241.0	\$ 1,933.1	\$ 1,830.1	\$ —	\$ 228.0	\$ 2,058.1
Present value of funded obligations	(1,737.3)	—	(219.0)	(1,956.3)	(1,947.2)	—	(185.0)	(2,132.2)
Present value of unfunded obligations	—	(44.0)	—	(44.0)	—	(48.0)	(3.0)	(51.0)
Impact of minimum funding requirement	(91.0)	—	—	(91.0)	(41.0)	—	—	(41.0)
Effect of asset ceiling	—	—	—	—	—	—	(26.0)	(26.0)
Net surplus (deficit) (a)	<u>\$ (136.2)</u>	<u>\$ (44.0)</u>	<u>\$ 22.0</u>	<u>\$ (158.2)</u>	<u>\$ (158.1)</u>	<u>\$ (48.0)</u>	<u>\$ 14.0</u>	<u>\$ (192.1)</u>
Pension plans in deficit	\$ (136.2)	\$ (44.0)	\$ (6.0)	\$ (186.2)	\$ (158.1)	\$ (48.0)	\$ (3.0)	\$ (209.1)
Pension plans in surplus	—	—	28.0	28.0	—	—	17.0	17.0
Net surplus (deficit)	<u>\$ (136.2)</u>	<u>\$ (44.0)</u>	<u>\$ 22.0</u>	<u>\$ (158.2)</u>	<u>\$ (158.1)</u>	<u>\$ (48.0)</u>	<u>\$ 14.0</u>	<u>\$ (192.1)</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

- (a) Totals include \$30.0 million and \$32.0 million at March 31, 2016 and March 31, 2015, respectively, to cover the cost of pension entitlements for former directors of the company.

The costs associated with our pension schemes recognized in our consolidated statements of operations are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Year ended March 31, 2015:				
Current service cost	\$ (0.5)	\$ —	\$ (2.0)	\$ (2.5)
Past service cost	(0.1)	—	—	(0.1)
Interest credit (charge) on net assets/liabilities	(5.0)	(1.9)	2.0	(4.9)
Administrative expenses	(1.8)	—	—	(1.8)
Total net charge	<u>\$ (7.4)</u>	<u>\$ (1.9)</u>	<u>\$ —</u>	<u>\$ (9.3)</u>
Year ended March 31, 2016:				
Current service cost	\$ (0.5)	\$ —	\$ (1.0)	\$ (1.5)
Past service cost	—	—	(16.0)	(16.0)
Interest credit (charge) on net assets/liabilities	(3.8)	(1.5)	1.0	(4.3)
Administrative expenses	(1.6)	—	—	(1.6)
Total net charge	<u>\$ (5.9)</u>	<u>\$ (1.5)</u>	<u>\$ (16.0)</u>	<u>\$ (23.4)</u>

Changes in our net pension asset (liability), after application of asset limit, are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Balance at April 1, 2014	\$ (147.9)	\$ (48.4)	\$ 17.6	\$ (178.7)
Effect of foreign exchange rate fluctuations	13.3	4.9	(1.1)	17.1
Net credit (expense) recognized in the consolidated statement of operations	(7.4)	(2.0)	0.1	(9.3)
Net expense recognized on the consolidated statement of comprehensive income	(68.1)	(4.4)	(4.6)	(77.1)
Contributions paid by employer	52.0	1.9	2.0	55.9
Balance at March 31, 2015	<u>\$ (158.1)</u>	<u>\$ (48.0)</u>	<u>\$ 14.0</u>	<u>\$ (192.1)</u>
Balance at April 1, 2015	\$ (158.1)	\$ (48.0)	\$ 14.0	\$ (192.1)
Effect of foreign exchange rate fluctuations	5.2	2.3	(1.1)	6.4
Net expense recognized in the consolidated statement of operations	(6.2)	(1.5)	(15.8)	(23.5)
Net credit (expense) recognized on the consolidated statement of comprehensive income	(27.0)	1.4	22.7	(2.9)
Contributions paid by employer	49.9	1.8	2.2	53.9
Balance at March 31, 2016	<u>\$ (136.2)</u>	<u>\$ (44.0)</u>	<u>\$ 22.0</u>	<u>\$ (158.2)</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Changes in the present value of our defined benefit pension obligations are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Balance at April 1, 2014	\$ (1,942.7)	\$ (48.4)	\$ (185.0)	\$ (2,176.1)
Current service cost	(0.5)	—	(2.0)	(2.5)
Interest expense on pension obligations	(79.6)	(1.9)	(13.0)	(94.5)
Actuarial losses from changes in financial assumptions	(241.2)	—	(11.0)	(252.2)
Actuarial experience gains (losses)	20.9	(4.5)	(2.0)	14.4
Benefits paid	93.6	1.9	20.0	115.5
Foreign exchange translation differences	202.3	5.0	5.0	212.3
Balance at March 31, 2015	<u>\$ (1,947.2)</u>	<u>\$ (47.9)</u>	<u>\$ (188.0)</u>	<u>\$ (2,183.1)</u>
Balance at April 1, 2015	\$ (1,947.2)	\$ (47.9)	\$ (188.0)	\$ (2,183.1)
Current service cost	(0.5)	—	(1.0)	(1.5)
Interest expense on pension obligations	(59.5)	(1.5)	(12.0)	(73.0)
Actuarial gains (losses) from changes in financial assumptions	62.5	1.2	(8.0)	55.7
Actuarial experience gains (losses)	22.2	—	(9.0)	13.2
Employee contributions	—	—	(1.0)	(1.0)
Employer disbursements	—	—	5.0	5.0
Past service costs	—	—	(16.0)	(16.0)
Benefits paid	87.5	1.8	6.0	95.3
Foreign exchange translation differences	97.7	2.5	5.0	105.2
Balance at March 31, 2016	<u>\$ (1,737.3)</u>	<u>\$ (43.9)</u>	<u>\$ (219.0)</u>	<u>\$ (2,000.2)</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Changes in the fair value of defined benefit assets are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Balance at April 1, 2014	\$ 1,817.3	\$ —	\$ 224.0	\$ 2,041.3
Interest income on plan assets	75.6	—	17.0	92.6
Return on invested plan assets, excluding interest income	68.8	—	(4.0)	64.8
Actuarial gains from changes in financial assumptions on insured asset	114.9	—	11.0	125.9
Actuarial experience gains (losses)	(12.4)	—	4.0	(8.4)
Employer contributions	51.4	1.9	2.0	55.3
Administrative expenses	(1.8)	—	—	(1.8)
Benefits paid	(93.6)	(1.9)	(20.0)	(115.5)
Foreign exchange translation differences	(190.1)	—	(6.0)	(196.1)
Balance at March 31, 2015	<u>\$ 1,830.1</u>	<u>\$ —</u>	<u>\$ 228.0</u>	<u>\$ 2,058.1</u>
Balance at April 1, 2015	\$ 1,830.1	\$ —	\$ 228.0	\$ 2,058.1
Interest income on plan assets	57.1	—	16.0	73.1
Return on invested plan assets, excluding interest income	(18.6)	—	12.0	(6.6)
Actuarial losses from changes in financial assumptions on insured asset	(28.2)	—	—	(28.2)
Actuarial experience losses	(12.3)	—	—	(12.3)
Employee contributions	—	—	1.0	1.0
Employer contributions	48.8	1.8	2.0	52.6
Employer disbursements	—	—	(5.0)	(5.0)
Administrative expenses	(1.6)	—	—	(1.6)
Benefits paid	(87.5)	(1.8)	(6.0)	(95.3)
Foreign exchange translation differences	(95.7)	—	(7.0)	(102.7)
Balance at March 31, 2016	<u>\$ 1,692.1</u>	<u>\$ —</u>	<u>\$ 241.0</u>	<u>\$ 1,933.1</u>

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Changes in the fair value of our minimum funding requirement or asset ceiling are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Balance at April 1, 2014	\$ (22.5)	\$ —	\$ (22.0)	\$ (44.5)
Interest expense on minimum funding requirement/asset ceiling	(1.0)	—	(2.0)	(3.0)
Change in effect of minimum funding requirement/asset ceiling – losses	(21.4)	—	(3.0)	(24.4)
Foreign exchange translation differences	3.9	—	1.0	4.9
Balance at March 31, 2015	<u>\$ (41.0)</u>	<u>\$ —</u>	<u>\$ (26.0)</u>	<u>\$ (67.0)</u>
Balance at April 1, 2015	\$ (41.0)	\$ —	\$ (26.0)	\$ (67.0)
Interest expense on minimum funding requirement/asset ceiling	(1.4)	—	(4.0)	(5.4)
Change in effect of minimum funding requirement/asset ceiling – gains (losses)	(54.3)	—	29.0	(25.3)
Foreign exchange translation differences	5.7	—	1.0	6.7
Balance at March 31, 2016	<u>\$ (91.0)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (91.0)</u>

At March 31, 2016, the CWSF has an IAS 19 deficit of \$136.2 million, as compared to a deficit of \$158.1 million at March 31, 2015.

We have unfunded pension liabilities in the U.K. of \$44.0 million and \$48.0 million, respectively, at March 31, 2016 and 2015. In addition, the defined benefit schemes in Jamaica and Barbados have a net IAS 19 surplus of \$22.0 million and \$14.0 million, respectively.

(22) Employee and Other Staff Expenses

Our employee and other staff expenses is composed of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Salaries and wages	\$ 290.6	\$ 276.6
Defined benefit pension plan costs	23.5	16.7
Contract labor and other	19.8	18.7
Share-based payments	14.5	6.7
Social security costs	12.6	13.3
Defined contribution pension plan costs	5.3	6.5
Other costs	2.1	2.2
Total employee and other staff expenses of continuing operations (a)	368.4	340.7
Employee and other staff expenses of discontinued operation	—	4.4
Total	<u>\$ 368.4</u>	<u>\$ 345.1</u>

(a) Includes restructuring charges of \$6.2 million and \$77.8 million during the years ended March 31, 2016 and 2015, respectively.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

Remuneration for key management is included within employee and other staff expenses. Our key management represents those directors that have the authority and responsibility for managerial decisions affecting the future development and operations of our business. There have been no transactions with the key management personnel of CWC during the years ended March 31, 2016 and 2015, other than remuneration paid for their services, as follows:

	Year ended March 31,	
	2016	2015
	in millions	
Salaries and other short-term employment benefits	\$ 6.5	\$ 11.9
Post-employment benefits	0.5	0.6
Total directors' remuneration	7.0	12.5
Share-based compensation	3.5	2.2
Total key management remuneration	\$ 10.5	\$ 14.7

(23) Other Operating Expense

Our other operating expense is composed of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Property and utilities costs	\$ 106.3	\$ 103.7
Consultancy costs	89.8	98.7
Marketing and advertising expenses	67.6	68.0
Integration costs	42.3	12.0
Direct acquisition costs (a)	32.2	54.3
Bad debt and collection expenses	25.2	19.7
License fees, duties, tariffs and other related expenses	23.3	26.6
Information technology costs	14.9	18.6
Travel costs	11.8	10.5
Office expenses	11.3	12.2
Other items	38.0	10.0
Total other operating expense of continuing operations	462.7	434.3
Other operating expense of discontinued operation	—	1.8
Total	\$ 462.7	\$ 436.1

- (a) Costs primarily relate to transaction fees and legal and regulatory advice in connection with the Liberty Global Transaction and Columbus Acquisition, as applicable.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(24) Other Operating Income

Our other operating income is composed of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Gains on disposal of property and equipment	\$ 5.6	\$ —
Share of results of joint ventures and affiliates	(0.6)	12.8
Columbus balancing payment (a)	—	25.1
Other income	0.6	0.2
Total	<u>\$ 5.6</u>	<u>\$ 38.1</u>

(a) Represents payments received in connection with a strategic alliance with Columbus prior to the Columbus Acquisition.

(25) Share-based Compensation

Our share-based compensation expense relates to various incentive plans for our directors and key employees. We recognized \$14.5 million and \$6.7 million of share-based compensation expense during the years ended March 31, 2016 and 2015, respectively, which is included in employee and other staff expenses in our consolidated statements of operations.

On May 16, 2016, there was a change of control due to the Liberty Global Transaction, which resulted in the accelerated vesting of certain of our outstanding awards under our restricted and performance share plans. On May 17, 2016, the outstanding awards were cancelled and replaced with grants of restricted share units under a Liberty Global employee incentive plan.

(26) Related-party Transactions

Our related-party transactions consist of the following:

	Year ended March 31,	
	2016	2015
	in millions	
Revenue	\$ 12.8	\$ 2.5
Operating costs	(2.5)	(2.1)
Included in operating income	10.3	0.4
Interest income	5.0	0.9
Included in earnings (loss) from continuing operations	<u>\$ 15.3</u>	<u>\$ 1.3</u>

Revenue. These amounts represent (i) certain transactions with joint ventures and associates that arise in the normal course of business, which include fees for the use of our products and services, network and access charges, and (ii) management fees earned for services we provided to the Carve-out Entities to operate and manage their business under a management services agreement (MSA). The services that we provided to the Carve-out Entities were provided at the direction of, and subject to the ultimate control, direction and oversight of, the Carve-out Entities. For information on our acquisition of the Carve-out Entities subsequent to March 31, 2016, see note 29.

Operating costs. These amounts represent fees associated with the use of joint ventures and associates products and services, network and access charges.

Interest income. Amounts represent interest income on the related-party loans receivable, as further described below.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

The following table provides details of our related-party balances:

	March 31,	
	2016	2015
	in millions	
Assets:		
Loans receivable (a)	\$ 86.2	\$ 74.3
Other current assets (b)	20.8	—
Total assets	<u>\$ 107.0</u>	<u>\$ 74.3</u>

-
- (a) Represents loans receivable from New Cayman that bear interest at 8.0% per annum. As further discussed in note 29, we acquired the Carve-out Entities on April 1, 2017, at which time the loans receivable were settled for equity of the Carve-out Entities.
- (b) Represents the net unpaid amount due to us pursuant to ordinary course transactions between us and New Cayman, including fees charged by us to New Cayman under the MSA. These amounts are included in trade and other receivables in our consolidated statements of financial position.

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

(27) Noncontrolling Interests

The following tables summarize information relating to our subsidiaries that have significant noncontrolling interests:

	BTC	CW Panama	CW Jamaica	CW Barbados	Other	Total
	in millions, except percentages					
Noncontrolling interest percentage	51%	51%	18%	19%	20% - 30%	
<i>Statements of financial position data:</i>						
March 31, 2016						
Current assets	\$ 113.2	\$ 231.3	\$ 53.4	\$ 73.0	\$ 31.4	\$ 502.3
Noncurrent assets	405.1	698.0	257.9	163.8	120.5	1,645.3
Current liabilities	(115.0)	(236.8)	(73.0)	(116.2)	(26.1)	(567.1)
Noncurrent liabilities	(6.2)	(334.0)	(470.7)	(47.2)	(7.8)	(865.9)
Net assets	<u>\$ 397.1</u>	<u>\$ 358.5</u>	<u>\$ (232.4)</u>	<u>\$ 73.4</u>	<u>\$ 118.0</u>	<u>\$ 714.6</u>
Net assets attributable to noncontrolling interests	<u>\$ 202.5</u>	<u>\$ 182.8</u>	<u>\$ (41.8)</u>	<u>\$ 13.9</u>	<u>\$ 27.2</u>	<u>\$ 384.6</u>
March 31, 2015						
Current assets	\$ 119.8	\$ 211.6	\$ 72.7	\$ 48.4	\$ 28.5	\$ 481.0
Noncurrent assets	364.3	714.6	189.1	137.9	101.8	1,507.7
Current liabilities	(129.4)	(257.7)	(93.6)	(115.3)	(26.1)	(622.1)
Noncurrent liabilities	(5.6)	(310.5)	(443.5)	(38.5)	(4.6)	(802.7)
Net assets	<u>\$ 349.1</u>	<u>\$ 358.0</u>	<u>\$ (275.3)</u>	<u>\$ 32.5</u>	<u>\$ 99.6</u>	<u>\$ 563.9</u>
Net assets attributable to noncontrolling interests	<u>\$ 178.0</u>	<u>\$ 182.6</u>	<u>\$ (49.6)</u>	<u>\$ 6.2</u>	<u>\$ 22.3</u>	<u>\$ 339.5</u>
<i>Statements of operations data:</i>						
Year ended March 31, 2016:						
Revenue	\$ 328.9	\$ 649.1	\$ 199.0	\$ 147.4	\$ 84.7	\$ 1,409.1
Net earning (loss)	\$ 68.0	\$ 86.4	\$ (0.3)	\$ 45.0	\$ 18.5	\$ 217.6
Earnings (loss) attributable to noncontrolling interests	\$ 34.7	\$ 44.1	\$ (0.1)	\$ 8.5	\$ 4.9	\$ 92.1
Other comprehensive earnings attributable to NCI	\$ 34.7	\$ 44.1	\$ 7.7	\$ 7.7	\$ 4.9	\$ 99.1
Year ended March 31, 2015:						
Revenue	\$ 348.3	\$ 636.1	\$ 190.4	\$ 154.2	\$ 84.9	\$ 1,413.9
Net earning (loss)	\$ 52.8	\$ 108.7	\$ (66.5)	\$ (19.7)	\$ 6.9	\$ 82.2
Earnings (loss) attributable to noncontrolling interests	\$ 26.9	\$ 55.4	\$ (12.0)	\$ (3.7)	\$ 1.5	\$ 68.1
Other comprehensive earnings (loss) attributable to NCI	\$ 26.9	\$ 55.4	\$ (10.3)	\$ (4.0)	\$ 1.4	\$ 69.4

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

	BTC	CW Panama	CW Jamaica	CW Barbados	Other	Total
<i>in millions, except percentages</i>						
<i>Statements of cash flows data:</i>						
Year ended March 31, 2016:						
Cash flows from operating activities	\$ 72.9	\$ 183.5	\$ 24.9	\$ 41.8	\$ 30.0	\$ 353.1
Cash flows from investing activities	(75.2)	(100.7)	(66.9)	(15.6)	(15.2)	(273.6)
Cash flows from financing activities	(14.6)	(65.0)	39.4	(7.5)	(14.1)	(61.8)
Effect of exchange rate changes on cash	—	—	(0.1)	—	—	(0.1)
Net increase (decrease) in cash and cash equivalents	\$ (16.9)	\$ 17.8	\$ (2.7)	\$ 18.7	\$ 0.7	\$ 17.6
Dividends paid to NCI	\$ (10.0)	\$ (44.0)	\$ —	\$ —	\$ —	\$ (54.0)
Year ended March 31, 2015:						
Cash flows from operating activities	\$ 106.6	\$ 205.4	\$ (15.1)	\$ 62.7	\$ 15.7	\$ 375.3
Cash flows from investing activities	(74.2)	(123.8)	(63.1)	(47.1)	(7.3)	(315.5)
Cash flows from financing activities	(45.6)	(83.8)	80.2	(3.9)	(9.4)	(62.5)
Effect of exchange rate changes on cash	—	—	(0.2)	—	—	(0.2)
Net increase (decrease) in cash and cash equivalents	\$ (13.2)	\$ (2.2)	\$ 1.8	\$ 11.7	\$ (1.0)	\$ (2.9)
Dividends paid to NCI	\$ (23.0)	\$ (63.0)	\$ —	\$ —	\$ —	\$ (86.0)

(28) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to network and connectivity commitments, purchases of customer premises equipment, programming contracts, non-cancellable operating leases and other items. In addition, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, see note 8. For information regarding our defined benefit plans, see note 21.

Rental expense of our continuing operations under non-cancellable operating lease arrangements amounted to \$83.2 million and \$39.4 million during the years ended March 31, 2016 and 2015, respectively. It is expected that in the normal course of business, operating leases that expire generally will be renewed or replaced by similar leases.

We have established various defined contribution benefit plans for our and our subsidiaries' employees. The aggregate expense of our continuing operations for matching contributions under the various defined contribution employee benefit plans was \$5.3 million and \$6.5 million during the years ended March 31, 2016 and 2015, respectively.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future. In addition, we have provided indemnifications of (a) up to \$300.0 million in respect of any potential tax-related claims related to the disposal of our interests in certain businesses in April 2013 and (b) an unlimited amount of qualifying claims associated with the disposal of another business in May 2014. The first indemnification expires in April 2020 and the second

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

expires in May 2020. We do not expect that either of these arrangements will require us to make material payments to the indemnified parties.

In addition, we are a party to the Contingent Funding Agreement with the Trustees of the CWSF. The Trustees have the right to drawdown on the £100.0 million (\$143.9 million) letters of credit that were put in place in connection with the acquisition of Columbus pursuant to the terms of the Contingent Funding Arrangement.

Legal and Regulatory Proceedings and Other Contingencies

COTT claim. In 2015, a claim was filed against a subsidiary of Columbus by the Copyright Music Organization of Trinidad and Tobago (**COTT**) for damages of copyright infringement related to musical works transmitted by the subsidiary. We have recorded a provision based on our best estimate of the potential liability associated with this claim. While we generally expect that the amounts required to satisfy this contingency will not materially differ from the estimated amount we have accrued, no assurance can be given that the resolution of the COTT claim will not result in a material impact on our results of operations, cash flows or financial position.

Regulatory. The Liberty Global Transaction triggered regulatory approval requirements in certain jurisdictions in which we operate. The regulatory authorities in certain of these jurisdictions, including the Bahamas, Jamaica, Trinidad and Tobago, Seychelles and Cayman Islands, have not completed their review of the Liberty Global Transaction or granted their approval. Such approvals may include binding conditions or requirements that could have an adverse impact on our operations and financial condition.

Other regulatory Issues. Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving VAT and wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming, copyright and channel carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(29) Subsequent Events

Financing Transactions

On May 17, 2016, Sable and Coral-US Co-Borrower LLC (**Coral-US**), a wholly-owned subsidiary of CWC, acceded as borrowers and assumed obligations under the credit agreement dated May 16, 2016 (the **CWC Credit Agreement**), pursuant to which (i) Coral-US entered into \$1,100 million in terms loans (the **CWC Term Loans**) and (ii) Sable and Coral-US entered into a \$570 million revolving credit facility (the **New CWC Revolving Credit Facility**).

A portion of the proceeds from the CWC Term Loans and amounts drawn under the New CWC Revolving Credit Facility were used to (i) repay amounts outstanding under the then existing revolving credit facility, (ii) redeem certain senior secured notes issued by Sable and (iii) finance the special dividend payable to CWC shareholders in connection with the Liberty Global Transaction, as further described below. In connection with these transactions, we recognized a loss on debt extinguishment of \$41.8 million. This loss includes (a) the write-off of \$24.3 million of unamortized deferred financing costs and (b) the payment of \$17.5 million of redemption premium.

In October 2016, Sable and Coral-US entered into an agreement with additional lenders under the CWC Credit Agreement increasing the aggregate commitments under the New CWC Revolving Credit Facility from \$570 million to \$625 million. Other

CABLE & WIRELESS COMMUNICATIONS LIMITED
Notes to Consolidated Financial Statements – (Continued)
March 31, 2016 and 2015

than with respect to the increase in aggregate commitments, the terms of the New CWC Revolving Credit Facility were not modified.

In November 2016, Sable and Coral-US entered into a new \$300.0 million term loan facility (the **Term B-1B Loan Facility**) in accordance with the terms of the CWC Credit Agreement. The loan under the Term B-1B Loan Facility constitutes an increase to the existing Term B-1 Loan under (and as defined in) the CWC Credit Agreement. The Term B-1B Loan Facility matures on December 31, 2022 and bears interest at a rate of LIBOR plus 4.75%, subject to a LIBOR floor of 0.75%. The net proceeds from the Term B-1B Loan Facility were used to prepay amounts outstanding under the New CWC Revolving Credit Facility and for general corporate purposes.

On March 17, 2017, CW Panama issued \$100.0 million of subordinated debt. The term loan bears interest at 4.5% per annum and matures in March 2021. The proceeds from the term loan were used for general corporate purposes.

Liberty Global Transaction

In connection with the Liberty Global Transaction, CWC was delisted from the London Stock Exchange, all issued and outstanding CWC shares (including all shares then held in treasury) were cancelled and CWC became a private, wholly-owned subsidiary of Liberty Global.

Under the terms of the Liberty Global Transaction, CWC shareholders received, in the aggregate: 31,607,008 Class A Liberty Global ordinary shares, 77,379,774 Class C Liberty Global ordinary shares, 3,648,513 Class A LiLAC ordinary shares and 8,939,316 Class C LiLAC ordinary shares. Further, CWC shareholders received a special dividend in the amount of £0.03 (\$0.04 at the transaction date) per CWC share paid pursuant to the scheme of arrangement based on 4,433,222,313 outstanding shares of CWC on May 16, 2016. The special dividend was in lieu of any previously-announced CWC dividend.

Merger

Effective December 30, 2016, CWC, LGE Coral Mergerco B.V. (**LGE Coral Mergerco**) and LG Coral Mergerco Limited (**LG Coral Mergerco**), each a subsidiary of Liberty Global, completed a cross-border merger, with LG Coral Mergerco as the surviving entity (the **Merger**). The Merger was completed in accordance with the laws of England and Wales and the Netherlands. In accordance with the Merger agreement, LG Coral Mergerco issued 44,332 fully-paid shares in consideration for the transfer of the assets and liabilities of CWC and LGE Coral Mergerco. As a result of the Merger, CWC and LGE Coral Mergerco ceased to exist and all of the existing issued share capital of each entity was cancelled. Subsequent to the Merger, LG Coral Mergerco immediately changed its name to Cable & Wireless Communications Limited.

Acquisition

On March 8, 2017, the FCC granted its approval for our acquisition of the Carve-out Entities. Accordingly, on April 1, 2017, subsidiaries of the CWC acquired the Carve-out Entities for an aggregate purchase price of \$86.2 million, which represents the amount due under notes receivable that were exchanged for the equity of the Carve-out Entities.

Impairment

In connection with the regulatory approval process to dispose of our investment in TSTT, TSTT management arranged for an independent valuation of their business, which was completed during the quarter ended September 30, 2016. As a result of the valuation, we recorded an impairment charge of \$35.1 million that has reduced the carrying value of our investment in TSTT to \$93.2 million.

In connection with our impairment review conducted as of October 1, 2016, we impaired the value of goodwill in our Trinidad and Tobago and Networks cash-generating units by \$586.7 million and \$115.9 million, respectively.

\$1,750,000,000
AMENDED AND RESTATED CREDIT AGREEMENT

Originally dated as of May 16, 2016, and as amended and restated as of May 26, 2017

among
CABLE & WIRELESS LIMITED,
as the Company,

SABLE INTERNATIONAL FINANCE LIMITED

and

CORAL-US CO-BORROWER LLC,
as the Initial Borrowers,

THE BANK OF NOVA SCOTIA,
as Administrative Agent,

THE BANK OF NOVA SCOTIA,
as L/C Issuer and Swing Line Lender,

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED,
BNP PARIBAS FORTIS SA/NV,
ROYAL BANK OF CANADA, and
THE BANK OF NOVA SCOTIA,
as Alternative L/C Issuers

THE OTHER LENDERS PARTY HERETO FROM TIME TO TIME,

and

BANK OF AMERICA, N.A.
THE BANK OF NOVA SCOTIA
BARCLAYS BANK PLC
BNP PARIBAS FORTIS SA/NV
CITIGROUP GLOBAL MARKETS LIMITED
GOLDMAN SACHS BANK USA
as Arrangers as Bookrunners

BANK OF AMERICA, N.A.
THE BANK OF NOVA SCOTIA
BARCLAYS BANK PLC
BNP PARIBAS FORTIS SA/NV
CITIBANK, N.A.
GOLDMAN SACHS BANK USA

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms	8
Section 1.02. Other Interpretive Provisions	42
Section 1.03. Accounting Terms	43
Section 1.04. Rounding	43
Section 1.05. References to Agreements, Laws, Etc.	43
Section 1.06. Times of Day	43
Section 1.07. Timing of Payment of Performance	43
Section 1.08. Letters of Credit and Alternative Letters of Credit	43
Section 1.09. Cashless Roll	43
Section 1.10. Existing Intercreditor Agreement	44

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.01. The Loans	44
Section 2.02. Borrowings, Conversions and Continuations of Loans	45
Section 2.03. Letters of Credit and Alternative Letters of Credit	47
Section 2.04. Swing Line Loans	56
Section 2.05. Prepayments	59
Section 2.06. Termination or Reduction of Commitments	68
Section 2.07. Repayment of Loans	69
Section 2.08. Interest	69
Section 2.09. Fees	70
Section 2.10. Computation of Interest and Fees	70
Section 2.11. Evidence of Indebtedness	71
Section 2.12. Payments Generally	71
Section 2.13. Sharing of Payments	73
Section 2.14. Additional Facilities	74
Section 2.15. Refinancing Amendments	76
Section 2.16. Extension of Term Loans; Extension of Revolving Credit Loans	78
Section 2.17. Defaulting Lenders	80
Section 2.18. General limitation on each Borrower's Obligation	82
Section 2.19. Acknowledgement and Consent to Bail-In of EEA Financial Institutions	82

ARTICLE III
TAXES, INCREASED COSTS PROTECTION AND ILLEGALITY

Section 3.01. Taxes	82
Section 3.02. Irish & U.K. Taxes	85
Section 3.03. Belgian Taxes	86
Section 3.04. Lender Tax Status	87
Section 3.05. Value Added Tax	91
Section 3.06. Tax Credits	91
Section 3.07. Illegality	92
Section 3.08. Inability to Determine Rates	93
Section 3.09. Increased Cost and Reduced Return; Capital Adequacy; Eurocurrency Rate Loan Reserves	93
Section 3.10. Funding Losses	94
Section 3.11. Matters Applicable to All Requests for Compensation	94
Section 3.12. Replacement of Lenders under Certain Circumstances	95
Section 3.13. Survival	96

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

Section 4.01. [Reserved]	97
Section 4.02. Conditions to Credit Extensions on the Amendment Effective Date	97
Section 4.03. Conditions to all Credit Extensions after the Amendment Effective Date	98

[Section 4.04.Compliance with Conditions.](#) 98

[ARTICLE V](#)
[REPRESENTATIONS AND WARRANTIES](#)

[Section 5.01.Existence, Qualification and Power; Compliance with Laws](#) 99

[Section 5.02.Authorization; No Contravention](#) 99

[Section 5.03.Governmental Authorization; Other Consents](#) 99

[Section 5.04.Binding Effect](#) 100

[Section 5.05.Financial Statements; No Material Adverse Effect](#) 100

[Section 5.06.Litigation](#) 100

[Section 5.07.Ownership of Property; Liens](#) 100

[Section 5.08.Environmental Matters](#) 100

[Section 5.09.Taxes](#) 101

[Section 5.10.ERISA Compliance](#) 101

[Section 5.11.Pensions.](#) 101

[Section 5.12.Margin Regulations; Investment Company Act](#) 101

[Section 5.13.Disclosure](#) 102

[Section 5.14.Labor Matters](#) 102

[Section 5.15.Intellectual Property; Etc.](#) 102

[Section 5.16.Solvency](#) 102

[Section 5.17.\[Reserved\]](#) 102

[Section 5.18.USA Patriot Act, Anti-Corruption Laws and Sanctions](#) 102

[Section 5.19.Collateral Documents](#) 103

[Section 5.20.Telecommunications, Cable and Broadcasting Laws](#) 103

[ARTICLE VI](#)
[AFFIRMATIVE COVENANTS](#)

[Section 6.01.Company Materials](#) 103

[Section 6.02.Compliance Certificates and other Information](#) 104

[Section 6.03.Notices](#) 105

[Section 6.04.Payment of Taxes](#) 105

[Section 6.05.Preservation of Existence, Etc.](#) 105

[Section 6.06.Maintenance of Properties](#) 105

[Section 6.07.Maintenance of Insurance](#) 105

[Section 6.08.Compliance with Laws](#) 106

[Section 6.09.Books and Records](#) 106

[Section 6.10.Inspection Rights](#) 106

[Section 6.11.Additional Collateral; Additional Guarantors](#) 106

[Section 6.12.Compliance with Environmental Laws](#) 106

[Section 6.13.Further Assurances](#) 107

[Section 6.14.Designation of Subsidiaries](#) 107

[Section 6.15.Use of Proceeds](#) 107

[Section 6.16.Post-Closing Actions](#) 107

[Section 6.17.Actions in connection with the Group Refinancing Transactions.](#) 107

[Section 6.18.Subordinated Shareholder Loans.](#) 108

[Section 6.19.Maintenance of Intellectual Property](#) 108

[Section 6.20.Change in Accounting Practices.](#) 108

[Section 6.21.Maintenance of Ratings](#) 110

[Section 6.22.“Know Your Client” Checks.](#) 110

[ARTICLE VII](#)
[NEGATIVE COVENANTS](#)

[Section 7.01.Annex II](#) 111

[Section 7.02.Financial Covenant](#) 111

[ARTICLE VIII](#)
[EVENTS OF DEFAULT AND REMEDIES](#)

[Section 8.01.Events of Default](#) 111

<u>Section 8.02.Remedies Upon Event of Default</u>	114
<u>Section 8.03.Application of Funds</u>	115
<u>Section 8.04.Borrowers' Right to Cure</u>	115

ARTICLE IX ADMINISTRATIVE AGENT AND OTHER AGENTS

<u>Section 9.01.Appointment and Authority</u>	116
<u>Section 9.02.Rights as a Lender</u>	117
<u>Section 9.03.Exculpatory Provisions</u>	117
<u>Section 9.04.Reliance by Administrative Agent</u>	118
<u>Section 9.05.Delegation of Duties</u>	118
<u>Section 9.06.Resignation of Administrative Agent</u>	118
<u>Section 9.07.Non-Reliance on Administrative Agent and Other Lenders</u>	119
<u>Section 9.08.No Other Duties, Etc.</u>	119
<u>Section 9.09.Administrative Agent May File Proofs of Claim; Credit Bidding</u>	120
<u>Section 9.10.Collateral Matters</u>	121
<u>Section 9.11.Secured Cash Management Agreements and Secured Hedge Agreements</u>	121
<u>Section 9.12.Withholding Tax Indemnity</u>	122
<u>Section 9.13.Intercreditor Agreements</u>	122

ARTICLE X MISCELLANEOUS

<u>Section 10.01.Amendments, Etc.</u>	122
<u>Section 10.02.Notices and Other Communications; Facsimile Copies</u>	126
<u>Section 10.03.No Waiver; Cumulative Remedies</u>	128
<u>Section 10.04.Attorney Costs and Expenses</u>	128
<u>Section 10.05.Indemnification by the Borrower</u>	128
<u>Section 10.06.Payments Set Aside</u>	130
<u>Section 10.07.Successors and Assigns</u>	130
<u>Section 10.08.Confidentiality</u>	137
<u>Section 10.09.Setoff</u>	138
<u>Section 10.10.Interest Rate Limitation</u>	138
<u>Section 10.11.Counterparts; Electronic Execution of Assignments and Certain Other Documents</u>	138
<u>Section 10.12.Integration; Termination</u>	139
<u>Section 10.13.Survival of Representations and Warranties</u>	139
<u>Section 10.14.Severability</u>	139
<u>Section 10.15.GOVERNING LAW; FORUM; PROCESS AGENT</u>	139
<u>Section 10.16.WAIVER OF RIGHT TO TRIAL BY JURY</u>	140
<u>Section 10.17.Binding Effect</u>	141
<u>Section 10.18.USA Patriot Act</u>	141
<u>Section 10.19.No Advisory or Fiduciary Responsibility</u>	141
<u>Section 10.20.INTERCREDITOR AGREEMENTS</u>	141
<u>Section 10.21.Additional Parties</u>	142
<u>Section 10.22.Resignation of a Borrower or Guarantor</u>	144
<u>Section 10.23.Judgment Currency</u>	145
<u>Section 10.24.Continuing Obligations.</u>	145

ARTICLE XI GUARANTEE

<u>Section 11.01.The Guarantee</u>	145
<u>Section 11.02.Obligations Unconditional</u>	146
<u>Section 11.03.Reinstatement</u>	147
<u>Section 11.04.Subrogation; Subordination</u>	147
<u>Section 11.05.Remedies</u>	147
<u>Section 11.06.Instrument for the Payment of Money</u>	147
<u>Section 11.07.Continuing Guarantee</u>	147
<u>Section 11.08.General Limitation on Guarantee Obligations</u>	147
<u>Section 11.09.Release of Guarantors</u>	148

<u>Section 11.10.Right of Contribution</u>	148
<u>Section 11.11.Keepwell</u>	148
<u>Section 11.12.No Marshaling</u>	149
<u>Section 11.13.Election of Remedies</u>	149
<u>Section 11.14.Agent's Duties</u>	149

ANNEXES

- I Additional Definitions
- II Covenants

SCHEDULES

- I Guarantors
- II List of Documents to be Re-confirmed
- III Lender Tax Status
- 1.01A Commitments
- 1.01B Existing Letters of Credit
- 6.16 Post-Closing Actions
- 6.17 Actions in connection with the Group Refinancing Transactions
- 10.02 Administrative Agent's Office, Certain Addresses for Notices
- 10.21 Additional Parties Documents

CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT, originally dated as of May 16, 2016, is amended and restated as of May 26, 2017, among CABLE & WIRELESS LIMITED, a private limited liability company incorporated under the laws of England and Wales, as the Company (as defined below), SABLE INTERNATIONAL FINANCE LIMITED, an exempted company incorporated under the laws of the Cayman Islands (the “**Original Borrower**”), and CORAL-US CO-BORROWER LLC, a limited liability company organized under the laws of Delaware (the “**Original Co-Borrower**” and, together with the Original Borrower, the “**Initial Borrowers**”), the guarantors party hereto from time to time, THE BANK OF NOVA SCOTIA, as Administrative Agent, each lender from time to time party hereto (collectively, the “**Lenders**” and individually, a “**Lender**”), The Bank of Nova Scotia, as L/C Issuer and Swing Line Lender, and FirstCaribbean International Bank (Bahamas) Limited, BNP Paribas Fortis SA/NV, Royal Bank of Canada and The Bank of Nova Scotia, as Alternative L/C Issuers.

PRELIMINARY STATEMENTS

The Lenders have agreed to extend credit (i) to the Original Co-Borrower in the form of Term B-3 Loans made available pursuant to the terms hereof in an aggregate principal amount equal to \$1,125,000,000, and (ii) to the Initial Borrowers in the form of Revolving Credit Commitments in an aggregate principal amount equal to \$625,000,000. The Revolving Credit Commitments permit the issuance of one or more Letters of Credit and Alternative Letters of Credit from time to time and the making of one or more Swing Line Loans from time to time.

The applicable Lenders have indicated their willingness to lend and each of the L/C Issuer and the Alternative L/C Issuers has indicated its willingness to issue Letters of Credit or Alternative Letters of Credit, as applicable, in each case, on the terms and subject to the conditions set forth herein.

The capitalized terms used in these preliminary statements are defined in Section 1.01 below.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms.

(a) Capitalized terms used in this Agreement and not defined in Section 1.01(b) below have the meanings set forth in Annex I to this Agreement.

(b) As used in this Agreement, the following terms shall have the meanings set forth below:

“2016 Credit Agreement” means the credit agreement dated as of May 16, 2016 (as amended, restated, supplemented or otherwise modified from time to time prior to the Amendment Effective Date) between, among others, the Initial Borrowers and The Bank of Nova Scotia, as administrative agent.

“Acceptable Discount” has the meaning specified in Section 2.05(a)(v)(D)(2).

“Acceptable Prepayment Amount” has the meaning specified in Section 2.05(a)(v)(D)(3).

“Acceptance and Prepayment Notice” means a notice of the applicable Borrower’s acceptance of the Acceptable Discount in substantially the form of Exhibit P.

“Acceptance Date” has the meaning specified in Section 2.05(a)(v)(D)(2).

“Additional Borrower” means a member of the Restricted Group which has complied with the requirements of Section 10.21(b).

“Additional Facility” means an additional facility (term or revolver) referred to in Section 2.14 and **“Additional Facilities”** means all or any such Additional Facilities.

“Additional Facility Available Amount” means:

(a) an amount equal to the sum of:

(i) without double counting, any amounts of Indebtedness available to be Incurred pursuant to Sections 4.09(b)(1), 4.09(b)(18) and 4.09(b)(25) of Annex II; *plus*

(ii) without double counting, any amounts of Indebtedness available to be Incurred pursuant to Section 4.09(b)(14) of Annex II; *plus*

(b) (i) in the case of an Additional Facility that serves to effectively extend the maturity of the Term Loans and/or Revolving Credit Loans, an amount equal to the reductions in the Term Loans and/or Revolving Credit Loans (and accompanied by a corresponding permanent reduction of the Revolving Credit Commitments) to be replaced with such Additional Facility and (ii) in the case of an Additional Revolving Facility that effectively replaces any Revolving Credit Commitments terminated under Section 2.06, an amount equal to the portion of the relevant terminated Revolving Credit Commitments; *plus*

(c) the aggregate amount of any voluntary prepayment of Term Loans that are secured on a *pari passu* basis with the Initial Term Loans (including any Refinancing Term Loans or Extended Term Loans) or Revolving Credit Loans (to the extent accompanied by a corresponding permanent reduction of the Revolving Credit Commitments) to the extent the relevant prepayment or reduction (i) is not funded or effected with any long-term Indebtedness (including Indebtedness in the form of a bridge or other interim credit facility intended to be Refinanced with long-term Indebtedness) and (ii) does not include any prepayment that is funded with the proceeds of an Additional Facility Incurred in reliance on clause (b); *plus*

(d) if the proceeds of an Additional Facility are being used to refinance existing Indebtedness that ranks *pari passu* or senior in right of security to the Obligations, (i) an amount equal to the accrued interest and premiums on such existing Indebtedness, (ii) other amounts owing or paid relating to such existing Indebtedness, and (iii) fees and expenses reasonably incurred in connection with the foregoing; *plus*

(e) an unlimited amount so long as, in the case of this clause (e), (i) if such Indebtedness incurred under an Additional Facility is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio would not exceed 4.00 to 1.00, and (ii) the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00, in each case, calculated on a pro forma basis after giving effect thereto and, if applicable, any permitted acquisition or Permitted Investment, including the applicable of proceeds thereof, as of the last date of the most recently ended Test Period, and (A) in the case of any Additional Revolving Facility, assuming a full drawing of such Additional Revolving Facility and (B) without netting the cash proceeds of any Borrowing under such Additional Facility;

provided that, it is understood that (i) any Additional Facility may be Incurred under any of clauses (a), (b), (c), (d), or (e) as selected by the Company in its sole discretion, (ii) the Company may elect to Incur Additional Facilities under clause (e) prior to using amounts available under clauses (a), (b), (c) or (d), and (iii) without duplication, amounts Incurred pursuant to clauses (a), (b), (c) or (d) substantially concurrently with amounts Incurred pursuant to clause (e) will not count as Indebtedness for purposes of calculating the Consolidated Net Leverage Ratio; and *provided further* that any portion of any Additional Facilities or Additional Facility Loans may be reclassified in accordance with Section 4.09(e)(1) of Annex II.

“Additional Facility Availability Period” in relation to an Additional Facility means the availability period specified in the Additional Facility Joinder Agreement for that Additional Facility.

“Additional Facility Borrower” means any Borrower which becomes a Borrower under any Additional Facility.

“Additional Facility Borrowing” means an Additional Facility Loan or a group of Additional Facility Loans of the same Class and Type made (including through a conversion or continuation) by the applicable Additional Facility Lenders.

“Additional Facility Commencement Date” means, in relation to an Additional Facility, the effective date of that Additional Facility which shall be the later of:

- (a) the date specified in the relevant Additional Facility Joinder Agreement; and
- (b) the date on which the conditions set out in Section 2.14 are satisfied.

“Additional Facility Commitment” means in relation to an Initial Additional Facility Lender the amount set out as the Additional Facility Commitment of a Lender in the relevant Additional Facility Joinder Agreement and the amount of any other Additional Facility Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it in accordance with this Agreement.

“Additional Facility Joinder Agreement” means a document substantially in the form of Exhibit K (Form of Additional Facility Joinder Agreement), with such amendments as the Administrative Agent or the relevant Lenders and the applicable Borrower under such Additional Facility Joinder Agreement may approve or reasonably require.

“Additional Facility Lender” means, with respect to an Additional Facility or an Increase Confirmation, an Initial Additional Facility Lender and any Person that becomes a new lender under such Additional Facility in accordance with Section 10.07.

“Additional Facility Loan” means a loan and/or advance made or to be made under the Additional Facility.

“Additional Guarantor” means any member of the Restricted Group which has complied with the requirements of Section 10.21(c).

“Additional Lender” means any Person that is not an existing Lender and has agreed to provide any portion of any (a) Additional Facility in accordance with Section 2.14, (b) other Loans pursuant to a Refinancing Amendment in accordance with Section 2.15, or (c) Replacement Term Loans pursuant to Section 10.01; *provided* that each Additional Lender shall be subject to the approval of the Administrative Agent, such approval not to be unreasonably withheld, conditioned or delayed, in each case solely to the extent that any such consent would be required from the Administrative Agent under Section 10.07(b)(i)(B) for an assignment of Loans to such Additional

Lender, and in the case of Additional Revolving Facility and Other Revolving Credit Commitments, the Swing Line Lender and the applicable L/C Issuer, such approval not to be unreasonably withheld, conditioned or delayed, in each case solely to the extent such consent would be required for any assignment to such Additional Lender under Section 10.07(b)(i)(C) or Section 10.07(b)(i)(D).

“**Additional Refinancing Lender**” has the meaning set forth in Section 2.15(a).

“**Additional Revolving Facility**” means any Additional Facility permitted under Section 2.14 that is a revolving facility.

“**Administrative Agent**” means The Bank of Nova Scotia, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“**Administrative Agent’s Office**” means the Administrative Agent’s address and account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify each Borrower and the Lenders.

“**Administrative Questionnaire**” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“**Affiliated Lender**” means a Lender that is Liberty Global or an Affiliate thereof (other than the Company or any Subsidiary of the Company).

“**Affiliated Lender Cap**” has the meaning set forth in Section 10.07(k)(iv).

“**Agent Parties**” has the meaning specified in Section 10.02(b).

“**Agent-Related Distress Event**” means, with respect to the Administrative Agent or any Person that directly or indirectly Controls the Administrative Agent (each, a “**Distressed Agent-Related Person**”), a voluntary or involuntary case with respect to such Distressed Agent-Related Person under any Debtor Relief Law, or a custodian, conservator, receiver or similar official is appointed for such Distressed Agent-Related Person or any substantial part of such Distressed Agent-Related Person’s assets, or such Distressed Agent-Related Person is subject to a forced liquidation or makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Agent-Related Person to be, insolvent or bankrupt; *provided* that an Agent-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any Equity Interests in the Administrative Agent or any Person that directly or indirectly Controls the Administrative Agent by a Governmental Authority or an instrumentality thereof, *provided further* that such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such governmental authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“**Agent-Related Persons**” means the Administrative Agent, together with its Affiliates, officers, directors, employees, partners, agents, advisors and other representatives.

“**Aggregate Commitments**” means the Commitments of all the Lenders.

“**Agreement**” means this Credit Agreement including the annexes, schedules and exhibits hereto, as the same may be amended, supplemented or otherwise modified from time to time.

“**Agreement Currency**” has the meaning set forth in Section 10.23.

“**All-In Yield**” means, as to any Indebtedness, the yield thereof (as determined in the reasonable judgment of the Administrative Agent consistent with generally accepted financial practices), whether in the form of interest rate, margin, OID, upfront fees, a Eurocurrency Rate or Base Rate floor, or otherwise, in each case, incurred or payable by a Borrower generally to all lenders of such Indebtedness; *provided* that OID and upfront fees shall be equated to an interest rate assuming the shorter of (i) the weighted average life to maturity of such Indebtedness and (ii) a four year average life to maturity (e.g., 100 basis points of original issue discount equals 25 basis points

of interest rate margin for a four year average life to maturity); and *provided, further*, that “All-In Yield” shall not include amendment fees, consent fees, arrangement fees, structuring fees, ticking fees, unused line fees, commitment fees, underwriting fees, placement fees, advisory fees, success fees, and similar fees or other fees not paid or payable in the primary syndication of such Indebtedness or fees not paid or payable generally to all lenders.

“**Alternative L/C Borrowing**” means an extension of credit resulting from a drawing under any Alternative Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

“**Alternative L/C Issuer**” means each of the Existing L/C Issuers and any other Revolving Credit Lender that becomes an Alternative L/C Issuer in accordance with Section 2.03(k) or 10.07(j), in each case, in its capacity as an issuer of Alternative Letters of Credit hereunder, or any successor issuer of Alternative Letters of Credit hereunder.

“**Alternative Letter of Credit**” means each of the Existing Letters of Credit and any other letter of credit issued hereunder in respect of one or more Classes of Revolving Credit Commitments in accordance with Section 2.03(b) that is designated as an Alternative Letter of Credit at the time of delivery of the related Letter of Credit Application to the Administrative Agent and the relevant Alternative L/C Issuer under Section 2.03(b). An Alternative Letter of Credit may be a commercial letter of credit or a standby letter of credit; *provided, however*, that any commercial letter of credit issued hereunder shall provide solely for cash payment upon presentation of a sight draft.

“**Amendment and Restatement Agreement**” means the amendment and restatement agreement dated May 23, 2017, between, among others, the Company, the Initial Borrowers and the Facility Agent.

“**Amendment Effective Date**” means May 26, 2017.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption applicable to each Loan Party and each of its Subsidiaries by virtue of such Person being organized or operating in such jurisdiction.

“**Applicable Discount**” has the meaning specified in Section 2.05(a)(v)(C)(2).

“**Applicable Rate**” means a percentage per annum equal to:

(a) with respect to Term Loans, (i) for Eurocurrency Rate Loans, 3.50% and (ii) for Base Rate Loans, 2.50%;

(b) with respect to Revolving Credit Loans made pursuant to the Class A Revolving Credit Commitments, unused Class A Revolving Credit Commitments and Letter of Credit fees payable to Participating Revolving Credit Lenders in respect of Class A Revolving Credit Commitments, (i) for Eurocurrency Rate Loans and such Letter of Credit fees, 3.50%, (ii) for Base Rate Loans, 2.50% and (iii) for unused commitment fees, 0.50%; and

(c) with respect to Revolving Credit Loans made pursuant to the Class B Revolving Credit Commitments, unused Class B Revolving Credit Commitments and Letter of Credit fees payable to Participating Revolving Credit Lenders in respect of Class B Revolving Credit Commitments, (i) for Eurocurrency Rate Loans and such Letter of Credit fees, 3.25%, (ii) for Base Rate Loans, 2.25% and (iii) for unused commitment fees, 0.50%.

The Applicable Rate for any Additional Facility that is in the form of a term loan made pursuant to Section 2.14 shall be as set forth in the relevant Additional Facility Joinder Agreement.

The Applicable Rate for any Additional Revolving Facility made pursuant to Section 2.14 shall be as set forth in the relevant Additional Facility Joinder Agreement.

“**Appropriate Lender**” means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class of Loans, (b) with respect to Letters of Credit, (i) the relevant L/C Issuer and (ii) the Revolving Credit Lenders, (c) with respect to Alternative Letters of Credit, the relevant Alternative L/C Issuer and (d) with respect to Swing

Line Loans, (i) the Swing Line Lender and (ii) if any Swing Line Loans are outstanding pursuant to Section 2.04(a), the Revolving Credit Lenders.

“**Approved Fund**” means any fund that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

“**Arrangers**” means each of Bank of America, N.A., The Bank of Nova Scotia, Barclays Bank plc, BNP Paribas Fortis SA/NV, Citigroup Global Markets Limited and Goldman Sachs Bank USA, each in its capacity as an arranger under this Agreement.

“**Assignees**” has the meaning set forth in Section 10.07(b)(i).

“**Assignment and Assumption**” means an Assignment and Assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, substantially in the form of Exhibit E-1 hereto.

“**Assignment Taxes**” has the meaning set forth in Section 3.01(b).

“**Attorney Costs**” means all reasonable and documented fees, expenses and disbursements of any law firm or other external legal counsel.

“**Auction Agent**” means (a) the Administrative Agent or (b) any other financial institution or advisor engaged by the Borrowers (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Discounted Term Loan Prepayment pursuant to Section 2.05(a)(v); *provided* that the Borrowers 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); *provided further* that neither the Borrowers nor any of their Affiliates may act as the Auction Agent.

“**Auto-Extension Letter of Credit**” has the meaning set forth in Section 2.03(b)(iii).

“**Available Currency**” means Dollars, Euros and Sterling, and any other currency as the relevant Borrower, the relevant Revolving Credit Lenders and the Administrative Agent may agree to from time to time.

“**Available Term B-3 Loan Commitment**” means, as of any date, an amount equal to the excess, if any, of (a) the amount of the Total Term B-3 Loan Commitment over (b) the sum of the aggregate principal amount of all Term B-3 Loans funded hereunder prior to such date.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**Bank Levy**” means the bank levy which is imposed under section 73 of, and schedule 19 to, the Finance Act 2011 (the “**UK Bank Levy**”) and any levy or Tax of an equivalent nature imposed in any jurisdiction in a similar context or for a similar reason to that in and/or which the UK Bank Levy has been imposed by reference to the equity and liability of a financial institution or other person carrying out financial transactions.

“**Base Rate**” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds 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” (c) 1.00% plus LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day; *provided* that, solely for purposes of this clause (c), if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in Same Day Funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by the Administrative Agent’s London branch to major banks in the London interbank eurodollar market at their request at the date and time of determination. The “prime rate” is a rate set by the Administrative

Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Belgian Borrower" means any Borrower which is incorporated in Belgium.

"Belgian Qualifying Lender" means in respect of any interest payment made by a Belgian Borrower, a Lender which is beneficially entitled to it and which is: (a) a professional investor within the meaning of Article 105, 3° of the Royal Decree implementing the Belgian Income Tax Code (the "RD/BITC"), which is a company resident for tax purposes in Belgium or which is acting through a permanent establishment in Belgium with which the Loan is effectively connected; (b) a credit institution within the meaning of article 105, 1°, a) of the RC/BITC, which is a resident for tax purposes in Belgium or which is acting through a permanent establishment in Belgium; (c) a credit institution within the meaning of article 107, §2, 5, a), second dash of the RD/BITC, that is acting through its head office and is resident for tax purposes in a country with which Belgium has entered into a double taxation agreement that is in force (irrespective of whether or not the double taxation agreement makes provision for exemption from tax imposed by Belgium) or in a country which is a member state of the European Economic Area; (d) a credit institution within the meaning of article 107, §2, 5, a), second dash of the RD/BITC, that is acting through a permanent establishment which (i) itself qualifies as a credit institution within the meaning of the aforementioned article 107, §2, 5, a) second dash and (ii) is located in a country with which Belgium has entered into a double taxation agreement that is in force (irrespective of whether or not the double taxation agreement makes provision for exemption from tax imposed by Belgium) or in a country which is a member state of the European Economic Area; or (e) a Belgian Treaty Lender.

"Belgian Treaty Lender" means a Lender that: (a) is a resident (as defined in the appropriate double taxation agreement) in a country with which Belgium has a double taxation agreement giving residents of that country exemption from Belgian taxation on interest; and (b) does not carry on a business in Belgium through a permanent establishment with which the payment is effectively connected.

"Big Boy Letter" means a letter from a Lender (i) acknowledging that (1) an Affiliated Lender may have information regarding the Company and its Subsidiaries that has not previously been disclosed to the Administrative Agent and the Lenders (**"Excluded Information"**), (2) the Excluded Information may not be available to such Lender, (3) such Lender has independently and without reliance on any other party made its own analysis and determined to assign Term Loans to an Affiliated Lender pursuant to Section 10.07(k) notwithstanding its lack of knowledge of the Excluded Information and (4) such Lender waives and releases any claims it may have against the Administrative Agent, such Affiliated Lender, the Company and its Subsidiaries with respect to the nondisclosure of the Excluded Information; or (ii) otherwise in form and substance reasonably satisfactory to the Administrative Agent, such Affiliated Lender and the assigning Lender.

"Board" means the Board of Governors of the Federal Reserve System of the United States.

"Bookrunner" means each of Bank of America, N.A., The Bank of Nova Scotia, Barclays Bank plc, BNP Paribas Fortis SA/NV, Citibank, N.A. and Goldman Sachs Bank USA, each in its capacity as a bookrunner.

"Borrower Offer of Specified Discount Prepayment" means any offer by any Borrower Party to make a voluntary prepayment of Loans at a specified discount to par pursuant to Section 2.05(a)(v)(B).

"Borrower Party" means a member of the Restricted Group.

"Borrower Solicitation of Discount Range Prepayment Offers" means the solicitation by any Borrower Party of offers for, and the corresponding acceptance by a Lender of, a voluntary prepayment of Loans at a specified range of discounts to par pursuant to Section 2.05(a)(v)(C).

"Borrower Solicitation of Discounted Prepayment Offers" means the solicitation by any Borrower Party of offers for, and the subsequent acceptance, if any, by a Lender of, a voluntary prepayment of Loans at a discount to par pursuant to Section 2.05(a)(v)(D).

“Borrowers” means the Initial Borrowers and any Additional Borrower unless it has ceased to be a Borrower in accordance with Section 10.22, and **“Borrower”** means any of them.

“Borrowing” means a Revolving Credit Borrowing, a Swing Line Borrowing, a Term B-3 Borrowing, or any other borrowing of a Term Loan, as the context may require.

“Business” means:

- (a) the business carried out by the Restricted Group on the Amendment Effective Date;
- (b) the provision of Content;
- (c) being a Holding Company of one or more persons engaged in the provision of services described in (a) or (b) above;
- (d) the provision of services substantially the same or similar to those provided by any member of the Wider Group on the Amendment Effective Date; and
- (e) any related ancillary or complementary business to that described in (a), (b) or (d) above,

and references to **“business”** shall be similarly construed.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, New York, Amsterdam or London and, if such day relates to any Eurocurrency Rate Loan, means any such day that is also a London Banking Day.

“Cash Collateral” has the meaning specified in Section 2.03(g).

“Cash Collateral Account” means a blocked account at the Administrative Agent (or another commercial bank selected by the Administrative Agent) in the name of the Administrative Agent and under the sole dominion and control of the Administrative Agent, and otherwise established in a manner reasonably satisfactory to the Administrative Agent, or another account designated as a cash collateral account and reasonably satisfactory to the Administrative Agent.

“Cash Collateralize” has the meaning specified in Section 2.03(g).

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority. It is understood and agreed that (i) the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173), all Laws relating thereto, all interpretations and applications thereof and any request, rule, guideline or directive relating thereto and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, for the purposes of this Agreement, be deemed to be adopted and taking effect subsequent to the date of this Agreement; *provided* that a Lender shall be entitled to compensation with respect to any such adoption taking effect, making or issuance becoming effective after the date of the this Agreement only if it is the applicable Lender’s general policy or practice to demand compensation in similar circumstances under comparable provisions of other financing agreements.

“Change in Tax Law” means the introduction, implementation, repeal, withdrawal or change in, or in the interpretation, administration or application of any Law or any published practice or published concession of any relevant taxation authority relating to taxation (a) in the case of a participation in a Loan by a Lender named in the Register as at the Amendment Effective Date or (b) in the case of a participation in a Loan by any other Lender, after the date upon which such Lender becomes a party to this Agreement in accordance with the provisions of Section 10.07.

“**Class**” means (i) with respect to Commitments or Loans, those of such Commitments or Loans that have the same terms and conditions (without regard to differences in the Type of Loan, Interest Period, upfront fees, OID or similar fees paid or payable in connection with such Commitments or Loans, or differences in tax treatment (e.g., “fungibility”)); *provided* that such Commitments or Loans may be designated in writing by the Company and Lenders holding such Commitments or Loans as a separate Class from other Commitments or Loans that have the same terms and conditions and (ii) with respect to Lenders, those of such Lenders that have Commitments or Loans of a particular Class.

“**Class A Revolving Credit Commitments**” means the Initial Revolving Credit Commitments of the Revolving Credit Lenders set forth in Schedule 1.01A under the caption “Class A Revolving Credit Commitment”. The aggregate amount of Class A Revolving Credit Commitments as of the Amendment Effective Date is \$0.00.

“**Class B Revolving Credit Commitments**” means the Initial Revolving Credit Commitments of the Revolving Credit Lenders set forth in Schedule 1.01A under the caption “Class B Revolving Credit Commitment”. The aggregate amount of Class B Revolving Credit Commitments as of the Amendment Effective Date is \$625,000,000.

“**Clean-Up Period**” means in respect of any permitted acquisition or Permitted Investment by any member of the Restricted Group, the period commencing on the date of completion of such permitted acquisition or Permitted Investment and ending on the date that is 120 days after such date.

“**Code**” means the U.S. Internal Revenue Code of 1986, and the United States Treasury Department regulations promulgated thereunder, as amended from time to time.

“**Collateral**” means

(a) (1) prior to the Group Refinancing Effective Date, share pledges or equitable mortgages, as applicable, of all of the capital stock or share capital, as applicable, of the Initial Borrowers, Sable Holding Limited, CWIGroup Limited, Cable and Wireless (West Indies) Limited, CWC Cayman Finance Limited and Columbus International, and (2) following the Group Refinancing Effective Date, share pledges or equitable mortgages, as applicable, of all of the capital stock or share capital, as applicable, of the New Intermediate Holdco, the Initial Borrowers, Sable Holding Limited, CWIGroup Limited, Cable and Wireless (West Indies) Limited, and Columbus International;

(b) a pledge of rights of the relevant creditors in relation to each Subordinated Shareholder Loan; and

(c) any other assets in which a security interest has been or will be granted pursuant to any Collateral Document to secure the obligations under the Facilities.

“**Collateral and Guarantee Requirement**” means the requirement that:

(a) all Obligations (other than, with respect to any Guarantor, any Excluded Swap Obligations) shall have been unconditionally guaranteed (i) initially, within the time periods specified in Schedule 6.16, by each member of the Restricted Group listed on Part A of Schedule I hereto (each, a “**Guarantor**”); (ii) within 60 Business Days of the date on which the Columbus Senior Notes are refinanced, by Columbus International or a direct Holding Company of Columbus International that is a Subsidiary of Sable Holding Limited; and (iii) following the Group Refinancing Effective Date, within the time periods specified in Schedule 6.17, by each member of the Restricted Group listed on Part B of Schedule I hereto;

(b) the Obligations and the Guaranty shall have been secured by (i) initially, within the time periods specified in Section 4.02 or Schedule 6.16, by a perfected first priority security interest (subject to Permitted Liens) in all outstanding shares of each of: Sable Holding Limited, Sable International Finance Limited, Coral-US Co-Borrower LLC, CWIGroup Limited, Cable and Wireless (West Indies) Limited, CWC Cayman Finance Limited and Columbus International; (ii) following the Group Refinancing Effective Date, within the time periods specified in Schedule 6.17, by a perfected first priority security interests (subject to Permitted Liens) in all outstanding shares of each of: the New Intermediate Holdco, Sable Holding Limited, Sable International Finance Limited, Coral-US Co-Borrower LLC, CWIGroup Limited, Cable and Wireless (West Indies) Limited, and Columbus International;

and (iii) within 60 Business Days of any member of the Restricted Group becoming an Additional Borrower or an Additional Guarantor, a perfected first priority security interest (subject to Permitted Liens) in all outstanding shares of such Additional Borrower or Additional Guarantor (other than the Company);

(c) the Obligations and the Guaranty shall have been secured, within the time period specified in Section 6.16 or Section 6.17, as applicable, by a perfected first priority security interest (subject to Permitted Liens) over any Subordinated Shareholder Loan Incurred by any member of the Restricted Group; and

(d) the Administrative Agent and/or the Security Trustee (as applicable) shall have received each Collateral Document required to be delivered (i) pursuant to Section 4.02, Section 6.16, Section 6.17 and Section 6.18 (as applicable) and (ii) at such time as may be designated therein, pursuant to the Collateral Documents, Section 6.11 or Section 6.13, subject, in each case, to the limitations and exceptions of this Agreement and the Collateral Documents, duly executed by each Loan Party thereto.

The Administrative Agent and/or the Security Trustee, as applicable, may grant extensions of time for the perfection of security interests in, and the delivery of any certificated Equity Interests of the Borrowers and Guarantors required to be pledged pursuant to the provisions of clause (c) of this definition of "Collateral and Guarantee Requirement" where it reasonably determines, in consultation with the Company, that perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents.

"Collateral Documents" means, collectively, any Pledge Agreement, any related supplements or reconfirmations or other similar agreements delivered to the Administrative Agent and/or the Security Trustee pursuant to Section 4.02, Section 6.11, Section 6.13, Section 6.16, Section 6.17 or Section 6.18 (as applicable), the applicable Intercreditor Agreement, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Administrative Agent and/or the Security Trustee (as applicable) for the benefit of the Secured Parties.

"Columbus International" means Columbus International Inc., and any and all successors thereto.

"Commitment" means a Revolving Credit Commitment or Term Commitment, as the context may require.

"Committed Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A hereto.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Common Holding Company" has the meaning given to such term in Section 10.21(a)(iv).

"Company" means (i) prior to the Group Refinancing Effective Date, Cable & Wireless Limited, and (ii) following the Group Refinancing Effective Date, the New Intermediate Holdco, and any and all successors thereto.

"Company Materials" means the materials and/or information provided by or on behalf of the Company hereunder.

"Compensation Period" has the meaning set forth in Section 2.12(c)(ii).

"Compliance Certificate" means a certificate substantially in the form of Exhibit D hereto.

"Compliance Date" means the last day of any Test Period (commencing with the first full fiscal quarter of the Company ending after the Amendment Effective Date) if on such day the Revolving Credit Exposure exceeds 33.33% of the aggregate Revolving Credit Commitments then in effect, excluding, for purposes of calculating such Revolving Credit Exposure, (a) L/C Obligations in respect of Cash Collateralized Letters of Credit and Alternative Letters of Credit and (b) L/C Obligations in respect of undrawn Letters of Credit and Alternative Letters of Credit.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control”, “Controlled” and “Controlling” have the meaning specified in the definition of “Affiliate” as set forth in Annex I.

“CTA” means the United Kingdom Corporation Tax Act 2009.

“Credit Agreement Refinancing Indebtedness” means (a) Permitted Equal Priority Refinancing Debt, (b) Permitted Junior Lien Refinancing Debt, (c) Permitted Unsecured Refinancing Debt or (d) other Indebtedness Incurred by a Borrower pursuant to a Refinancing Amendment, in each such case, issued, Incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace, repurchase, retire or refinance (**“Refinanced”**), in whole or part, any existing Term Loans, Revolving Credit Loans (or Revolving Credit Commitments) or Additional Facility Loans or Credit Agreement Refinancing Indebtedness (**“Refinanced Debt”**); *provided that* (i) [Reserved], (ii) such Indebtedness shall not have a greater principal amount than the principal amount of the Refinanced Debt (including any existing unutilized commitments thereunder) plus accrued interest, fees, premiums (including tender premiums), penalties and similar amounts thereon and fees and expenses (including original issue discount, upfront fees or similar fees) associated with such Credit Agreement Refinancing Indebtedness and such refinancing, (iii) the terms and conditions of such Indebtedness (except as otherwise provided in clauses (i) and (ii) above and with respect to pricing, premiums, fees, rate floors and optional prepayment or redemption terms) either, at the option of the applicable Borrower, (x) reflect market terms and conditions (taken as a whole) at the time of Incurrence or issuance (as determined by the applicable Borrower in good faith); or (y) are substantially identical to, or (taken as a whole) are not materially more restrictive (as determined by the applicable Borrower in good faith) to the Company, any Permitted Affiliate Parents and the Restricted Subsidiaries, than those applicable to the Refinanced Debt being Refinanced (except for covenants or other provisions applicable only to periods after the Latest Maturity Date at the time of Incurrence of such Credit Agreement Refinancing Indebtedness and it being understood that for purposes of this clause (y), to the extent any financial maintenance covenant is added for the benefit of such Credit Agreement Refinancing Indebtedness in the form of term loans or notes, no consent shall be required from the Administrative Agent or any of the Lenders to the extent that such financial maintenance covenant is also added for the benefit of each Facility remaining outstanding after the Incurrence or issuance of such Credit Agreement Refinancing Indebtedness, and (iv) and if such Credit Agreement Refinancing Indebtedness is secured, it shall be secured on the same or lesser priority basis as the Refinanced Debt in respect thereof or shall be unsecured or, if the Refinanced Debt is unsecured, the Credit Agreement Refinancing Indebtedness in respect thereof shall also be unsecured; provided, further, that “Credit Agreement Refinancing Indebtedness” may be Incurred in the form of a bridge or other interim credit facility intended to be Refinanced with long term indebtedness.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Cure Amount” has the meaning set forth in Section 8.04(a).

“Cure Expiration Date” has the meaning set forth in Section 8.04(a).

“Debtor Relief Laws” means the Bankruptcy Code of the United States and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, winding up, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Debt Representative” means, with respect to any series of Indebtedness, the trustee, administrative agent, collateral agent, security trustee or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, Incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

“Declined Proceeds” has the meaning specified in Section 2.05(b)(vii).

“Deemed Transfer Notice” has the meaning specified in Section 10.07(c)(i).

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 2.0% per annum; *provided* that with respect to a Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2.0% per annum, in each case, to the fullest extent permitted by applicable Laws.

“Defaulting Lender” means, subject to Section 2.17(b), any Lender that, as reasonably determined by the Administrative Agent (a) has refused (which refusal may be given verbally or in writing and has not been retracted) or failed to perform any of its funding obligations hereunder (to the extent it is contractually obliged to), including in respect of its Loans or participations in respect of L/C Obligations relating to Letters of Credit or Swing Line Loans (unless such Lender has notified the Administrative Agent and the Company in writing that such failure is the result of the such Lender’s determination that one or more conditions precedent to funding has not been satisfied (which conditions precedent, together with the applicable default, if any, will be specifically identified in such writing)), which refusal or failure is not cured within two Business Days after the date of such refusal or failure, (b) has failed to pay to the Administrative Agent, any L/C Issuer or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, (c) has notified the Company or the Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect (unless such Lender has notified the Administrative Agent and Company in writing that such failure is the result of the such Lender’s determination that one or more conditions precedent to funding has not been satisfied (which conditions precedent, together with the applicable default, if any, will be specifically identified in such writing)) with respect to its funding obligations hereunder or under other agreements in which it commits to extend credit, (d) has failed, within three Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (d) upon receipt of such written confirmation by the Administrative Agent and the Company), or (e) has, or has a direct or indirect parent company that has, after the date of this Agreement, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment or (iv) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) upon delivery of written notice of such determination to the Company, the L/C Issuers, the Swing Line Lender and each Lender.

“Discount Prepayment Accepting Lender” has the meaning assigned to such term in Section 2.05(a)(v)(B)(2).

“Discount Prepayment Participating Lender” has the meaning specified in Section 2.05(a)(v)(C)(2).

“Discount Prepayment Qualifying Lender” has the meaning specified in Section 2.05(a)(v)(D)(3).

“Discount Range” has the meaning assigned to such term in Section 2.05(a)(v)(C)(1).

“Discount Range Prepayment Amount” has the meaning assigned to such term in Section 2.05(a)(v)(C)(1).

“Discount Range Prepayment Notice” means a written notice of a Borrower Solicitation of Discount Range Prepayment Offers made pursuant to Section 2.05(a)(v)(C)(1) substantially in the form of Exhibit M.

“Discount Range Prepayment Offer” means the written offer by a Lender, substantially in the form of Exhibit N, submitted in response to an invitation to submit offers following the Auction Agent’s receipt of a Discount Range Prepayment Notice.

“Discount Range Prepayment Response Date” has the meaning assigned to such term in Section 2.05(a)(v)(C)(1).

“Discount Range Proration” has the meaning assigned to such term in Section 2.05(a)(v)(C)(3).

“Discounted Prepayment Determination Date” has the meaning assigned to such term in Section 2.05(a)(v)(D)(3).

“Discounted Prepayment Effective Date” means in the case of a Borrower Offer of Specified Discount Prepayment, Borrower Solicitation of Discount Range Prepayment Offer or Borrower Solicitation of Discounted Prepayment Offer, five (5) Business Days following the Specified Discount Prepayment Response Date, the Discount Range Prepayment Response Date or the Solicited Discounted Prepayment Response Date, as applicable, in accordance with Section 2.05(a)(v)(B), Section 2.05(a)(v)(C) or Section 2.05(a)(v)(D), respectively, unless a shorter period is agreed to between a Borrower and the Auction Agent.

“Discounted Term Loan Prepayment” has the meaning assigned to such term in Section 2.05(a)(v)(A).

“Disqualified Institutions” means those Persons (the list of all such Persons, the **“Disqualified Institutions List”**) that are (i) identified in writing by the Company to the Administrative Agent prior to the initial allocation of the loans to be funded on the Amendment Effective Date, (ii) competitors of the Company and its Subsidiaries (other than bona fide fixed income investors or debt funds) that are identified in writing by the Company from time to time or (iii) Affiliates of such Persons set forth in clauses (i) and (ii) above (in the case of Affiliates of such Persons set forth in clause (ii) above, other than bona fide fixed income investors or debt funds) that are either (a) identified in writing by the Company from time to time or (b) clearly identifiable on the basis of such Affiliate’s name; *provided*, that, to the extent Persons are identified as Disqualified Institutions in writing by the Company to the Administrative Agent after the Amendment Effective Date pursuant to clauses (ii) or (iii)(a), the inclusion of such Persons as Disqualified Institutions shall not retroactively apply to prior assignments or participations in respect of any Loan under this Agreement. Until the disclosure of the identity of a Disqualified Institution to the Lenders generally by the Administrative Agent, such Person shall not constitute a Disqualified Institution for purposes of a sale of a participation in a Loan (as opposed to an assignment of a Loan) by a Lender; *provided*, that no disclosure of the Disqualified Institutions List (or the identity of any Person that constitutes a Disqualified Institution) to the Lenders shall be made by the Administrative Agent without the prior written consent of the Company. Notwithstanding the foregoing, the Company, by written notice to the Administrative Agent, may from time to time in its sole discretion remove any entity from the Disqualified Institutions List (or otherwise modify such list to exclude any particular entity), and such entity removed or excluded from the Disqualified Institutions List shall no longer be a Disqualified Institution for any purpose under this Agreement or any other Loan Document.

“Disqualified Institutions List” has the meaning as set forth in the definition of Disqualified Institutions.

“Dollar” and **“\$”** mean lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary of the Company or of a Permitted Affiliate Parent that, in each case, is organized under the Laws of the United States, any state thereof or the District of Columbia.

“Double Taxation Treaty” means in relation to a payment of interest on a Loan, any convention or agreement between the government of the United Kingdom and any other government for the avoidance of double taxation with respect to taxes on income and capital gains which makes provision for exemption from tax imposed by the United Kingdom on interest.

“EEA Financial Institution” means (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” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Assignee” has the meaning set forth in Section 10.07(a)(i). For the avoidance of doubt, “Eligible Assignee” shall not include any Disqualified Institution.

“Enforcement Sale” means (1) any sale or disposition (including by way of public auction) pursuant to an enforcement action taken by the Security Trustee in accordance with the provisions of the applicable Intercreditor Agreement to the extent such sale or disposition is effected in compliance with the provisions of the applicable Intercreditor Agreement, or (2) any sale or disposition pursuant to the enforcement of security in favor of other Indebtedness of a Loan Party which complies with the terms of an Additional Intercreditor Agreement (or if there is no such intercreditor agreement, would substantially comply with the requirements of clause (1) hereof).

“Environment” means indoor air, ambient air, surface water, groundwater, drinking water, land surface, subsurface strata, and natural resources such as wetlands, flora and fauna.

“Environmental Laws” means any applicable Law relating to the prevention of pollution or the protection of the Environment and natural resources, and the protection of human health and safety as it relates to Hazardous Materials.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of investigation and remediation, fines, penalties or indemnities), of the Loan Parties or any Restricted Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage or treatment of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity Interests” means, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is under common control with a Loan Party within the meaning of Section 414(b) or (c) of the Code or Section 4001 of ERISA (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by a Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or written notification that a Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA) or insolvent (within the meaning of Section 4245 of ERISA) or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (d) a written determination that any Pension Plan is in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (e) the filing of a notice of intent to terminate, the treatment of a Pension Plan or

Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for, and that could reasonably be expected to result in, the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) with respect to a Pension Plan, the failure to satisfy the minimum funding standard of Section 412 and 430 of the Code or Section 302 of ERISA, whether or not waived; (h) the occurrence of a non-exempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could result in liability to a Loan Party; or (i) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party or any ERISA Affiliate.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurocurrency Rate” means, for any Interest Period with respect to a Eurocurrency Rate Loan, the rate per annum equal to (i) the ICE Benchmark Administration LIBOR rate or such other rate per annum as is widely recognized as the successor thereto if the ICE Benchmark Administration is no longer making a LIBOR rate available (**“LIBOR”**), as published by Bloomberg (or such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) London Banking Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period or (ii) if such published rate is not available at such time for any reason, then the **“Eurocurrency Rate”** for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in Same Day Funds in the approximate amount of the Eurocurrency Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by the Administrative Agent’s London branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two (2) London Banking Days prior to the commencement of such Interest Period; *provided* that, the Eurocurrency Rate with respect to Term Loans shall not be less than 0.00% per annum.

“Eurocurrency Rate Loan” means a Loan that bears interest at a rate based on the Eurocurrency Rate.

“Euros” and **“EUR”** denote the single currency of the Participating Member States.

“Event of Default” has the meaning specified in Section 8.01.

“Excluded Assets” means (i) any property or assets for which the creation or perfection of pledges of, or security interests in, pursuant to the Collateral Documents would result in material adverse tax consequences to any Borrower or its Subsidiaries, as reasonably determined by the Company in consultation with the Administrative Agent and (ii) assets in circumstances where the cost of obtaining a security interest in such assets would be excessive in light of the practical benefit to the Lenders afforded thereby as reasonably determined by the Borrowers and the Administrative Agent; *provided*, however, that Excluded Assets shall not include any proceeds, substitutions or replacements of any Excluded Assets referred to in clause (i) and (ii) (unless such proceeds, substitutions or replacements would independently constitute Excluded Assets referred to in clauses (i) and (ii)).

“Excluded Swap Obligation” means, 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, as applicable, such Swap Obligation (or any guarantee thereof) is or becomes illegal 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) (i) by virtue of such Guarantor’s failure to constitute an “eligible contract participant,” as defined in the Commodity Exchange Act and the regulations thereunder, at the time the guarantee of (or grant of such security interest by, as applicable) such Guarantor becomes or would become effective with respect to such Swap Obligation or (ii) in the case of a Swap Obligation that is subject to a clearing requirement pursuant to section 2(h) of the Commodity Exchange Act, because such Guarantor is a “financial entity,” as defined in section 2(h)(7)(C) of the Commodity Exchange Act, at the time the guarantee of (or grant of such security interest by, as applicable) such Guarantor becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guarantee or security interest

is or becomes illegal 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).

“Existing Intercreditor Agreement” means that intercreditor agreement dated January 13, 2010 among the Borrowers and BNP Paribas as RCF Agent and Security Trustee, JPMorgan Chase Bank, N.A. as Secured Bridge Agent, certain other banks and financial institutions acting as RCF Lenders, the Secured Bridge Lender, the Original Notes Trustee and the Notes Issuer (in each case, as each such capitalized term is defined therein), as amended and restated as of March 31, 2015 and as may be further amended from time to time prior to the New Intercreditor Agreement Effective Date.

“Existing L/C Issuer” means each bank which has issued an Existing Letter of Credit.

“Existing Letters of Credit” means the letters of credit originally issued and outstanding under the 2016 Credit Agreement and listed on Schedule 1.01B.

“Existing Revolver Tranche” has the meaning provided in Section 2.16(b).

“Existing Term Loan Tranche” has the meaning provided in Section 2.16(a).

“Expiring Credit Commitment” has the meaning provided in Section 2.04(g).

“Extended Revolving Credit Commitments” has the meaning provided in Section 2.16(b).

“Extended Term Loans” has the meaning provided in Section 2.16(a).

“Extending Lender” means any Extending Revolving Credit Lender and any Extending Term Lender.

“Extending Revolving Credit Lender” has the meaning provided in Section 2.16(c).

“Extending Term Lender” has the meaning provided in Section 2.16(c).

“Extension” means the establishment of an Extension Series by amending a Loan pursuant to Section 2.16 and the applicable Extension Amendment.

“Extension Amendment” has the meaning provided in Section 2.16(d).

“Extension Election” has the meaning provided in Section 2.16(c).

“Extension Minimum Condition” means a condition to consummating any Extension that a minimum amount (to be determined and specified in the relevant Extension Request, in the sole discretion of the applicable Borrower) of any or all applicable Classes be submitted for Extension.

“Extension Request” means any Term Loan Extension Request or a Revolver Extension Request, as the case may be.

“Extension Series” means any Term Loan Extension Series or a Revolver Extension Series, as the case may be.

“Facility” means a given Class of Term Loans or Revolving Credit Commitments, as the context may require.

“fair market value” means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Company in good faith.

“FATCA” means current Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version thereof that is substantively comparable) or any current or future Treasury regulations or other administrative guidance promulgated thereunder, any official interpretations thereof and any

agreement entered into pursuant thereto, including any intergovernmental agreements and any rules or guidance implementing such intergovernmental agreements.

“FATCA Deduction” means a deduction or withholding from a payment under a Loan Document required by FATCA.

“Federal Funds Rate” means, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions, as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time, and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

“Fee Letter” means each of (i) the fee letter dated as of May 15, 2017 between the Company, the Original Co-Borrower and Bank of America, N.A., Barclays Bank plc, BNP Paribas Fortis SA/NV, Citigroup Global Markets Limited, Goldman Sachs Bank USA and The Bank of Nova Scotia, as mandated lead arrangers and Bank of America, N.A., Barclays Bank plc, BNP Paribas Fortis SA/NV, Citibank, N.A., Goldman Sachs Bank USA and The Bank of Nova Scotia, as underwriters in respect of the Additional Term B-3 Facility (as defined therein); (ii) the fee letter dated as of May 15, 2017 between the Company, the Original Borrower and Bank of America, N.A., Barclays Bank plc, BNP Paribas Fortis SA/NV, Citigroup Global Markets Limited, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, ING Capital LLC, J.P. Morgan Limited, RBC Capital Markets¹, Société Générale, London Branch and The Bank of Nova Scotia, as mandated lead arrangers and Bank of America, N.A., Barclays Bank plc, BNP Paribas Fortis SA/NV, Citibank, N.A., London Branch, Credit Suisse AG, Cayman Islands Branch, Goldman Sachs Bank USA, ING Capital LLC, JPMorgan Chase Bank, N.A. – London Branch, RBC Capital Markets, Société Générale, London Branch and The Bank of Nova Scotia, as underwriters in respect of the Refinancing Revolving Credit Commitments (as defined therein); (iii) the fee letter dated as of May 19, 2017 between the Company, the Original Borrower and FirstCaribbean International Bank (Bahamas) Limited as mandated lead arranger and underwriter in respect of the Refinancing Revolving Credit Commitments (as defined therein); and (iv) any fee letter between the Administrative Agent and the Company in relation to the role of the Administrative Agent under this Agreement.

“Finance Parties” means the Administrative Agent, the Arrangers, the Bookrunners, and the Lenders, and “Finance Party” means any of them.

“Financial Covenant” has the meaning specified in Section 7.02.

“Financial Covenant Revolving Credit Commitments” means (i) the Initial Revolving Credit Commitments and (ii) any other Revolving Credit Commitments which are designated in an Additional Facility Joinder Agreement or otherwise by the Company by notice in writing to the Administrative Agent at any time to have the benefit of Section 7.02 of this Agreement.

“Foreign Subsidiary” means any direct or indirect Subsidiary of the Company, or of a Permitted Affiliate Parent, in each case, which is not a Domestic Subsidiary.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender’s Pro Rata Share or other applicable share provided under this Agreement of the outstanding L/C Obligations relating to Letters of Credit other than such L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender’s Pro Rata Share or other applicable share provided under this Agreement of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

¹RBC Capital Markets is a brand name for the capital markets business of Royal Bank of Canada and its affiliates.

“**GAAP**” means generally accepted accounting principles in the United States of America.

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“**Granting Lender**” has the meaning specified in Section 10.07(h).

“**Guaranteed Obligations**” has the meaning specified in Section 11.01.

“**Guarantors**” has the meaning set forth in the definition of “Collateral and Guarantee Requirement” and shall include each Restricted Subsidiary that shall have become a Guarantor pursuant to Section 6.11 and each member of the Restricted Group and each Permitted Affiliate Parent that shall have become a Guarantor pursuant to Section 10.21(c). For avoidance of doubt, the Company in its sole discretion may cause any Restricted Subsidiary that is not a Guarantor to guarantee the Obligations by causing such Restricted Subsidiary to execute a joinder to this Agreement in form and substance reasonably satisfactory to the Administrative Agent, and any such Restricted Subsidiary shall be a Guarantor and Loan Party hereunder for all purposes. For the avoidance of doubt, each Initial Borrower is a Guarantor in respect of Secured Hedge Agreements and Treasury Services Agreements to which that Initial Borrower is not party (other than in respect of Excluded Swap Obligations).

“**Guaranty**” means, collectively, the guaranty of the Obligations by the Guarantors pursuant to this Agreement.

“**Hazardous Materials**” means all materials, pollutants, contaminants, chemicals, compounds, constituents, substances or wastes, in any form, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, mold, electromagnetic radio frequency or microwave emissions that are regulated pursuant to, or which could give rise to liability under, applicable Environmental Law.

“**Hedge Bank**” means any Person which is a party to a Secured Hedge Agreement or a Treasury Services Agreement and that, in the case of a Secured Hedge Agreement is designated a “Hedge Bank” with respect to such Secured Hedge Agreement in writing from the Borrowers to the Administrative Agent, and (other than a Person already party hereto as a Lender) that (a) delivers to the Administrative Agent a letter agreement reasonably satisfactory to it (i) appointing the Administrative Agent as its agent under the applicable Loan Documents and (ii) agreeing to be bound by Sections 10.05, 10.15 and 10.16 and Article IX as if it were a Lender, and (b) is or has become party to (1) the Existing Intercreditor Agreement as a Hedging Bank (as defined in the Existing Intercreditor Agreement) in accordance with the provisions of the Existing Intercreditor Agreement or (2) the New Intercreditor Agreement as a Hedge Counterparty (as defined in the New Intercreditor Agreement) in accordance with the provisions of the New Intercreditor Agreement.

“**Honor Date**” has the meaning set forth in Section 2.03(c)(i).

“**Identified Discount Prepayment Participating Lenders**” has the meaning specified in Section 2.05(a)(v)(C)(3).

“**Identified Discount Prepayment Qualifying Lenders**” has the meaning specified in Section 2.05(a)(v)(D)(3).

“**IFRS**” means the accounting standards issued by the International Accounting Standards Board and its predecessors, as in effect as of the Amendment Effective Date or, for purposes of Section 4.03 of Annex II, as in effect from time to time; *provided that* at any date after the Amendment Effective Date the Company may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election. Except as otherwise expressly provided below or in this Agreement, all ratios and calculations based on IFRS contained in this Agreement shall be computed in conformity with IFRS. At any time after the Amendment Effective Date, the Company may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP and, upon such election, references to IFRS herein will be construed to mean GAAP as in effect on the Amendment Effective Date; *provided that* (1) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP as in effect from time to time (including that,

upon first reporting its fiscal year results under GAAP, the financial statements of the Reporting Entity shall be restated on the basis of GAAP for the year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP), and (2) from and after such election, all ratios, computations and other determinations based on IFRS contained in this Agreement shall, at the Company's option (a) continue to be computed in conformity with IFRS (*provided* that, following such election, the annual, semi-annual and quarterly information required by Section 4.03(a)(1), Section 4.03(a)(2) and Section 4.03(a)(3) of Annex II shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such IFRS presentation to the corresponding GAAP presentation of such financial information), or (b) be computed in conformity with GAAP with retroactive effect being given thereto assuming that such election had been made on the Amendment Effective Date. Thereafter, the Company may, at its option, elect to apply IFRS or GAAP and compute all ratios, computations and other determinations based on IFRS or GAAP, as applicable, all on the basis of the foregoing provisions of this definition of IFRS.

"Increase" has the meaning set forth in Section 2.14(q).

"Increase Confirmation" means an Increase Confirmation in substantially the form of Exhibit L.

"Indemnified Taxes" means, with respect to the Administrative Agent or any Lender, all Taxes imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document, other than (i) any Taxes imposed on or measured by its net income, however denominated, and franchise (and similar) Taxes imposed on it in each case, imposed by a jurisdiction (or political subdivision thereof) as a result of such recipient being organized in or having its principal office or applicable lending office in such jurisdiction, or as a result of any other connection between the Administrative Agent or such Lender and such jurisdiction other than any connections arising solely from executing, delivering, being a party to, engaging in any transactions pursuant to, performing its obligations under, receiving payments under, or enforcing, any Loan Document, (ii) any Taxes attributable to the failure by such Agent or Lender to comply with Section 3.01(d), (iii) any branch profits Taxes imposed by the United States under Section 884(a) of the Code or any similar Tax imposed by any other jurisdiction described in (i), (iv) in the case of a Lender (other than an assignee pursuant to a request by the Company under Section 3.12), any U.S. federal Tax that is, or would be required to be withheld imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date (which, for the avoidance of doubt, is no earlier than the date hereof) on which such Lender (a) acquires such interest in the applicable Commitment or, if such Lender did not fund the applicable Loan pursuant to a prior Commitment, on the date such Lender acquires its interest in such Loan or (b) or designates a new Lending Office, except in each case to the extent that, pursuant to Section 3.01, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it designated a new Lending Office, (v) any Taxes imposed under FATCA, (vi) U.S. backup withholding Taxes, (vii) Taxes resulting from the gross negligence or willful misconduct of the Administrative Agent or Lender, (viii) any Tax which is compensated by a Tax Payment under Section 3.02 or Section 3.03, or would have been so compensated but for one of the exclusions in Section 3.02 or Section 3.03 and (x) for the avoidance of doubt, interest, penalties, and additions to tax on the amounts described in clauses (i) through (viii) hereof.

"Indemnitees" has the meaning set forth in Section 10.05.

"Information" has the meaning set forth in Section 10.08.

"Initial Additional Facility Lender" means a person which becomes a Lender under an Additional Facility or an Increase pursuant to Section 2.14.

"Initial Borrowers" has the meaning specified in the preliminary statements to this Agreement.

"Initial Revolving Credit Commitment" means, as to each Revolving Credit Lender, its Revolving Credit Commitment as of the Amendment Effective Date, including the Class A Revolving Credit Commitments and the Class B Revolving Credit Commitments, as may be increased from time to time pursuant to an Increase Confirmation or an Additional Revolving Facility. The aggregate amount of Initial Revolving Credit Commitments is \$625,000,000.

“Initial Term Loans” means, individually or collectively, the Term B-3 Loans that are made (or committed) on the Amendment Effective Date.

“Intellectual Property” means patents, patent applications, trademarks, trade names, service marks, copyrights, technology, trade secrets, proprietary information, domain names, know-how and processes necessary for the conduct of the business of the Loan Parties as currently conducted.

“Intercreditor Agreement” means (i) prior to the New Intercreditor Effective Date, the Existing Intercreditor Agreement, (ii) following the New Intercreditor Effective Date, the New Intercreditor Agreement and (iii) any Additional Intercreditor Agreement (in each case to the extent in effect).

“Interest Payment Date” means (a) as to any Eurocurrency Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made, *provided that* if any Interest Period for a Eurocurrency Rate 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, and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date of the Facility under which such Loan was made; *provided that*, in relation to the first Interest Period for any Base Rate Loan that is a Term Loan, the Interest Payment Date may be a day other than the last Business Day of each March, June, September and December, as agreed by the relevant Borrower and the Administrative Agent.

“Interest Period” means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, two, three or six months thereafter (or less than one month with respect to Revolving Credit Loans) or, to the extent agreed by the Lenders whose commitments to provide such Eurocurrency Rate Loans under the relevant Facility then aggregate two thirds or more of the Commitments under that Facility, twelve months or such other period, as selected by the relevant Borrower in its Committed Loan Notice; *provided that*, in relation to the first Interest Period for any Eurocurrency Rate Loan that is a Term Loan, any other period of six months or less as agreed by the relevant Borrower and the Administrative Agent; *provided further that*:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;

(b) any Interest Period (other than an Interest Period having a duration of less than one month) that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the applicable Maturity Date.

“IP Rights” has the meaning set forth in Section 5.15.

“Ireland” means the Republic of Ireland.

“IRS” means the U.S. Internal Revenue Service.

“Irish Borrower” means any Borrower which is resident in Ireland for tax purposes or whose payments under a Loan would otherwise be treated as having an Irish source for Irish tax purposes.

“Irish Bank Lender” mean an Irish Qualifying Lender under paragraphs (a) and (b) of the definition of Irish Qualifying Lender.

“Irish Non-Bank Lender” mean an Irish Qualifying Lender under paragraphs (c) to (i) of the definition of Irish Qualifying Lender.

“Irish Qualifying Lender” means in relation to a payment of interest on a participation in a Loan, a person who is beneficially entitled to the interest payable to that Lender and is:

(a) a bank which is carrying on a bona fide banking business in Ireland (for the purposes of Section 246(3)(a) of the TCA) and whose Lending Office is located in Ireland; or

(b) an authorised credit institution under the terms of Directive 2013/36/EU and has duly established a branch in Ireland having made all necessary notifications to its home state competent authorities required thereunder in relation to its intention to carry on banking business in Ireland and such credit institution is recognised by the Revenue Commissioners in Ireland as carrying on a bona fide banking business in Ireland (for the purposes of Section 246(3) of the TCA); or

(c) a body corporate within the meaning of Section 246 of the TCA:

(i) which is resident for tax purposes in a Relevant Territory (for these purposes residence is to be determined in accordance with the laws of the Relevant Territory of which the Lender claims to be resident) where that Relevant Territory imposes a tax that generally applies to interest receivable in that Relevant Territory by bodies corporate from sources outside that Relevant Territory; or

(ii) which:

(A) is exempted from the charge to income tax on the interest payable under a Loan under a Treaty in force between Ireland and the country in which the Lender is resident for tax purposes; or

(B) would be exempted from the charge to income tax on the interest payable under a Loan under a Treaty signed between Ireland and the country in which the Lender is resident if such Treaty had the force of law; or

(d) a U.S. corporation which is subject to tax in the U.S. on its worldwide income; or

(e) a U.S. LLC, provided the ultimate recipients of the interest payable to it are Irish Qualifying Lenders within paragraphs (c), (d) or (f) of this definition and the business conducted through the U.S. LLC is so structured for market reasons and not for tax avoidance purposes; or

(f) (in cases only where the interest is paid by an obligor which is a qualifying company within the meaning of Section 110 of the TCA), a Lender (other than a U.S. corporation or U.S. LLC) which is resident for tax purposes in a Relevant Territory under the laws of that territory; or

provided in each case at (c), (d), (e) or (f) 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

(g) a qualifying company (within the meaning of Section 110 of the TCA) and whose Lending Office is located in Ireland; or

(h) an investment undertaking (within the meaning of Section 739B of the TCA) and whose Lending Office is located in Ireland; or

(i) an exempt approved scheme within the meaning of Section 774 of the TCA and whose Lending Office is located in Ireland; or

(j) a company which is resident in Ireland for Irish corporate income tax purposes and whose Lending Office is located in Ireland and which: (i) advances money in the ordinary course of a trade which includes the lending of money; (ii) in whose hands any interest payable in respect of money so advanced, including any interest or discount in respect of any Funding Amounts advanced by it, is or will be taken into account in computing its trading income; and (iii) which has complied with all of the provisions of Section 246(5)(a) of the TCA, as amended, including making the appropriate notifications thereunder; or

(k) an Irish Treaty Lender.

“Irish Treaty Lender” means a Lender which is treated as a resident of an Irish Treaty State for the purposes of the Treaty, does not carry on a business in Ireland through a permanent establishment with which that Lender’s participation in the Loan is effectively connected and meets all other conditions in the relevant Treaty for full exemption from tax imposed by Ireland on interest (assuming the completion of any necessary procedural formalities).

“Irish Treaty State” means a jurisdiction having a double tax treaty with Ireland (a **“Treaty”**) which makes provision for full exemption from tax imposed by Ireland on interest or income from debt claims.

“ISP” means, with respect to any Letter of Credit or Alternative Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit or Alternative Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer or the relevant Alternative L/C Issuer, as applicable, and the relevant Borrower (or any Subsidiary) or in favor of the L/C Issuer or the relevant Alternative L/C Issuer, as applicable, and relating to such Letter of Credit or Alternative Letter of Credit, as applicable.

“ITA” means the United Kingdom Income Tax Act 2007.

“Latest Maturity Date” means, at any date of determination and with respect to the specified Loans or Commitments (or in the absence of any such specification, all outstanding Loans and Commitments hereunder), the latest Maturity Date applicable to any such Loans or Commitments hereunder at such time, including the latest maturity date of any Refinancing Term Loan, any Refinancing Term Commitment, Extended Term Loan, any Extended Revolving Credit Commitment, any Additional Facility Loan, or any Other Revolving Credit Commitments, in each case as extended in accordance with this Agreement from time to time.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

“L/C Advance” means, with respect to each Revolving Credit Lender in respect of a Letter of Credit, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share or other applicable share provided for under this Agreement.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

“L/C Credit Extension” means, with respect to any Letter of Credit or Alternative 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” means The Bank of Nova Scotia, and any other Lender that becomes an L/C Issuer in accordance with Section 2.03(k) or 10.07(j), in each case, in its capacity as an issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit and Alternative Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings and the aggregate of all Drawn Amounts including all Alternative L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit or Alternative Letter of Credit, the amount of such Letter of Credit or Alternative Letter of Credit shall be determined in accordance with Section 1.08. For all purposes of this Agreement, if on any date of determination a Letter of Credit or Alternative 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 or Alternative Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“**Lender**” has the meaning specified in the introductory paragraph to this Agreement (and includes, for avoidance of doubt, each Term B-3 Lender) and, as the context requires, includes an L/C Issuer, an Alternative L/C Issuer, the Swing Line Lender, any Initial Additional Facility Lender, any assignee which becomes a Lender under an Additional Facility pursuant to an Assignment and Assumption and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a “Lender.” For the avoidance of doubt, each Additional Lender is a Lender to the extent any such Person has executed and delivered a Refinancing Amendment, Additional Facility Joinder Agreement or an amendment in respect of Replacement Term Loans, as the case may be, and to the extent such Refinancing Amendment, Additional Facility Joinder Agreement or amendment in respect of Replacement Term Loans shall have become effective in accordance with the terms hereof and thereof, and each Extending Lender shall continue to be a Lender.

“**Lending Office**” means, 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 Company and the Administrative Agent which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

“**Letter of Credit**” means any letter of credit issued hereunder in respect of one or more Classes of Revolving Credit Commitments, other than an Alternative Letter of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit; *provided, however*, that any commercial letter of credit issued hereunder shall provide solely for cash payment upon presentation of a sight draft.

“**Letter of Credit Application**” means an application and agreement for the issuance or amendment of a Letter of Credit or Alternative Letter of Credit in the form from time to time in use by the relevant L/C Issuer or Alternative L/C Issuer, as applicable.

“**Letter of Credit Expiration Date**” means, with respect to any Letter of Credit or Alternative Letter of Credit, the day that is five (5) Business Days prior to the scheduled Latest Maturity Date then in effect for the Participating Revolving Credit Commitments (taking into account the Maturity Date of any conditional Participating Revolving Credit Commitment that will automatically go into effect on or prior to such Maturity Date (or, if such day is not a Business Day, the next preceding Business Day)).

“**Letter of Credit Sublimit**” means, (a) in respect of the Class A Revolving Credit Commitments, an amount equal to the lesser of (i) \$10,000,000 (or such greater amount as may be agreed between a Borrower and an L/C Issuer) and (ii) the aggregate amount of the Participating Revolving Credit Commitments in respect of the Class A Revolving Credit Commitments; (b) in respect of the Class B Revolving Credit Commitments, an amount equal to the lesser of (i) £150,000,000 (or its Dollar Equivalent) (or such greater amount as may be agreed between a Borrower and an L/C Issuer) and (ii) the aggregate amount of the Participating Revolving Credit Commitments in respect of the Class B Revolving Credit Commitments. Each applicable Letter of Credit Sublimit is part of, and not in addition to, the applicable Participating Revolving Credit Commitments.

“**Liberty Global**” means Liberty Global plc, and any and all successors thereto.

“**LIBOR**” has the meaning set forth in clause (a) of the definition of “Eurocurrency Rate”.

“**Loan**” means an extension of credit by a Lender (x) to a Borrower in the form of a Term Loan, and (y) to a Borrower in the form of a Revolving Credit Loan or a Swing Line Loan (including any Additional Facility Loan and any extension of credit under any Revolving Credit Commitment Increase).

“**Loan Documents**” means, collectively, (i) this Agreement, (ii) the Notes, (iii) the Collateral Documents, (iv) any Refinancing Amendment, Extension Amendment, or Incremental Amendment, (v) each Letter of Credit Application, (vi) any Additional Facility Joinder Agreement, (vii) each Fee Letter and (viii) any other document designated as a Loan Document by the Company and the Administrative Agent.

“**Loan Parties**” means, collectively, each Borrower and each Guarantor.

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Margin Stock” shall have the meaning assigned to such term in Regulation U.

“Material Adverse Effect” means any event or circumstance that has a material adverse effect on the ability of the Loan Parties (taken as a whole) to perform their payment obligations under any Loan Document to which the Company or any of the Loan Parties is a party.

“Material Subsidiary” means, as of any date of determination, any Restricted Subsidiary that accounts for more than 5% on an unconsolidated basis of Consolidated EBITDA for the most recent Test Period.

“Maturity Date” means (i) with respect to the Initial Term Loans, January 31, 2025, (ii) with respect to the Class A Revolving Credit Commitments, July 31, 2021, (iii) with respect to the Class B Revolving Credit Commitments, June 30, 2023, (iv) with respect to any Class of Extended Term Loans or Extended Revolving Credit Commitments, the final maturity date as specified in the applicable Extension Request accepted by the respective Lender or Lenders, (v) with respect to any Refinancing Term Loans or Other Revolving Credit Commitments, the final maturity date as specified in the applicable Refinancing Amendment and (vi) with respect to any Additional Facility Loan, the final maturity date as specified in the applicable Additional Facility Joinder Agreement; *provided that*, in each case, if such day is not a Business Day, the Maturity Date shall be the Business Day immediately succeeding such day.

“Maximum Rate” has the meaning specified in Section 10.10.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding six plan years, has made or been obligated to make contributions.

“New Intercreditor Agreement” means the New Intercreditor Agreement substantially in the form of Exhibit G.

“New Intercreditor Effective Date” means the date as notified in writing by the Company or a Permitted Affiliate Parent to the Administrative Agent on which the New Intercreditor Agreement has become or will become effective (which, for the avoidance of doubt, shall occur concurrently with or after the refinancing in full of both the Columbus Senior Notes and the Existing Senior Notes).

“New Intermediate Holdco” has the meaning set forth in the definition of “Group Refinancing Transaction” in Annex II.

“Non-Consenting Lender” has the meaning set forth in Section 3.12.

“Non-Defaulting Lender” means, at any time, a Lender that is not a Defaulting Lender.

“non-Expiring Credit Commitment” has the meaning provided in Section 2.04(g).

“Non-extension Notice Date” has the meaning specified in Section 2.03(b)(iii).

“Non-U.S. Jurisdiction” means each jurisdiction of organization of a Subsidiary of the Company other than the United States (or any state thereof) or the District of Columbia.

“Note” means a Term Note, a Revolving Credit Note or a Swing Line Note, as the context may require.

“Obligations” means all (x) advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, Letter of Credit or Alternative Letter of Credit, 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 Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding and (y) obligations of any Loan Party arising under any Secured Hedge Agreement or any Treasury Services Agreement. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents include (a) the obligation (including guarantee obligations) to pay principal, interest, Letter of Credit or Alternative Letter of Credit fees, reimbursement obligations, charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document and (b) the obligation of any Loan Party to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party. Notwithstanding the foregoing, (a) unless otherwise agreed to by the Borrower and any applicable Hedge Bank or Cash Management Bank, the obligations under any Secured Hedge Agreement and under any Treasury Services Agreement shall be secured and guaranteed pursuant to the Collateral Documents and the Guaranty only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (b) any release of Collateral or Guarantors effected in the manner permitted by this Agreement and any other Loan Document shall not require the consent of any Hedge Bank under Secured Hedge Agreements or Treasury Services Agreements.

“Offered Amount” has the meaning specified in Section 2.05(a)(v)(D)(1).

“Offered Discount” has the meaning specified in Section 2.05(a)(v)(D)(1).

“OID” means original issue discount.

“Organization Documents” means (a) with respect to any corporation or exempted company, the certificate or articles of incorporation and the bylaws or memorandum and articles of association (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 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 Applicable Indebtedness” has the meaning specified in Section 2.05(b)(i).

“Other Revolving Credit Commitments” means one or more Classes of Revolving Credit Commitments hereunder that result from a Refinancing Amendment.

“Other Revolving Credit Loans” means one or more Classes of Revolving Credit Loans that result from a Refinancing Amendment.

“Other Taxes” has the meaning specified in Section 3.01(b).

“Outstanding Amount” means (a) with respect to the Term Loans, Revolving Credit Loans and Swing Line Loans on any date, the outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, 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 any refinancings of outstanding Drawn Amounts under Alternative Letters of Credit 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 outstanding Dollar Equivalent 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 (i) 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) and (ii) outstanding Drawn Amounts under related Alternative Letters of Credit (including any refinancing of outstanding Drawn Amounts under related Alternative 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 or Alternative Letters of Credit taking effect on such date.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the greater of the Federal Funds Rate and 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 (b) with respect to any amount denominated in any Available Currency other than Dollars, the rate of interest per annum at which overnight deposits in such Available 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 or the L/C Issuer, as applicable, in the applicable offshore interbank market for such Available Currency to major banks in such interbank market.

“Participant” has the meaning specified in Section 10.07(e).

“Participant Register” has the meaning specified in Section 10.07(e).

“Participating Member State” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Participating Revolving Credit Commitments” means:

(I) with respect to Letters of Credit: (a) in respect of the Class A Revolving Credit Commitments, (i) the Class A Revolving Credit Commitments (including any Extended Revolving Credit Commitments in respect thereof) and (ii) those additional Revolving Credit Commitments (and both (x) Additional Revolving Facilities to such Class and (y) Extended Revolving Credit Commitments in respect thereof) established pursuant to a Refinancing Amendment for which an election has been made to include such Commitments for purposes of the issuance of Letters of Credit; *provided* that, with respect to clause (ii), the effectiveness of such election may be made conditional upon the maturity of one or more other Participating Revolving Credit Commitments; and (b) in respect of the Class B Revolving Credit Commitments, (i) the Class B Revolving Credit Commitments (including any Extended Revolving Credit Commitments in respect thereof) and (ii) those additional Revolving Credit Commitments (and both (x) Additional Revolving Facilities to such Class and (y) Extended Revolving Credit Commitments in respect thereof) established pursuant to a Refinancing Amendment for which an election has been made to include such Commitments for purposes of the issuance of Letters of Credit; *provided* that, with respect to clause (ii), the effectiveness of such election may be made conditional upon the maturity of one or more other Participating Revolving Credit Commitments; and

(II) with respect to Swing Line Loans, (i) the Initial Revolving Credit Commitments (including any Extended Revolving Credit Commitments in respect thereof) and (ii) those additional Revolving Credit Commitments (and both (x) Additional Revolving Facilities to such Class and (y) Extended Revolving Credit Commitments in respect thereof) established pursuant to a Refinancing Amendment for which an election has been made to include such Commitments for purposes of the making of Swing Line Loans; *provided* that, with respect to clause (ii), the effectiveness of such election may be made conditional upon the maturity of one or more other Participating Revolving Credit Commitments.

At any time at which there is more than one Class of Participating Revolving Credit Commitments outstanding, the mechanics and arrangements with respect to the allocation of Letters of Credit and Swing Line Loans among such Classes will be subject to procedures agreed to by the Company and the Administrative Agent

“Participating Revolving Credit Lender” means any Lender holding a Participating Revolving Credit Commitment.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA or Section 412 of the Code and is sponsored or maintained by any Loan Party or any ERISA Affiliate or to which any Loan Party or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five (5) plan years.

“Permitted Affiliate Group Designation Date” means any date on which the Administrative Agent provides confirmation to the Company that the conditions set out in Section 10.21(a) are satisfied.

“Permitted Affiliate Parent” has the meaning specified in Section 10.21(a).

“Permitted Earlier Maturity Indebtedness Exception” means, with respect to any Extended Term Loans permitted to be Incurred hereunder, that up to \$250,000,000 in aggregate principal amount of such Indebtedness may have a maturity date that is earlier than and a Weighted Average Life to Maturity that is shorter than, with respect to Extended Term Loans, the Weighted Average Life to Maturity of the Existing Term Loan Tranche from which such Extended Term Loans are amended.

“Permitted Equal Priority Refinancing Debt” means any secured Indebtedness Incurred by a Borrower in the form of one or more series of senior secured notes, bonds or debentures or first lien secured loans; *provided that* (i) such Indebtedness is secured by Liens on all or a portion of the Collateral on a basis that is equal in priority to the Liens on the Collateral securing the Obligations under this Agreement (but without regard to the control of remedies) and is not secured by any property or assets of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary other than the Collateral, (ii) such Indebtedness satisfies the applicable requirements set forth in the provisos to the definition of “Credit Agreement Refinancing Indebtedness,” (iii) the only obligors in respect of such Indebtedness shall be Loan Parties and (iv) the applicable Loan Parties, the holders of such Indebtedness (and/or their Debt Representative, as applicable) and the Administrative Agent and/or the Security Trustee shall be party to the applicable Intercreditor Agreement providing that the Liens on the Collateral securing such obligations shall rank equal in priority to the Liens on the Collateral securing the Obligations under this Agreement (but without regard to the control of remedies).

“Permitted Junior Lien Refinancing Debt” means Indebtedness constituting secured Indebtedness Incurred by a Borrower and/or a Guarantor in the form of one or more series of junior lien secured notes or junior lien secured loans (including in the form of one or more tranches of loans under this Agreement); *provided that* (i) such Indebtedness is secured by the Collateral on a junior priority basis to the Liens securing the Obligations under this Agreement and is not secured by any property or assets of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary other than the Collateral, (ii) the only obligors in respect of such Indebtedness shall be Loan Parties, (iii) the security agreements relating to such Indebtedness are substantially the same as or more favorable to the Loan Parties than the Collateral Documents (with such differences as are reasonably satisfactory to the Administrative Agent and/or the Security Trustee), (iv) such Indebtedness satisfies the applicable requirements set forth in the provisos to the definition of “Credit Agreement Refinancing Indebtedness” and (v) the holders of such Indebtedness (and/or their Debt Representative, as applicable) and the Administrative Agent and/or the Security Trustee shall be party to the applicable Intercreditor Agreement providing that the Liens on Collateral securing such obligations shall rank junior to the Liens on Collateral securing the Obligations under this Agreement.

“Permitted Unsecured Refinancing Debt” means unsecured Indebtedness Incurred by any of the Borrowers and/or the Guarantors in the form of one or more series of senior unsecured notes, bonds or debentures or unsecured loans (including in the form of one or more tranches of loans under this Agreement); *provided that* (i) such Indebtedness satisfies the applicable requirements set forth in Section 4.09(c)(2) of Annex II of this Agreement and the provisos in the definition of “Credit Agreement Refinancing Indebtedness” and (ii) the only obligors in respect of such Indebtedness shall be Loan Parties.

“Platform” means IntraLinks, SyndTrak or another similar electronic system where Company Materials are made available.

“Pledge Agreement” means (i) each share charge and each related confirmation listed on Schedule II and Schedule 6.17, (ii) any pledge agreement entered into in connection with a Subordinated Shareholder Loan in favor of the Security Trustee for the benefit of the Secured Parties and (iii) any other pledge agreements made by any other Loan Party in favor of the Security Trustee for the benefit of the Secured Parties.

“Proceeding” has the meaning set forth in Section 10.05.

“Pro Rata Share” means, with respect to each Lender, at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitments and, if applicable and without duplication, Term Loans of such Lender under the applicable Facility or Facilities at such time and

the denominator of which is the amount of the Aggregate Commitments under the applicable Facility or Facilities and, if applicable and without duplication, Term Loans under the applicable Facility or Facilities at such time; *provided* that, in the case of the Revolving Credit Commitments of any Class, if such 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; and *provided further* that, if any Lender has issued an Alternative Letter of Credit in respect of any Class of Revolving Credit Commitments, such Lender's relevant Revolving Credit Commitment shall be reduced by the aggregate face amount of such Alternative Letter of Credit for so long as such Alternative Letter of Credit is outstanding (subject to subclause (2) of Section 2.03(c)(B)(ii)).

"Qualified ECP Guarantor" means in respect of any Swap Obligation, each Loan Party that, at the time the relevant guarantee (or grant of the relevant security interest, as applicable) becomes or would become effective with respect to such Swap Obligation, has total assets exceeding \$10,000,000 or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and which may cause another person to qualify as an "eligible contract participant" with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v)(II) of the Commodity Exchange Act (or any successor provision thereto).

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Stock.

"Qualifying Assignment" means any assignment of a Loan to an Affiliated Lender in connection with an Additional Facility and where following such assignment, the Affiliated Lender assigns the relevant Loans under the Additional Facility to other Lenders that are not Affiliated Lenders within 15 Business Days of the initial assignment to the Affiliate Lender, *provided that* no Default of Event of Default has occurred and is continuing.

"Real Property" means, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned or leased by any Person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"Refinanced Debt" has the meaning set forth in the definition of "Credit Agreement Refinancing Indebtedness".

"Refinancing Amendment" means an amendment to this Agreement executed by (a) the applicable Borrower, (b) the Administrative Agent, (c) each Additional Refinancing Lender and (d) each Lender that agrees to provide any portion of Refinancing Term Loans, Other Revolving Credit Commitments or Other Revolving Credit Loans Incurred pursuant thereto, in accordance with Section 2.15.

"Refinancing Series" means all Refinancing Term Loans, Refinancing Term Commitments, Other Revolving Credit Commitments or Other Revolving Credit Loans that are established pursuant to the same Refinancing Amendment (or any subsequent Refinancing Amendment to the extent such Refinancing Amendment expressly provides that the Refinancing Term Loans, Refinancing Term Commitments, Other Revolving Credit Commitments or Other Revolving Credit Loans provided for therein are intended to be a part of any previously established Refinancing Series) and that provide for the same All-In Yield and, in the case of Refinancing Term Loans or Refinancing Term Commitments, amortization schedule.

"Refinancing Term Commitments" means one or more Classes of Term Commitments hereunder that are established to fund Refinancing Term Loans of the applicable Refinancing Series hereunder pursuant to a Refinancing Amendment.

"Refinancing Term Loans" means one or more Classes of Term Loans hereunder that result from a Refinancing Amendment.

"Register" has the meaning set forth in Section 10.07(d).

"Regulation T" means Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Rejection Notice” has the meaning specified in Section 2.05(b)(vii).

“Related Indemnified Person” of an Agent, Lender, Arranger or Bookrunner means (i) any controlling Person or controlled Affiliate of such Person, (ii) the respective directors, officers, or employees of such Person or any of its controlling Persons or controlled Affiliates and (iii) the respective agents or representatives of such Person or any of its controlling Persons or controlled Affiliates, in the case of this clause (iii), acting on behalf of or at the instructions of such Person, controlling person or such controlled Affiliate; *provided* that each reference to a controlled Affiliate, director, officer or employee in this definition pertains to a controlled Affiliate, director, officer or employee involved in the negotiation or syndication of this Agreement and the Facilities.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Release” means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing or migrating in, into, onto or through the Environment.

“Relevant Territory” means:

- (a) a member state of the European Communities (other than Ireland); or
- (b) to the extent not a member state of the European Communities, a jurisdiction with which Ireland has entered into a double taxation treaty that either has the force of law by virtue of section 826(1) of the TCA or which will have the force of law on completion of the procedures set out in section 826(1) of the TCA.

“Replaced Term Loans” has the meaning specified in Section 10.01.

“Replacement Term Loans” has the meaning specified in Section 10.01.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the otherwise applicable notice period has been waived by regulation or otherwise by the PBGC.

“Repricing Transaction” means (a) any prepayment, repayment, refinancing, substitution or replacement of all or a portion of the Initial Term Loans with the proceeds of, or any conversion of Initial Term Loans into, any new or replacement tranche of secured, long-term term loans the primary purpose of which is to reduce the All-In Yield applicable to such Initial Term Loans or (b) any amendment, amendment and restatement or other modification to this Agreement, the primary purpose of which is to reduce the All-In Yield applicable to the Initial Term Loans; *provided* that any refinancing or repricing of the Initial Term Loans shall not constitute a Repricing Transaction if such refinancing or repricing is in connection with a transaction that would result in a Change of Control.

“Request for Credit Extension” means (a) with respect to a Borrowing, continuation or conversion of Term Loans or Revolving Credit Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

“Required Class Lenders” means, as of any date of determination, with respect to one or more Facilities, Lenders having more than 50% of the sum of (a) the Total Outstandings under such Facility or Facilities (with the aggregate Dollar Equivalent of each Lender’s risk participation and funded participation in L/C Obligations relating to Letters of Credit and Swing Line Loans, as applicable, as calculated by the Administrative Agent, under such Facility or Facilities being deemed “held” by such Lender for purposes of this definition) and (b) the aggregate unused Commitments under such Facility or Facilities; *provided* that the unused Commitments of, and the portion

of the Total Outstandings under such Facility or Facilities held, or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of the Required Class Lenders; *provided, further*, that, the Loans of any Affiliated Lender shall be excluded for purposes of making a determination of Required Class Lenders as set forth in Section 10.07(m); *provided, further*, that any Commitments or Loans in relation to which a cancellation or prepayment notice (as applicable) has been delivered in accordance with Section 2.05(a) (to the extent such notice is unconditional) or Section 2.05(b) (to the extent the applicable Lenders have not declined the proceeds from such prepayment pursuant to Section 2.05(b)(vii)) shall be excluded for purposes of making a determination of Required Class Lenders.

“Required Lenders” means, as of any date of determination, Lenders having more than 50% of the sum of the (a) Total Outstandings (with the aggregate Dollar Equivalent of each Lender’s risk participation and funded participation in L/C Obligations relating to Letters of Credit and Swing Line Loans, as calculated by the Administrative Agent, being deemed “held” by such Lender for purposes of this definition), (b) aggregate unused Term Commitments and (c) aggregate unused Revolving Credit Commitments; *provided* that the unused Term Commitment and unused Revolving Credit Commitment of, and the portion of the Total Outstandings held, or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; *provided, further*, that, the Loans of any Affiliated Lender shall be excluded for purposes of making a determination of Required Lenders as set forth in Section 10.07(m); *provided, further*, that any Commitments or Loans in relation to which a cancellation or prepayment notice (as applicable) has been delivered in accordance with Section 2.05(a) (to the extent such notice is unconditional) or Section 2.05(b) (to the extent the applicable Lenders have not declined the proceeds from such prepayment pursuant to Section 2.05(b)(vii)) shall be excluded for purposes of making a determination of Required Lenders.

“Required Revolving Credit Lenders” means, as of any date of determination, Revolving Credit Lenders under the Initial Revolving Credit Commitments (including, for purposes of this definition of “Required Revolving Credit Lenders” (x) any Extended Revolving Credit Commitments in respect thereof and (y) any Other Revolving Credit Commitments in respect thereof and (z) Lenders under Additional Revolving Facilities that are entitled to vote with respect to the relevant matter) holding more than 50% of the sum of the (a) Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and all L/C Obligations (with the aggregate amount of each Lender’s risk participation (in respect of Letters of Credit) and funded participation in L/C Obligations and Swing Line Loans being deemed “held” by such Lender for purposes of this definition) under the Initial Revolving Credit Commitments and (b) aggregate unused Initial Revolving Credit Commitments; *provided* that unused Revolving Credit Commitments of, and the portion of the Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and all L/C Obligations held, or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Credit Lenders; *provided, further*, that any Commitments or Loans in relation to which a cancellation or prepayment notice (as applicable) has been delivered in accordance with Section 2.05(a) (to the extent such notice is unconditional) or Section 2.05(b) (to the extent the applicable Lenders have not declined the proceeds from such prepayment pursuant to Section 2.05(b)(vii)) shall be excluded for purposes of making a determination of Required Revolving Credit Lenders; and *provided, further*, that any Commitments or Loans in respect of any Revolving Credit Commitments that are not designated by the Company as Financial Covenant Revolving Credit Commitments shall be excluded for purposes of making a determination of Required Revolving Credit Lenders .

“Responsible Officer” means the chief executive officer, president, vice president, chief financial officer, chief operating officer, chief administrative officer, secretary or assistant secretary, treasurer or assistant treasurer or other similar officer or Person performing similar functions of a Loan Party (including pursuant to powers granted to such person under power of attorney). Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Group” means the Company, any Permitted Affiliate Parent and any Subsidiary of the Company or of a Permitted Affiliate Parent (including any Borrower) from time to time, but excluding any Unrestricted Subsidiary.

“Revolver Extension Request” has the meaning provided in Section 2.16(b).

“Revolver Extension Series” has the meaning provided in Section 2.16(b).

“Revolving Credit Availability Period” means (i) with respect to the Class A Revolving Credit Commitments, the period from and including the Amendment Effective Date to and including the date falling thirty (30) days prior to the Maturity Date of the Class A Revolving Credit Commitments (ii) with respect to the Class B Revolving Credit Commitments the period from and including the Amendment Effective Date to and including the date falling thirty (30) days prior to the Maturity Date of the Class B Revolving Credit Commitments.

“Revolving Credit Borrowing” means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of Eurocurrency Rate Loans, having the same Interest Period, made by each of the Revolving Credit Lenders pursuant to Section 2.01(b) (other than Revolving Credit Loans made pursuant to Section 2.14).

“Revolving Credit Commitment” means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrowers, (b) purchase participations in L/C Obligations in respect of Letters of Credit and (c) purchase participations in Swing Line Loans, as such commitment may be (a) reduced from time to time pursuant to Section 2.06, and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Revolving Credit Lender pursuant to an Assignment and Assumption, (ii) a Refinancing Amendment, (iii) an Extension or (iv) an Additional Facility Commitment. The amount of each Revolving Credit Lender’s Commitment is set forth in Schedule 1.01A under the caption “Revolving Credit Commitment” and the Register or in the Assignment and Assumption, in each case, as may be amended pursuant to any Increase Confirmation, Extension Amendment, Refinancing Amendment or Additional Facility Joinder Agreement pursuant to which such Lender shall have assumed, increased or decreased its Revolving Credit Commitment, as the case may be.

“Revolving Credit Commitment Increase” has the meaning provided in Section 2.14(a).

“Revolving Credit Exposure” means, as to each Revolving Credit Lender, the sum of the amount of the Outstanding Amount of such Revolving Credit Lender’s Revolving Credit Loans, the Outstanding Amount of all L/C Obligations of such Revolving Credit Lender under Alternative Letters of Credit issued by such Revolving Credit Lender and its Pro Rata Share or other applicable share provided for under this Agreement of the Dollar Equivalent of the L/C Obligations in respect of Letters of Credit and the Swing Line Obligations, as calculated by the Administrative Agent, at such time.

“Revolving Credit Lender” means, at any time, any Lender that has a Revolving Credit Commitment at such time or, if Revolving Credit Commitments have terminated, Revolving Credit Exposure.

“Revolving Credit Loans” means any loan made pursuant to the Initial Revolving Credit Commitments, any Additional Revolving Facility, any Other Revolving Credit Loan or any loan under any Extended Revolving Credit Commitments, as the context may require.

“Revolving Credit Note” means a promissory note of a Borrower payable to any Revolving Credit Lender or its registered assigns, in substantially the form of Exhibit C-2 hereto, evidencing the aggregate Indebtedness of such Borrower to such Revolving Credit Lender resulting from the Revolving Credit Loans made by such Revolving Credit Lender to such Borrower.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

“Same Day Funds” means immediately available funds.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”) or the U.S. Department of State, or (b) the European Union or Her Majesty’s Treasury of the United Kingdom.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S.

Department of State, the European Union or Her Majesty's Treasury of the United Kingdom and (b) any other Person organized in a Sanctioned Country or controlled (as determined by applicable law) by any Person that is a Sanctioned Person.

"Secured Hedge Agreement" means any Interest Rate Agreement, Commodity Agreement or Currency Agreement permitted under Annex II that is entered into by and between a Loan Party and any Hedge Bank.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, the Hedge Banks and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05.

"Security Trustee" means The Bank of Nova Scotia (as successor to BNP Paribas), and any and all successors thereto, in its capacity as security trustee under the Intercreditor Agreements.

"Solicited Discount Proration" has the meaning specified in Section 2.05(a)(v)(D)(3).

"Solicited Discounted Prepayment Amount" has the meaning specified in Section 2.05(a)(v)(D)(1).

"Solicited Discounted Prepayment Notice" means a written notice of the relevant Borrower of Solicited Discounted Prepayment Offers made pursuant to Section 2.05(a)(v)(D) substantially in the form of Exhibit Q.

"Solicited Discounted Prepayment Offer" means the written offer by each Lender, substantially in the form of Exhibit R, submitted following the Administrative Agent's receipt of a Solicited Discounted Prepayment Notice.

"Solicited Discounted Prepayment Response Date" has the meaning specified in Section 2.05(a)(v)(D)(1).

"Solvent" and **"Solvency"** mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the assets of such Person and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of such Person and its Subsidiaries, on a consolidated basis, 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, (c) such Person and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured and (d) such Person and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

"SPC" has the meaning specified in Section 10.07(h).

"Specified Discount Prepayment Amount" has the meaning specified in Section 2.05(a)(v)(B)(1).

"Specified Discount Prepayment Notice" means a written notice of the applicable Borrower's Offer of Specified Discount Prepayment made pursuant to Section 2.05(a)(v)(B) substantially in the form of Exhibit Q.

"Specified Discount Prepayment Response" means the written response by each Lender, substantially in the form of Exhibit S, to a Specified Discount Prepayment Notice.

"Specified Discount Prepayment Response Date" has the meaning specified in Section 2.05(a)(v)(B)(1).

"Specified Discount Proration" has the meaning specified in Section 2.05(a)(v)(B)(3).

"Sterling" and **"£"** means the lawful currency of the United Kingdom.

"Submitted Amount" has the meaning specified in Section 2.05(a)(v)(C)(1).

“**Submitted Discount**” has the meaning specified in Section 2.05(a)(v)(C)(1).

“**Swap**” means any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“**Swap Obligation**” means, with respect to any person, any obligation to pay or perform under any Swap.

“**Swing Line Borrowing**” means a borrowing of a Swing Line Loan pursuant to Section 2.04.

“**Swing Line Lender**” means the Bank of Nova Scotia, in its capacity as provider of Swing Line Loans or any successor swing line lender hereunder.

“**Swing Line Loan**” has the meaning specified in Section 2.04(a).

“**Swing Line Loan Notice**” means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B hereto.

“**Swing Line Note**” means a promissory note of a Borrower payable to the Swing Line Lender or its registered assigns, in substantially the form of Exhibit C-3 hereto, evidencing the aggregate Indebtedness of such Borrower to the Swing Line Lender resulting from the Swing Line Loans.

“**Swing Line Obligations**” means, as at any date of determination, the aggregate Outstanding Amount of all Swing Line Loans.

“**Swing Line Sublimit**” means an amount equal to the lesser of (a) \$3,000,000 and (b) the aggregate amount of the Participating Revolving Credit Commitments. The Swing Line Sublimit is part of, and not in addition to, the Participating Revolving Credit Commitments.

“**Taxes**” means all present or future taxes, imposts, duties, deductions, levies, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority including interest, penalties and additions to tax.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a UK Payment, other than (i) a FATCA Deduction or (ii) a deduction or withholding for or on account of any Bank Levy (or otherwise attributable to, or arising as a consequence of, a Bank Levy).

“**Tax Payment**” means the increase in a payment made by a Loan Party to a Finance Party under Section 3.02 or Section 3.03.

“**TCA**” means the Irish Taxes Consolidation Act, 1997 of Ireland.

“**Telecommunications, Cable and Broadcasting Laws**” means all laws, statutes, regulations and judgments relating to broadcasting or telecommunications or cable television or broadcasting applicable to any member of the Restricted Group, and/or the business carried on by, any member of the Restricted Group (for the avoidance of doubt, not including laws, statutes, regulations or judgments relating solely to consumer credit, data protection or intellectual property).

“**Term B-3 Availability Period**” means the period from and including the Amendment Effective Date to and including the date that is 30 Business Days following the Amendment Effective Date.

“**Term B-3 Borrowing**” means a borrowing consisting of Term B-3 Loans of the same Type and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Term B-3 Lenders pursuant to Section 2.01(a).

“**Term B-3 Lender**” means, at any time, any Lender that has a Term B-3 Loan Commitment or a Term B-3 Loan at such time.

“Term B-3 Loan” means the term loans made by the Term B-3 Lenders to any Borrower pursuant to Section 2.01(a) as such loans may be increased pursuant to the terms of Section 2.14.

“Term B-3 Loan Commitments” means, as to each Term B-3 Lender, its obligation to make a Term B-3 Loan to any Borrower pursuant to Section 2.01(a) in an aggregate amount not to exceed the amount set forth opposite such Lender’s name in the Register or in the Assignment and Assumption pursuant to which such Term B-3 Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate amount of the Term B-3 Loan Commitments as of the Amendment Effective Date is \$1,125,000,000.

“Term B-3 Loan Commitment Termination Date” means the earlier of (i) the last date of the Term B-3 Availability Period and (ii) with respect to any Term B-3 Loan Commitment that is terminated pursuant to Section 2.06, the termination date of such Term B-3 Loan Commitment.

“Term Borrowing” means a Borrowing of any Term Loans.

“Term Commitment” means, as to each Term Lender, its obligation to make Term Loans to any Borrower hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Term Lender pursuant to an Assignment and Assumption, (ii) a Refinancing Amendment, (iii) an Extension or (iv) an Additional Facility Commitment. The amount of each Lender’s Commitment is set forth in the Register or in the Assignment and Assumption, Extension Amendment, Refinancing Amendment or Additional Facility Joinder Agreement pursuant to which such Lender shall have assumed, increased or decreased its Term Commitment, as the case may be.

“Term Lender” means any Term B-3 Lender or any Lender that commits to provide any Additional Facility Loan that is a term loan, any Refinancing Term Loan, or any Extended Term Loan, as the context may require.

“Term Loan” means the Term B-3 Loan, any Additional Facility Loan that is a term loan, any Refinancing Term Loan or any Extended Term Loan, as the context may require.

“Term Loan Extension Request” has the meaning provided in Section 2.16(a).

“Term Loan Extension Series” has the meaning provided in Section 2.16(a).

“Term Loan Increase” has the meaning provided in Section 2.14(a).

“Term Note” means a promissory note of a Borrower payable to any Term Lender or its registered assigns, in substantially the form of, in the case of Term B-3 Loans, Exhibit C-1 hereto evidencing the aggregate Indebtedness of such Borrower to such Term Lender resulting from the Term Loans made by such Term Lender.

“Threshold Amount” means \$75,000,000.

“Total Additional Facility Commitment” means, in relation to an Additional Facility, the aggregate for the time being of the Additional Facility Commitments for that Additional Facility.

“Total Term B-3 Loan Commitment” means the sum of Term B-3 Loan Commitments of all the Term B-3 Lenders.

“Total Outstandings” means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

“Transferred Guarantor” has the meaning specified in Section 11.09.

“Treasury Services Agreement” means any agreement between the Company or any Subsidiary and any Hedge Bank relating to treasury, depository, credit card, debit card and cash management services or automated clearinghouse transfer of funds or any similar services.

“Type” means, with respect to a Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

“UK Bank Lender” means, in relation to a payment of interest on a participation in a Loan, a Lender which is beneficially entitled to that payment and (a) if the participation in that Loan was made by it, is a Lender which is a “bank” (as defined for the purposes of section 879 of the ITA in section 991 of the ITA) and within the charge to United Kingdom corporation tax as regards that payment or would be within such charge as respects such payment apart from section 18A of CTA and or (b) if the participation in that Loan was made by a different person, such person was a “bank” (as defined for the purposes of section 879 of the ITA in section 991 of the ITA) at the time that Loan was made, and is a lender which is within the charge to United Kingdom corporation tax as respect to that payment.

“UK Non-Bank Lender” means, in relation to a payment of interest on a Loan: (a) a Lender which is beneficially entitled to the income in respect of which that payment is made and is a UK Resident company (such that the payment is within the category of excepted payments described at section 933 ITA); or (b) a Lender to which such payment would fall within one of the categories of excepted payments described at sections 934 to 937 ITA inclusive, where H.M. Revenue & Customs has not given a direction under section 931 ITA which relates to that payment of interest on a Loan to such Borrower.

“UK Borrower” means the Original Borrower and any Borrower which is resident in the United Kingdom for tax purposes.

“UK Payment” has the meaning provided in Section 3.01(a).

“UK Qualifying Lender” means in relation to a payment of interest on a participation in a Loan, a Lender which is: (a) a UK Bank Lender; (b) a UK Non-Bank Lender; or (c) a UK Treaty Lender.

“UK Resident” means a person who is resident in the United Kingdom for the purposes of the CTA, and “non-UK Resident” shall be construed accordingly.

“UK Treaty Lender” means in relation to a payment of interest on a Loan, a Lender which is entitled to claim full relief from liability to taxation otherwise imposed by the United Kingdom on interest under a Double Taxation Treaty and which does not carry on business in (a) the United Kingdom, or (b) the Cayman Islands, in either case through a permanent establishment with which that Lender's participation in that Loan is effectively connected and, in relation to any payment of interest on any Loan made by that Lender, the applicable Borrower has, received notification (or will have received notification prior to the end of the first Interest Period hereunder) in writing from H.M. Revenue & Customs authorising such Borrower to pay interest on such Loans without any Tax Deduction, including where such notification is provided as a result of the Lender using HMRC DT Treaty Passport Scheme.

“Uniform Commercial Code” or **“UCC”** means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code or any successor provision thereof (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

“United States” and **“U.S.”** mean the United States of America.

“United States Tax Compliance Certificate” has the meaning set forth in Section 3.01(d)(ii)(C) and is in substantially the form of Exhibit H hereto.

“Unreimbursed Amount” has the meaning set forth in Section 2.03(c)(A)(i).

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“VAT” means (a) value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature imposed in compliance with the Council Directive 2006/112/EC on the common system of value added tax as implemented by a member state of the European Union; 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 to in paragraph (a) above, or imposed elsewhere.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) 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 (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness, the effects of any amortization or prepayments made on such Indebtedness prior to the date of such determination shall be disregarded in making such calculation.

“Wider Group” means (a) the Ultimate Parent and its Subsidiaries from time to time (other than the members of the Restricted Group); and (b) following consummation of a Parent Joint Venture Transaction, each of the ultimate Holding Companies of the Parent Joint Venture Holders, the Parent Joint Venture Holders and the Joint Venture Parents, and in each case, their successors and their Subsidiaries.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02. Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan 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 Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.
- (c) Article, Section, Exhibit and Schedule references are to the Loan Document in which such reference appears.
- (d) The term “including” (and its correlatives) means by way of example and not as a limitation.
- (e) The word “or” is not exclusive.
- (f) 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.
- (g) 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.”
- (h) Any reference to any action, decision or determination to be made by the Company, any Permitted Affiliate Parent, or any Restricted Subsidiary at its option (or equivalent) may (unless expressly provided to the contrary in this Agreement) be made by the Company, such Permitted Affiliate Parent or such Restricted Subsidiary in its sole discretion acting in good faith.
- (i) The knowledge or awareness or belief of the Company, any Loan Party or any other member of the Restricted Group shall be limited to the actual knowledge, awareness or belief (in good faith) of the Board of Directors (or equivalent body) of the Company, such Loan Party or such member of the Restricted Group at the relevant time.
- (j) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(k) For purposes of determining compliance with Section 2.14 and any Section of Annex II at any time, in the event that any Lien, Permitted Investment, Indebtedness, Asset Disposition, Restricted Payment, Affiliate Transaction, Contractual Obligation or prepayment of Indebtedness meets the criteria of one or more than one of the categories of transactions permitted pursuant to any clause of such Sections, the Company and any Permitted Affiliate Parent will be entitled to classify such transaction (or portion thereof) on the date of such transaction or later reclassify such transaction (or portion thereof) in any manner that complies with such Sections.

Section 1.03. Accounting Terms.

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 IFRS, except as otherwise specifically prescribed herein.

Section 1.04. Rounding.

Any financial ratios required to be maintained by the Company 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).

Section 1.05. References to Agreements, Laws, Etc.

Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by the Loan Documents; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

Section 1.06. Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.07. Timing of Payment of 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.

Section 1.08. Letters of Credit and Alternative Letters of Credit.

Unless otherwise specified herein, the amount of a Letter of Credit or Alternative Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit, as calculated by the Administrative Agent, in effect at such time; *provided, however*, that with respect to any Letter of Credit or Alternative Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit or Alternative Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit or Alternative Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.09. Cashless Roll.

Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by

the Borrowers, the Administrative Agent and such Lender, and any such exchange, continuation or rollover shall be deemed to comply with any requirement hereunder or under any other Loan Document that any payment be made “in Dollars” (or the relevant alternative currency), “in immediately available funds”, “in cash” or any other similar requirements.

Section 1.10. Existing Intercreditor Agreement

Pursuant to clause 1.3(v) (Construction) of the Existing Intercreditor Agreement, whereby “RCF Agreement” (as defined therein) includes that agreement as replaced by this Agreement, terms used but not defined in the Existing Intercreditor Agreement have the same meaning given to them in this Agreement. For the purposes of the Existing Intercreditor Agreement:

- (a) “**RCF Finance Documents**” means the Loan Documents.
- (b) “**Group**” means the Restricted Group; and
- (c) “**Security**” means a Lien.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.01. The Loans.

(a) *The Initial Term Loans*

(i) *The Term B-3 Borrowings.* (i) Subject to the terms and conditions set forth herein, each Term B-3 Lender severally agrees to make to the Original Co-Borrower, one or more Term B-3 Loans denominated in Dollars from time to time, on any Business Day during the Term B-3 Availability Period in an aggregate amount not to exceed (x) for any such Term B-3 Lender, the Available Term B-3 Loan Commitment of such Term B-3 Lender as of the date of such Borrowing (immediately prior to giving effect thereto) and (y) in the aggregate, the Total Term B-3 Loan Commitment as of the date of such Borrowing (immediately prior to giving effect thereto), each such Term B-3 Loan to be funded by each such Term B-3 Lender on a pro rata basis in accordance with the percentage of the Total Term B-3 Loan Commitment represented by its Term B-3 Loan Commitment and (ii) subject to the terms and conditions set forth in any Refinancing Amendment providing for, as applicable, the making, exchange, renewal, replacement or refinancing of Term B-3 Loans, each Term B-3 Lender party thereto severally agrees to, as applicable, make, exchange, renew, replace or refinance Term B-3 Loans on the date specified therein in an aggregate amount not to exceed the amount of such Term B-3 Lender’s Term B-3 Loan Commitment as set forth therein.

(ii) The Initial Term Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein. The Initial Term Loans shall have the same terms and shall be treated as a single class for all purposes, except that interest on the Initial Term Loans shall commence to accrue from the applicable funding date thereof. Amounts borrowed, exchanged, renewed, replaced or refinanced under this Section 2.01(a) and repaid or prepaid may not be reborrowed.

(b) *The Revolving Credit Borrowings.*

Subject to the terms and conditions set forth herein, each Revolving Credit Lender with any Revolving Credit Commitment severally agrees to make Revolving Credit Loans denominated in one or more Available Currencies pursuant to Section 2.02 from its applicable Lending Office to the Borrowers, from time to time, on any Business Day during the Revolving Credit Availability Period, in an aggregate Dollar Equivalent, calculated by the Administrative Agent, not to exceed at any time outstanding the amount of such Revolving Credit Lender’s Revolving Credit Commitment; *provided* that after giving effect to any Revolving Credit Borrowing, the aggregate Outstanding Amount of the Revolving Credit Loans of any Revolving Credit Lender, plus such Revolving Credit Lender’s Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations in respect of Letters of Credit, plus the Outstanding Amount of all L/C Obligations of such Revolving Credit Lender under Alternative Letters of Credit issued by such Revolving Credit Lender, plus such Revolving Credit Lender’s Pro Rata Share or other applicable share provided for under this Agreement of the

Outstanding Amount of all Swing Line Loans, shall not exceed such Revolving Credit Lender's Revolving Credit Commitment. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.01(b), prepay under Section 2.05, and reborrow under this Section 2.01(b). Revolving Credit Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein. The borrowing and repayment (except for (i) payments of interest and fees at different rates on the Class A Revolving Credit Commitments and Class B Revolving Credit Commitments (and related outstandings), (ii) repayments required upon the Maturity Date of the Class A Revolving Credit Commitments or the Maturity Date of the Class B Revolving Credit Commitments and (iii) repayment made in connection with a permanent repayment and termination of commitments (in accordance with Section 2.06)) of Class B Revolving Credit Loans after the Amendment Effective Date shall be made on a *pro rata* basis with the Class A Revolving Credit Loans.

Section 2.02. Borrowings, Conversions and Continuations of Loans.

(a) Each Term Borrowing, each Revolving Credit Borrowing, each Additional Facility Borrowing, each conversion of Term Loans or Revolving Credit Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the irrevocable notice of the relevant Borrower, to the Administrative Agent (provided that, subject to the payment when due of any amounts owing as a result thereof pursuant to Section 3.10, the notice in connection with any permitted acquisition, Permitted Investment or other transaction permitted under this Agreement, may be conditioned on the closing of such transaction, which may be given by telephone or Committed Loan Notice; *provided that* each telephonic notice by a Borrower, pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of such Borrower. Each such notice must be received by the Administrative Agent not later than (1) 1:00 p.m. two (2) Business Days prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans or any conversion of Base Rate Loans to Eurocurrency Rate Loans, and (2) 1:00 p.m. on the requested date of any Borrowing of Base Rate Loans; *provided that* the notice referred to in subclause (1) above may be delivered no later than one (1) Business Day prior to the requested date of the Borrowing in the case of the initial Revolving Credit Borrowing and the initial Term B-3 Borrowing. Except as provided in Sections 2.15 or 2.16, or as otherwise specified in an Additional Facility Joinder Agreement in relation to any Additional Facility, each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans shall be in a minimum Dollar Equivalent of \$1,000,000 or a whole multiple of a Dollar Equivalent of \$100,000 in excess thereof. Except as provided in Section 2.03(c), 2.04(b), 2.15 or 2.16, or as otherwise specified in an Additional Facility Joinder Agreement in relation to any Additional Facility, each Borrowing of or conversion to Base Rate Loans shall be in a minimum Dollar Equivalent of \$1,000,000 or a whole multiple of a Dollar Equivalent of \$100,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the requesting Borrower is requesting a Term Borrowing, a Revolving Credit Borrowing, a conversion of Term Loans or Revolving Credit Loans from one Type to the other or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the Dollar Equivalent, of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Term Loans or Revolving Credit Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto, (vi) in the case of Revolving Credit Loans, the currency in which the Revolving Credit Loans to be borrowed, continued or converted are to be denominated and (vii) wire instructions of the account(s) to which funds are to be disbursed (it being understood, for the avoidance of doubt, that the amount to be disbursed to any particular account may be less than the minimum or multiple limitations set forth above so long as the aggregate amount to be disbursed to all such accounts pursuant to such Borrowing meets such minimums and multiples). The currency specified in a Committed Loan Notice for an Additional Facility must be Dollars or such other currency as may be agreed between the relevant Borrower and the Additional Facility Lenders under such Additional Facility. If, (x) with respect to any Eurocurrency Rate Loans denominated in Dollars, a Borrower fails to specify a Type of Loan in a Committed Loan Notice or fails to give a timely notice requesting a conversion or continuation, then the applicable Term Loans or Revolving Credit Loans shall be made as, or converted to, Base Rate Loans and (y) with respect to any Eurocurrency Rate Loans denominated in any Available Currency (other than Dollars), a Borrower fails to specify a Type of Loan in a Committed Loan Notice 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, Eurocurrency Rate Loans with an Interest Period of one (1) month. Any such automatic conversion to Base Rate Loans or Eurocurrency Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If a Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Committed Loan Notice, 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.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Pro Rata Share or other applicable share provided for under this Agreement of the applicable Class of Loans, and if no timely notice of a conversion or continuation is provided by a Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation described in Section 2.02(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 not later than the later of 12:00 noon on the Business Day specified in the applicable Committed Loan Notice and one hour after written notice of such Borrowing is delivered by the Administrative Agent to such Lender; *provided* that, such funds may be made available at such earlier time as may be agreed among the relevant Lenders, the relevant Borrower and the Administrative Agent for the purposes of the relevant transactions. The Administrative Agent shall make all funds so received available to the relevant Borrower in like funds as received by the Administrative Agent either by (i) crediting the account(s) of the relevant Borrower on the books of the Administrative Agent with the amount of such funds or (ii) the wire transfer of such funds, in each case in accordance with instructions provided by the relevant Borrower to (and reasonably acceptable to) the Administrative Agent; *provided* that if there are Swing Line Loans or L/C Borrowings outstanding on the date the Committed Loan Notice with respect to a Borrowing under any Class of Revolving Credit Commitments is given by the relevant Borrower, then the proceeds of such Borrowing shall be applied, first, to the payment in full of any such L/C Borrowing, second, to the payment in full of any such Swing Line Loans, and third, to the relevant Borrower as provided above.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan unless the relevant Borrower pays the amount due, if any, under Section 3.10 in connection therewith. During the occurrence and continuation of an Event of Default, the Administrative Agent or the Required Lenders may require by notice to the Borrowers that no Loans denominated in Dollars may be converted to or continued as Eurocurrency Rate Loans and Loans denominated in an Available Currency other than Dollars may only be continued as Eurocurrency Rate Loans with an Interest Period of one (1) month.

(d) The Administrative Agent shall promptly notify the relevant Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. The determination of the Eurocurrency Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the relevant Borrower and the Lenders of any change in the Administrative Agent's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Term Borrowings, all Revolving Credit Borrowings, all conversions of Term Loans or Revolving Credit Loans from one Type to the other, and all continuations of Term Loans or Revolving Credit Loans as the same Type, there shall not be more than 10 Interest Periods in effect unless otherwise agreed between the relevant Borrower and the Administrative Agent; *provided* that, after the establishment of any new Class of Loans pursuant to an Additional Facility Joinder Agreement, a Refinancing Amendment or Extension Amendment, the number of Interest Periods otherwise permitted by this Section 2.02(e) shall increase by 3 Interest Periods for each applicable Class so established.

(f) The failure of any Lender to make a Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make a Loan to be made by such other Lender on the date of any Borrowing.

(g) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such Borrowing, the Administrative Agent may assume that such Lender has made such Pro Rata Share or other applicable share provided for under this Agreement available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (b) above, and the Administrative Agent may, in reliance upon such assumption, make available to the relevant Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and

the relevant Borrower severally agree 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 relevant Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the relevant 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 2.02(g) shall be conclusive in the absence of manifest error. If the relevant 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 the relevant Borrower the amount of such interest paid by the relevant 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 the relevant Borrower shall be without prejudice to any claim the relevant Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(h) Upon receipt of a Committed Loan Notice for an Additional Facility, the Administrative Agent shall promptly notify each Additional Facility Lender of the aggregate amount of the Additional Facility Borrowing and of the amount of such Additional Facility Lender's pro rata portion thereof, which shall be based on their respective Additional Facility Commitment. Each Additional Facility Lender will make the amount of its pro rata portion of the Additional Facility Borrowing available to the Administrative Agent for the account of the relevant Borrower at the New York office of the Administrative Agent specified on Schedule 10.02 prior to the time specified in the relevant Additional Facility Joinder Agreement, in funds immediately available to the Administrative Agent.

(i) No more than one Committed Loan Notice may be made under each Additional Facility unless an Additional Facility Joinder Agreement specifies otherwise, in which case the maximum number of requests for Additional Facility Loans under that Additional Facility will be as set out in that Additional Facility Joinder Agreement.

(j) Unless the Administrative Agent agrees otherwise, or unless otherwise agreed in the Additional Facility Joinder Agreement, no more than five (5) Additional Facility Loans may be outstanding at any one time under each Additional Facility (other than Additional Facilities that are Revolving Credit Loans).

Section 2.03. Letters of Credit and Alternative Letters of Credit.

(a) *The Letter of Credit Commitment.*

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the other Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from and including the Amendment Effective Date until the Letter of Credit Expiration Date, to issue Letters of Credit, at sight denominated in an Available Currency for the account of a Borrower (*provided* that any Letter of Credit may be for the benefit of any Subsidiary of a Borrower and may be issued for the joint and several account of a Borrower and a Restricted Subsidiary to the extent otherwise permitted by this Agreement) and to amend or renew Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drafts under the Letters of Credit and (B) the Participating Revolving Credit Lenders severally agree to participate in Letters of Credit (but shall not, for the avoidance of doubt, participate in Alternative Letters of Credit) issued pursuant to this Section 2.03; *provided* that no L/C Issuer shall be obligated to make any L/C Credit Extension with respect to any Letter of Credit, and no Lender shall be obligated to participate in any Letter of Credit if as of the date of such L/C Credit Extension, (x) the Revolving Credit Exposure of any Participating Revolving Credit Lender would exceed such Lender's Participating Revolving Credit Commitment or (y) the Outstanding Amount of the L/C Obligations in respect of Letters of Credit would exceed the applicable Letter of Credit Sublimit. Within the foregoing limits, and subject to the terms and conditions hereof, a Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly a Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) Each Borrower and each Existing L/C Issuer listed in Schedule 1.01B agrees that, on and from the Amendment Effective Date, the Existing Letter of Credit set forth beside its name in Schedule 1.01B shall be deemed to be an Alternative Letter of Credit established under the Class B Revolving Credit Commitments

on a bilateral basis in respect of all or any part of its Class B Revolving Credit Commitment for all purposes under this Agreement.

(iii) Subject to the terms and conditions set forth herein, (A) each Existing L/C Issuer agrees (1) to amend or renew the Existing Letters of Credit, in accordance with Section 2.03(b) and (2) to honor drafts under the applicable Existing Letter of Credit and (B) with respect to Alternative Letters of Credit that are not Existing Letters of Credit, each Alternative L/C Issuer (or an Affiliate of such an Alternative L/C Issuer) may, in its discretion, upon request of a Borrower, (1) from time to time on any Business Day during the period from and including the Amendment Effective Date until the Letter of Credit Expiration Date, agree to issue Alternative Letters of Credit on a bilateral basis to a Borrower at sight denominated in an Available Currency for the account of a Borrower (*provided that* any Alternative Letter of Credit may be for the benefit of any Subsidiary of a Borrower and may be issued for the joint and several account of a Borrower and a Restricted Subsidiary to the extent otherwise permitted by this Agreement) and to amend or renew Alternative Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drafts under the Alternative Letters of Credit *provided* that no Alternative L/C Issuer shall be obligated to make any L/C Credit Extension with respect to any Alternative Letter of Credit, if as of the date of such L/C Credit Extension, the Revolving Credit Exposure of that Alternative L/C Issuer would exceed such Alternative L/C Issuer's Revolving Credit Commitment. Within the foregoing limits, and subject to the terms and conditions hereof, a Borrower's ability to obtain Alternative Letters of Credit shall be fully revolving, and accordingly a Borrower may, during the foregoing period, obtain Alternative Letters of Credit to replace Alternative Letters of Credit that have expired or that have been drawn upon and reimbursed.

(iv) No L/C Issuer or Alternative L/C Issuer shall be under any obligation to issue any Letter of Credit or Alternative 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 or Alternative L/C Issuer from issuing such Letter of Credit or Alternative Letter of Credit, or any Law applicable to such L/C Issuer or Alternative L/C Issuer or any directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer or Alternative L/C Issuer shall prohibit, or direct that such L/C Issuer or Alternative L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit or Alternative Letter of Credit in particular or shall impose upon such L/C Issuer or Alternative L/C Issuer with respect to such Letter of Credit or Alternative Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer or Alternative L/C Issuer is not otherwise compensated hereunder) not in effect on the Amendment Effective Date, or shall impose upon such L/C Issuer or Alternative L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Amendment Effective Date (for which such L/C Issuer or Alternative L/C Issuer is not otherwise compensated hereunder);

(B) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit or Alternative Letter of Credit would occur more than twelve (12) months after the date of issuance or last renewal, unless (1) each Appropriate Lender has approved of such expiration date or (2) the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit or Alternative Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to such L/C Issuer or Alternative L/C Issuer, as applicable;

(C) the expiry date of such requested Letter of Credit or Alternative Letter of Credit would occur after the Letter of Credit Expiration Date, unless (1) each Appropriate Lender has approved such expiry date or (2) the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit or Alternative Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to such L/C Issuer or Alternative L/C Issuer, as applicable, and the Administrative Agent;

(D) the issuance of such Letter of Credit or Alternative Letter of Credit would violate any policies of the L/C Issuer or Alternative L/C Issuer, as applicable, applicable to letters of credit generally;

(E) with respect to any Letter of Credit, any Participating Revolving Credit Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements reasonably

satisfactory to it and the relevant Borrower to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.17(a) (iv)) with respect to the participation in Letters of Credit by such Defaulting Lender, including by cash collateralizing such Defaulting Lender's Pro Rata Share of the L/C Obligations in respect of such Letter of Credit; and

(F) such Letter of Credit or Alternative Letter of Credit is denominated in a currency other than an Available Currency.

(v) No L/C Issuer or Alternative L/C Issuer shall be under any obligation to amend any Letter of Credit or Alternative Letter of Credit if (A) such L/C Issuer or Alternative L/C Issuer would have no obligation at such time to issue such Letter of Credit or Alternative Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit or Alternative Letter of Credit does not accept the proposed amendment to such Letter of Credit or Alternative Letter of Credit. Notwithstanding anything herein to the contrary, the expiry date of any Letter of Credit or Alternative Letter of Credit denominated in a currency other than Dollars or Sterling must be approved by the relevant L/C Issuer or Alternative L/C Issuer in its sole discretion even if it is less than twelve months after the date of issuance or last renewal and any Auto-Extension Letter of Credit denominated in a currency other than Dollars or Sterling shall be issued only at the sole discretion of the relevant L/C Issuer or Alternative L/C Issuer.

(b) *Procedures for Issuance and Amendment of Letters of Credit and Alternative Letters of Credit; Auto-Extension Letters of Credit.*

(i) Each Letter of Credit or Alternative Letter of Credit shall be issued or amended, as the case may be, upon the request of the relevant Borrower, delivered to an L/C Issuer or Alternative L/C Issuer, as applicable (with a copy to the Administrative Agent), in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application must be received by the relevant L/C Issuer or Alternative L/C Issuer, as applicable, and the Administrative Agent not later than 12:30 p.m. at least one (1) Business Day 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 or Alternative L/C Issuer, as applicable, 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 or Alternative Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer or Alternative L/C Issuer, as applicable: (a) in respect of each Letter of Credit and Alternative Letter of Credit, the relevant Class of Revolving Credit Commitments, (b) the proposed issuance date of the requested Letter of Credit or Alternative Letter of Credit (which shall be a Business Day); (c) the amount thereof; (d) the expiry date thereof; (e) the name and address of the beneficiary thereof; (f) the documents to be presented by such beneficiary in case of any drawing thereunder; (g) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (h) the Available Currency in which the requested Letter of Credit or Alternative Letter of Credit is to be issued will be denominated; and (i) such other matters as the relevant L/C Issuer or Alternative L/C Issuer, as applicable, may reasonably request. In the case of a request for an amendment of any outstanding Letter of Credit or Alternative Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer or Alternative L/C Issuer, as applicable, (1) the Letter of Credit or Alternative 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 or Alternative L/C Issuer, as applicable, may reasonably request.

(ii) Promptly after receipt of any Letter of Credit Application, the relevant L/C Issuer or Alternative L/C Issuer, as applicable, 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 relevant Borrower, and, if not, such L/C Issuer or Alternative L/C Issuer, as applicable, will provide the Administrative Agent with a copy thereof. Upon receipt by the relevant L/C Issuer or Alternative L/C Issuer, as applicable, of confirmation from the Administrative Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such L/C Issuer or with respect to an Alternative Letter of Credit other than an Existing Letter of Credit, on the requested date, issue a Letter of Credit or Alternative Letter of Credit for the account of that Borrower (and, if applicable, its applicable Subsidiary) or enter into the applicable amendment, as the case may be. With respect to the issuance of any Letter of Credit, (but not, for the avoidance of doubt, any Alternative Letter of Credit), immediately upon such issuance, each Participating Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase 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 or other applicable share provided for under this Agreement times the stated amount of such Letter of Credit.

(iii) If a Borrower so requests in any applicable Letter of Credit Application, the relevant L/C Issuer shall agree (and an Alternative L/C Issuer may agree) to issue a Letter of Credit or Alternative Letter of Credit that has automatic extension provisions (each, an "**Auto-Extension Letter of Credit**"); *provided* that any such Auto-Extension Letter of Credit must (or, in the case of any Alternative Letter of Credit, may) permit the relevant L/C Issuer or Alternative L/C Issuer, as applicable, to prevent any such extension at least once in each twelve (12) month period (commencing with the date of issuance of such Letter of Credit or Alternative Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "**Non-extension Notice Date**") in each such twelve (12) month period to be agreed upon at the time such Letter of Credit or Alternative Letter of Credit is issued. Unless otherwise directed by the relevant L/C Issuer or Alternative L/C Issuer, as applicable, the relevant Borrower shall not be required to make a specific request to the relevant L/C Issuer or Alternative L/C Issuer, as applicable, for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the relevant L/C Issuer or Alternative L/C Issuer, as applicable, to permit the extension of such Letter of Credit or Alternative Letter of Credit at any time to an expiry date that is, unless the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit or Alternative Letter of Credit has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the relevant L/C Issuer or Alternative L/C Issuer, as applicable, not later than the Letter of Credit Expiration Date; *provided* that the relevant L/C Issuer or Alternative L/C Issuer, as applicable, shall not permit any such extension if (A) the relevant L/C Issuer or Alternative L/C Issuer, as applicable, has determined that it would have no obligation at such time to issue such Letter of Credit or Alternative Letter of Credit in its extended form under the terms hereof (by reason of the provisions of Section 2.03(a)(iii) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-extension Notice Date from the Administrative Agent, any Participating Revolving Credit Lender (with respect to any Letter of Credit only, and not with respect to any Alternative Letter of Credit) or the relevant Borrower that one or more of the applicable conditions specified in Section 4.02 or Section 4.03, as applicable, is not then satisfied.

(iv) Promptly after issuance of any Letter of Credit or Alternative Letter of Credit or any amendment to a Letter of Credit or Alternative Letter of Credit, the relevant L/C Issuer or Alternative L/C Issuer, as applicable, will also deliver to the relevant Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or Alternative Letter of Credit or amendment thereof.

(c) *Drawings and Reimbursements; Funding of Participations.*

(A) With respect to any Letter of Credit:

(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 notify promptly the relevant Borrower and the Administrative Agent thereof. Not later than 12:00 noon on the second Business Day following any payment by an L/C Issuer under a Letter of Credit with notice to that Borrower (each such date, an "**Honor Date**"), that Borrower shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing in Dollars (it being understood that in the case of a Letter of Credit denominated in an Available Currency other than Dollars, the amount of such Letter of Credit shall be determined by taking the Dollar Equivalent, calculated by the Administrative Agent, of such Letter of Credit); *provided* that if such reimbursement is not made on the date of drawing, such Borrower shall pay interest to the relevant L/C Issuer on such amount at the rate applicable to Base Rate Loans under the applicable Participating Revolving Credit Commitments (without duplication of interest payable on L/C Borrowings). The L/C Issuer shall notify the applicable Borrower of the Dollar Equivalent of the drawing promptly following the determination or revaluation thereof. If that 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 in the Dollar Equivalent, calculated by the Administrative Agent, thereof in the case of an Available Currency other than Dollars) (the "**Unreimbursed Amount**"), and the amount of such Appropriate Lender's Pro Rata Share or other applicable share provided for under this Agreement thereof. In such event, (x) in the case of an Unreimbursed Amount denominated in Dollars, such Borrower shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans and (y) in the case of an Unreimbursed Amount denominated in an Available Currency (other than Dollars), such Borrower shall be deemed to have requested a Revolving Credit Borrowing of Eurocurrency Rate Loans, in each case, under the Participating Revolving Credit Commitments to be disbursed on the Honor Date in an amount equal to the

Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans but subject to the amount of the unutilized portion of the Participating Revolving Credit Commitments of the Appropriate Lenders and the conditions set forth in Section 4.02 or Section 4.03, as applicable (other than the delivery of a Committed Loan Notice). Any notice given by an L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(A)(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) Each Appropriate Lender (including any Lender acting as an L/C Issuer) shall upon any notice pursuant to Section 2.03(c)(A)(i) make funds available to the Administrative Agent for the account of the relevant L/C Issuer in Dollars at the Administrative Agent's Office for payments in an amount equal to its Pro Rata Share or other applicable share provided for under this Agreement of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(A)(iii), each Appropriate Lender that so makes funds available shall be deemed to have made a Base Rate Loan under the Participating Revolving Credit Commitments to a 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 that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 or Section 4.03, as applicable cannot be satisfied or for any other reason, a Borrower shall be deemed to have incurred from the relevant L/C Issuer an L/C Borrowing in the Dollar Equivalent 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 Appropriate Lender's payment to the Administrative Agent for the account of the relevant L/C Issuer pursuant to Section 2.03(c)(A)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Appropriate Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c)(A) 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 or other applicable share provided for under this Agreement of such amount shall be solely for the account of the relevant L/C Issuer.

(v) Each Participating Revolving Credit Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse an L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c)(A), 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, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article IV; (C) any adverse change in the condition (financial or otherwise) of the Loan Parties; (D) any breach of this Agreement or any other Loan Document by any Borrower, any other Loan Party or any other L/C Issuer; or (E) any other circumstance, occurrence, event or condition, whether or not similar to any of the foregoing; *provided* that each Participating Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c)(A) is subject to the conditions set forth in Section 4.03 (other than delivery by the relevant Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the relevant 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 Participating Revolving Credit 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 2.03(c)(A) by the time specified in Section 2.03(c)(A)(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. A certificate of the relevant L/C Issuer submitted to any Participating Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(A)(vi) shall be conclusive absent manifest error.

(B) With respect to any Alternative Letter of Credit:

(i) Upon receipt from the beneficiary of any Alternative Letter of Credit of any notice of a drawing under such Alternative Letter of Credit, the relevant Alternative L/C Issuer shall notify promptly the relevant Borrower and the Administrative Agent thereof. Not later than 12:00 noon on the second Business Day following any payment by an Alternative L/C Issuer under an Alternative Letter of Credit with notice to that Borrower, that Borrower shall reimburse such Alternative L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing in Dollars (it being understood that in the case of an Alternative Letter of Credit denominated in an Available Currency other than Dollars, the amount of such Alternative Letter of Credit shall be determined by taking the Dollar Equivalent, calculated by the Administrative Agent, of such Alternative Letter of Credit); *provided* that if such reimbursement is not made on the date of drawing, such Borrower shall pay interest to the relevant Alternative L/C Issuer on such amount at the rate applicable to Base Rate Loans under the applicable Revolving Credit Commitments (without duplication of interest payable on Alternative L/C Borrowings). The Alternative L/C Issuer shall notify the applicable Borrower of the Dollar Equivalent of the drawing promptly following the determination or revaluation thereof (such amount, the “**Drawn Amount**”). Any notice given by an Alternative L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(B)(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 Borrower may elect to fund all or part of any Drawn Amount by way of a Revolving Credit Borrowing. For the purposes of any such Revolving Credit Borrowing, (1) such Borrower shall, at the same time as it delivers a Request for Credit Extension in respect thereof, notify the Administrative Agent that the Revolving Credit Borrowing is for the purpose of funding the applicable Borrower’s reimbursement obligations in respect of such Drawn Amount, and (2) for purposes of calculating the Pro Rata Share of the Revolving Credit Lender that has issued the Alternative Letter of Credit under which such Drawn Amount is payable, the participation of such Revolving Credit Lender in such Alternative Letter of Credit shall not be deducted from such Revolving Credit Lender’s Revolving Credit Commitment and such Revolving Credit Lender’s Pro Rata Share of such Revolving Credit Borrowing shall be treated as if applied in or towards repayment of the Drawn Amount so that such Revolving Credit Lender will not be required to make a cash payment under Section 2.12 in respect of its participation in the relevant Revolving Credit Borrowing to the extent such Revolving Credit Borrowing is in an amount not exceeding such Drawn Amount.

(d) *Repayment of Participations in respect of Letters of Credit.*

(i) If, at any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Participating Revolving Credit Lender such Lender’s L/C Advance in respect of such payment in accordance with Section 2.03(c)(A), 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 the relevant Borrower or any other Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Pro Rata Share or other applicable share provided for under this Agreement 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 Dollar Equivalent 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 2.03(c)(A)(i) is required to be returned under any of the circumstances described in Section 10.06 (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 or other applicable share provided for under this Agreement 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.

(e) *Obligations Absolute.* The obligation of the Original Borrower or any other Borrower to reimburse the relevant L/C Issuer or Alternative L/C Issuer, as applicable, for each drawing under each Letter of Credit or Alternative Letter of Credit issued by it and to repay each L/C Borrowing or Alternative L/C Borrowing, as applicable, 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 or Alternative Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Loan Party may have at any time against any beneficiary or any transferee of such Letter of Credit or Alternative Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the relevant L/C Issuer or Alternative L/C Issuer, as applicable, or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or Alternative 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 or Alternative 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 or Alternative Letter of Credit;

(iv) any payment by the relevant L/C Issuer or Alternative L/C Issuer, as applicable, under such Letter of Credit or Alternative Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit or Alternative Letter of Credit; or any payment made by the relevant L/C Issuer or Alternative L/C Issuer, as applicable, under such Letter of Credit or Alternative 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 or Alternative Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(v) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to departure from the Guaranty or any other guarantee, for all or any of the Obligations of any Loan Party in respect of such Letter of Credit or Alternative Letter of Credit; or

(vi) 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 Loan Party;

provided that the foregoing shall not excuse any L/C Issuer or Alternative L/C Issuer from liability to each Borrower to the extent of any direct damages (as opposed to consequential, punitive, special or exemplary damages, claims in respect of which are waived by each Borrower to the extent permitted by applicable Law) suffered by each Borrower that are caused by such L/C Issuer's or Alternative L/C Issuer's gross negligence, bad faith or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction when determining whether drafts and other documents presented under a Letter of Credit or Alternative Letter of Credit comply with the terms thereof.

(f) *Role of L/C Issuers and Alternative L/C Issuers.* Each Lender and each Borrower agree that, in paying any drawing under a Letter of Credit or Alternative Letter of Credit, the relevant L/C Issuer or Alternative 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 Alternative 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 or Alternative L/C Issuers, as applicable, any Agent-Related Person nor any of the respective correspondents, participants or assignees of any L/C Issuer or Alternative L/C Issuer, as applicable, 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 Lenders holding a majority of the Participating Revolving Credit Commitments, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit, Alternative Letter of Credit or Letter of Credit Application. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit or Alternative Letter of Credit; *provided* that this assumption is not intended to, and shall not, preclude a Borrower from 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 or Alternative L/C Issuers, as applicable, any Agent-Related Person, nor any of the respective correspondents, participants or assignees of any L/C Issuer or Alternative L/C Issuer, as applicable, shall be liable or responsible for any of the matters described in clauses (i) through (vi) of Section 2.03(e); *provided* that anything in such clauses to the contrary notwithstanding, a Borrower may have a claim against an L/C Issuer or Alternative L/C Issuer, as applicable, and such L/C Issuer or Alternative L/C Issuer, as applicable, may be liable to that Borrower, to the extent, but only to

the extent, of any direct, as opposed to consequential, punitive or exemplary, damages suffered by that Borrower which that Borrower proves were caused by such L/C Issuer's or Alternative L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's or Alternative L/C Issuer's willful or grossly negligent failure to pay under any Letter of Credit or Alternative 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 or Alternative Letter of Credit, in each case as determined in a final and non-appealable judgment by a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, each L/C Issuer and Alternative 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 or Alternative 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 Alternative 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.* (i) If, as of any Letter of Credit Expiration Date, any applicable Letter of Credit or Alternative Letter of Credit for any reason remains outstanding and partially or wholly undrawn, (ii) if, with respect to any Letter of Credit (but not with respect to any Alternative Letter of Credit) any Event of Default occurs and is continuing and the Administrative Agent or the Lenders holding a majority of the Participating Revolving Credit Commitments, as applicable, require the relevant Borrower or any other Borrower to Cash Collateralize the L/C Obligations pursuant to Section 8.02, (iii) if, with respect to any Alternative Letter of Credit, any Event of Default occurs and is continuing and the relevant Alternative L/C Issuer requires the relevant Borrower or any other Borrower to Cash Collateralize the L/C Obligations pursuant to Section 8.02, or (iv) if an Event of Default set forth under Section 8.01(f)(i) occurs and is continuing, the Original Borrower or any other Borrower shall Cash Collateralize the then Outstanding Amount of all of its (or, in the case of clause (i), the applicable) L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such Event of Default or the applicable Letter of Credit Expiration Date, as the case may be), and shall do so not later than 2:00 p.m., New York City time, on (x) in the case of the immediately preceding clauses (i) or (ii), (1) the Business Day that a Borrower receives notice thereof, if such notice is received on such day prior to 12:00 noon, New York City time, or (2) if clause (1) above does not apply, the Business Day immediately following the day that a Borrower receives such notice and (y) in the case of the immediately preceding clause (iii), the Business Day on which an Event of Default set forth under Section 8.01(f)(i) occurs or, if such day is not a Business Day, the Business Day immediately succeeding such day. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent, an L/C Issuer or the Swing Line Lender, the Original Borrower or any other Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender). For purposes hereof, "**Cash Collateralize**" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the relevant L/C Issuer or Alternative L/C Issuer, as applicable, and (with respect to any Letter of Credit) the Appropriate Lenders, as collateral for the relevant L/C Obligations, cash or deposit account balances or, if the Administrative Agent and each applicable L/C Issuer or Alternative L/C Issuer, as applicable, shall agree, in their sole discretion, other credit support, in each case ("**Cash Collateral**") pursuant to documentation in form, amount and substance reasonably satisfactory to the Administrative Agent and the relevant L/C Issuer or Alternative L/C Issuer, as applicable, (which documents are hereby consented to by the Appropriate Lenders). Derivatives of such term have corresponding meanings. Each Borrower hereby grants to the Administrative Agent, for the benefit of the L/C Issuers and the Alternative L/C Issuers and (with respect to any Letter of Credit) the Participating Revolving Credit 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 readily available Cash Equivalents. If at any time the Administrative Agent determines that any funds held as Cash Collateral are expressly subject to any right or claim of any Person other than the Administrative Agent (on behalf of the Secured Parties) or that the total amount of such funds is less than the aggregate Outstanding Amount of all relevant L/C Obligations, a Borrower will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the deposit accounts at the Administrative Agent as aforesaid, an amount equal to the excess of (a) such aggregate Outstanding Amount over (b) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent reasonably determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit or Alternative 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 or Alternative L/C Issuer, as applicable. 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 relevant Borrower. To the extent any Event of Default giving rise to the requirement to Cash Collateralize any Letter of Credit or Alternative

Letter of Credit pursuant to this Section 2.03(g) is cured or otherwise waived, then so long as no other Event of Default has occurred and is continuing, all Cash Collateral pledged to Cash Collateralize such Letter of Credit or Alternative Letter of Credit shall be refunded to the relevant Borrower. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and/or other obligations secured thereby, the Original Borrower or any other Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. In addition, the Administrative Agent may request at any time and from time to time after the initial deposit of Cash Collateral that additional Cash Collateral be provided by the Original Borrower or any Borrower in order to protect against the results of exchange rate fluctuations with respect to Letters of Credit or Alternative Letters of Credit denominated in currencies other than Dollars.

(h) *Letter of Credit and Alternative Letter of Credit Fees.*

(i) With respect to any Letter of Credit, the Original Borrower or any other Borrower shall pay to the Administrative Agent for the account of each Participating Revolving Credit Lender in accordance with its Pro Rata Share or other applicable share provided for under this Agreement a Letter of Credit fee for each Letter of Credit issued pursuant to this Agreement equal to the Applicable Rate times the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum Dollar Equivalent is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit); *provided, however*, any Letter of Credit fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the L/C Issuer pursuant to this Section 2.03 shall be payable, to the maximum extent permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Pro Rata Shares allocable to such Letter of Credit pursuant to Section 2.17(a)(iv), with the balance of such fee, if any, payable to the L/C Issuer for its own account. 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 of March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the applicable 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.

(ii) With respect to any Alternative Letter of Credit, the Original Borrower or any other Borrower shall pay directly to the applicable Alternative L/C Issuer such fees as are agreed between the Company and such Alternative L/C Issuer.

(i) *Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers.* With respect to any Letter of Credit, the Original Borrower or any other Borrower shall pay directly to each L/C Issuer for its own account a fronting fee with respect to such Letter of Credit issued by it equal to 0.125% per annum of the maximum Dollar Equivalent 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 Equivalent increases periodically pursuant to the terms of such Letter of Credit) or such other fee as agreed between the Company and the L/C Issuer. Such fronting fees shall be computed on a quarterly basis in arrears. Such fronting fees shall be due and payable in Dollars on the first Business Day after the end 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, the Original Borrower or any other Borrower shall pay directly to each L/C Issuer for its own account with respect to each Letter of Credit 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.

(j) *Conflict with Letter of Credit Application.* Notwithstanding anything else to the contrary in this Agreement or 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.

(k) *Addition of an L/C Issuer or Alternative L/C Issuer.* A Revolving Credit Lender reasonably acceptable to the Company and the Administrative Agent may become an additional L/C Issuer or Alternative L/

C Issuer hereunder pursuant to a written agreement among the Company, the Administrative Agent and such Revolving Credit Lender. The Administrative Agent shall notify the Participating Revolving Credit Lenders of any such additional L/C Issuer or Alternative L/C Issuer.

(1) *Existing Letters of Credit.* The parties hereto agree that the Existing Letters of Credit shall be deemed Alternative Letters of Credit for all purposes under this Agreement, without any further action by the Borrowers.

(m) *Provisions Related to Extended Revolving Credit Commitments.* If the Maturity Date in respect of any Participating Revolving Credit Commitments occurs prior to the expiry date of any Letter of Credit, then (i) if one or more other Participating Revolving Credit Commitments are then in effect (or will automatically be in effect upon such maturity), such Letter of Credit shall automatically be deemed to have been issued (including for purposes of the obligations of the Participating Revolving Credit Lenders to purchase participations therein and to make Revolving Credit Loans and payments in respect thereof pursuant to Sections 2.03(c) and (d)) under (and ratably participated in by Participating Revolving Credit Lenders pursuant to) the non-terminating Participating Revolving Credit Commitments up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Participating Revolving Credit Commitments continuing at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to immediately preceding clause (i) and unless provisions reasonably satisfactory to the applicable L/C Issuer for the treatment of such Letter of Credit as a letter of credit under a successor credit facility have been agreed upon, the Company shall, on or prior to the applicable Maturity Date, cause all such Letters of Credit to be replaced and returned to the applicable L/C Issuer undrawn and marked "cancelled" or to the extent that the Company is unable to so replace and return any Letter(s) of Credit, such Letter(s) of Credit shall be secured by a "back to back" letter of credit reasonably satisfactory to the applicable L/C Issuer or the Company shall Cash Collateralize any such Letter of Credit in accordance with Section 2.03(g). Commencing with the Maturity Date of any Class of Revolving Credit Commitments, the applicable Letter of Credit Sublimit shall be in an amount agreed solely with the L/C Issuer.

(n) *Letter of Credit and Alternative Letter of Credit Reports.* For so long as any Letter of Credit or Alternative Letter of Credit issued by an L/C Issuer or Alternative L/C Issuer, as applicable, is outstanding, such L/C Issuer or Alternative L/C Issuer, as applicable, shall deliver to the Administrative Agent on the last Business Day of each calendar month, and on each date that an L/C Credit Extension occurs with respect to any such Letter of Credit or Alternative Letter of Credit, a report in the form of Exhibit J, appropriately completed with the information for every outstanding Letter of Credit or Alternative Letter of Credit issued by such L/C Issuer or Alternative L/C Issuer, as applicable.

(o) *Letters of Credit and Alternative Letters of Credit Issued for Subsidiaries.* Notwithstanding that a Letter of Credit or Alternative Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Company shall be obligated to reimburse the applicable L/C Issuer or Alternative L/C Issuer, as applicable hereunder for any and all drawings under such Letter of Credit or Alternative Letter of Credit. The Company hereby acknowledges that the issuance of Letters of Credit or Alternative Letters of Credit for the account of Subsidiaries inures to the benefit of the Company, and that the Company's business derives substantial benefits from the businesses of such Subsidiaries.

(p) *Amendments to Alternative Letters of Credit.* No amendment or waiver of a term of any Alternative Letter of Credit shall require the consent of any Lender other than the relevant Alternative L/C Issuer unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Section 2). In such a case, Section 10.01 (Amendments, etc.) will apply.

Section 2.04. Swing Line Loans.

(a) *The Swing Line.* Subject to the terms and conditions set forth herein, the Swing Line Lender agrees to make loans in Dollars to a Borrower (each such loan, a "**Swing Line Loan**"), from time to time on any Business Day during the period beginning on the Business Day after the Amendment Effective Date until the date which is one Business Day prior to the Maturity Date of the Participating Revolving Credit Commitments (taking into account the Maturity Date of any Participating Revolving Credit Commitment that will automatically come into effect on such Maturity Date) in an aggregate amount not to exceed at any time outstanding the amount of the

Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of Revolving Credit Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of the Swing Line Lender's Revolving Credit Commitment; *provided* that, after giving effect to any Swing Line Loan (i) the Revolving Credit Exposure under such Participating Revolving Credit Commitments shall not exceed the aggregate Participating Revolving Credit Commitments, and (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender (other than the Swing Line Lender), plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, plus such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Participating Revolving Credit Commitment then in effect; *provided, further*, that a Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, a Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Participating Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Pro Rata Share or other applicable share provided for under this Agreement times the amount of such Swing Line Loan.

(b) *Borrowing Procedures.* Each Swing Line Borrowing shall be made upon a Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone or written Swing Line Loan Notice; *provided* that each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of that Borrower. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date and shall specify (i) the amount to be borrowed, which shall be a minimum of \$1,000,000 (and any amount in excess of \$1,000,000 shall be an integral multiple of \$100,000) and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice (by telephone or in writing), the 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, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 4:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to that Borrower. Notwithstanding anything to the contrary contained in this Section 2.04 or elsewhere in this Agreement, the Swing Line Lender shall not be obligated to make any Swing Line Loan at a time when a Participating Revolving Credit Lender is a Defaulting Lender unless the Swing Line Lender has entered into arrangements reasonably satisfactory to it and the applicable Borrower to eliminate the Swing Line Lender's Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender's or Defaulting Lenders' participation in such Swing Line Loans, including by Cash Collateralizing, or obtaining a backstop letter of credit from an issuer reasonably satisfactory to the Swing Line Lender to support, such Defaulting Lender's or Defaulting Lenders' Pro Rata Share of the outstanding Swing Line Loans. A Borrower shall repay to the Swing Line Lender each Defaulting Lender's portion (after giving effect to Section 2.17(a)(iv)) of each Swing Line Loan promptly following demand by the Swing Line Lender.

(c) *Refinancing of Swing Line Loans.*

(i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of a Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Participating Revolving Credit Lender make a Base Rate Loan in an amount equal to such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the amount of Swing Line Loans of that Borrower then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the aggregate Participating Revolving Credit Commitments and the conditions set forth

in Section 4.03. The Swing Line Lender shall furnish the applicable Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Participating Revolving Credit Lender shall make an amount equal to its Pro Rata Share or other applicable share provided for under this Agreement of the amount specified in such Committed Loan Notice available to the Administrative Agent in Same Day Funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Participating Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan, as applicable, to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender. Upon the remission by the Administrative Agent to the Swing Line Lender of the full amount specified in such Committed Loan Notice, that Borrower shall be deemed to have repaid the applicable Swing Line Loan.

(i) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 2.04(c), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Participating Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Participating Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(ii) If any Participating Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the applicable Overnight Rate from time to time in effect. If such Participating Revolving Credit Lender pays such amount, the amount so paid shall constitute such Lender's Revolving Credit Loan including in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Participating Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, a Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or the failure to satisfy any condition in Article IV, (C) any adverse change in the condition (financial or otherwise) of the Loan Parties, (D) any breach of this Agreement, or (E) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided* that each Participating Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) (but not to purchase and fund risk participations in Swing Line Loans) is subject to the conditions set forth in Section 4.03. No such funding of risk participations shall relieve or otherwise impair the obligation of the applicable Borrower to repay the applicable Swing Line Loans, together with interest as provided herein.

(d) *Repayment of Participations.*

(i) At any time after any Participating Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Pro Rata Share or other applicable share provided for under this Agreement 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 the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Participating Revolving Credit Lender shall pay to the Swing Line Lender its Pro Rata Share or other applicable share provided for under this Agreement 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 Swing Line Lender.

(e) *Interest for Account of Swing Line Lender.* The Swing Line Lender shall be responsible for invoicing the relevant Borrower for interest on the Swing Line Loans. Until each Participating Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Pro Rata Share or other applicable share provided for under this Agreement of any Swing Line Loan, interest in respect of such Pro Rata Share or other applicable share provided for under this Agreement shall be solely for the account of the Swing Line Lender.

(f) *Payments Directly to Swing Line Lender.* A Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) *Provisions Related to Extended Revolving Credit Commitments.* If the Maturity Date shall have occurred in respect of any Participating Revolving Credit Commitments (the "**Expiring Credit Commitment**") at a time when other Participating Revolving Credit Commitments are in effect (or will automatically be in effect upon such maturity) with a longer maturity date (each a "**non-Expiring Credit Commitment**" and collectively, the "**non-Expiring Credit Commitments**"), then each outstanding Swing Line Loan on the earliest occurring Maturity Date shall be deemed reallocated to the non-Expiring Credit Commitments on a pro rata basis; *provided* that (x) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such non-Expiring Credit Commitments, immediately prior to such reallocation (after giving effect to any repayments of Revolving Credit Loans and any reallocation of Letter of Credit participations as contemplated in Section 2.03(m)) the amount of Swing Line Loans to be reallocated equal to such excess shall be repaid or cash collateralized in a manner reasonably satisfactory to the Swing Line Lender and (y) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, the applicable Borrower shall still be obligated to pay Swing Line Loans allocated to the Participating Revolving Credit Lenders holding the Expiring Credit Commitments at the Maturity Date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the Maturity Date of the Expiring Credit Commitment.

(h) *Addition of a Swing Line Lender.* A Participating Revolving Credit Lender reasonably acceptable to the relevant Borrower and the Administrative Agent may become an additional Swing Line Lender hereunder pursuant to a written agreement among such Borrower, the Administrative Agent and such Participating Revolving Credit Lender (which agreement shall include the Swing Line Sublimit for such additional Swing Line Lender). The Administrative Agent shall notify the Participating Revolving Credit Lenders of any such additional Swing Line Lender.

Section 2.05. Prepayments.

(a) *Optional.*

(i) The Borrowers may, subject to clause (iii) below, upon notice to the Administrative Agent by the Borrowers, at any time or from time to time voluntarily prepay any Class or Classes of Term Loans and Revolving Credit Loans of any Class or Classes in whole or in part without premium or penalty, except as set forth in Section 2.05(a)(vi); *provided* that (1) such notice must be received by the Administrative Agent not later than 11:30 a.m. (New York City time) (A) two (2) Business Days prior to any date of prepayment of Eurocurrency Rate Loans (unless otherwise agreed by the Administrative Agent) and (B) on the date of prepayment of Base Rate Loans; (2) any prepayment of Eurocurrency Rate Loans shall be in a minimum Dollar Equivalent of \$1,000,000, or a whole multiple of a Dollar Equivalent of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding; and (3) any prepayment of Base Rate Loans shall be in a minimum Dollar Equivalent of \$1,000,000 or a whole multiple of a Dollar Equivalent of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such prepayment. If such notice is given by a Borrower, subject to clause (iii) below, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be, as set forth in Section 2.05(c), accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.10. Each prepayment of the principal of, and interest on, any

Revolving Credit Loans denominated in an Available Currency shall be made in the relevant Available Currency. In the case of each prepayment of the Loans pursuant to this Section 2.05(a), a Borrower may in its sole discretion select the Borrowing or Borrowings to be repaid, and such payment shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Shares or other applicable share provided for under this Agreement.

(ii) The Borrowers may, subject to clause (iii) below, upon notice to the 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 Swing Line Lender and 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 amount of \$1,000,000 or a whole multiple of \$100,000 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. If such notice is given by a Borrower, subject to clause (iii) below, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(iii) Notwithstanding anything to the contrary contained in this Agreement, subject to the payment of any amounts owing pursuant to Section 3.10, the Borrowers may rescind (or delay the date of prepayment identified in) any notice of prepayment under Section 2.05(a)(i) or 2.05(a)(ii) if such prepayment would have resulted from a refinancing of all or a portion of the applicable Facility or was otherwise contingent upon the occurrence of any other event or satisfaction of any other condition, which refinancing or other event shall not be consummated or shall otherwise be delayed or which condition shall not have been (or in the good faith judgment of the Borrowers is not likely to be) satisfied.

(iv) Voluntary prepayments of any Class of Term Loans permitted pursuant to Section 2.05(a)(i) shall be applied in a manner determined at the discretion of the Borrowers and specified in the notice of prepayment.

(v) Notwithstanding anything in any Loan Document to the contrary, so long as (x) no Event of Default has occurred and is continuing and (y) only to the extent funded as a discount, no proceeds of Revolving Credit Loans are applied to fund any purchase or prepayment under subclause (ii) of this clause (v), any Borrower Party (or, in the case of a direct prepayment, the relevant Borrower) may (i) purchase outstanding Term Loans on a non-pro rata basis through open market purchases (pursuant to Section 10.07(l)) or (ii) prepay the outstanding Term Loans (which Term Loans shall, for the avoidance of doubt, be automatically and permanently canceled immediately upon such purchase or prepayment), which in the case of clause (ii) only shall be prepaid without premium or penalty on the following basis:

(A) Any Borrower Party shall have the right to make a voluntary prepayment of Loans at a discount to par pursuant to a Borrower Offer of Specified Discount Prepayment, Borrower Solicitation of Discount Range Prepayment Offers or Borrower Solicitation of Discounted Prepayment Offers (any such prepayment, the “**Discounted Term Loan Prepayment**”), in each case made in accordance with this Section 2.05(a)(v) and without premium or penalty.

(B) (1) Any Borrower Party may from time to time offer to make a Discounted Term Loan Prepayment by providing the Auction Agent with five (5) Business Days’ notice (or such shorter period as agreed by the Auction Agent) in the form of a Specified Discount Prepayment Notice; *provided that* (I) any such offer shall be made available, at the sole discretion of the applicable Borrower Party, to (x) each Term Lender or (y) each Term Lender with respect to any Class of Term Loans on an individual Class basis, (II) any such offer shall specify the aggregate principal amount offered to be prepaid (the “**Specified Discount Prepayment Amount**”) with respect to each applicable Class, the Class or Classes of Term Loans subject to such offer and the specific percentage discount to par (the “**Specified Discount**”) of such Term Loans to be prepaid (it being understood that different Specified Discounts or Specified Discount Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.05(a)(v)(B)), (III) the Specified Discount Prepayment Amount shall be in an aggregate amount not less than \$5,000,000 and whole increments of \$1,000,000 in excess thereof and (IV) each such offer shall remain outstanding through the Specified Discount Prepayment Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Specified Discount Prepayment Notice and a form of the Specified Discount Prepayment Response to be completed and returned by each such

Term Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York time, on the third Business Day after the date of delivery of such notice to such Lenders (the “**Specified Discount Prepayment Response Date**”).

(2) Each Term Lender receiving such offer shall notify the Auction Agent (or its delegate) by the Specified Discount Prepayment Response Date whether or not it agrees to accept a prepayment of any of its applicable then outstanding Term Loans at the Specified Discount and, if so (such accepting Lender, a “**Discount Prepayment Accepting Lender**”), the amount and the Classes of such Lender’s Term Loans to be prepaid at such offered discount. Each acceptance of a Discounted Term Loan Prepayment by a Discount Prepayment Accepting Lender shall be irrevocable. Any Term Lender whose Specified Discount Prepayment Response is not received by the Auction Agent by the Specified Discount Prepayment Response Date shall be deemed to have declined to accept the applicable Borrower Offer of Specified Discount Prepayment.

(3) If there is at least one Discount Prepayment Accepting Lender, the relevant Borrower Party will make a prepayment of outstanding Term Loans pursuant to this paragraph (B) to each Discount Prepayment Accepting Lender in accordance with the respective outstanding amount and Classes of Term Loans specified in such Lender’s Specified Discount Prepayment Response given pursuant to subsection (2) above; *provided* that if the aggregate principal amount of Term Loans accepted for prepayment by all Discount Prepayment Accepting Lenders exceeds the Specified Discount Prepayment Amount, such prepayment shall be made pro rata among the Discount Prepayment Accepting Lenders in accordance with the respective principal amounts accepted to be prepaid by each such Discount Prepayment Accepting Lender and the Auction Agent (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its reasonable discretion) will calculate such proration (the “**Specified Discount Proration**”). The Auction Agent shall promptly, and in any case within three (3) Business Days following the Specified Discount Prepayment Response Date, notify (I) the relevant Borrower Party of the respective Term Lenders’ responses to such offer, the Discounted Prepayment Effective Date and the aggregate principal amount of the Discounted Term Loan Prepayment and the Classes to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, and the aggregate principal amount and the Classes of Term Loans to be prepaid at the Specified Discount on such date and (III) each Discount Prepayment Accepting Lender of the Specified Discount Proration, if any, and confirmation of the principal amount, Class and Type of Term Loans of such Lender to be prepaid at the Specified Discount on such date. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the applicable Borrower Party and such Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to the applicable Borrower Party shall be due and payable by such Borrower Party on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(C) (1) Any Borrower Party may from time to time solicit Discount Range Prepayment Offers by providing the Auction Agent with five (5) Business Days’ notice (or such shorter period as agreed by the Auction Agent) in the form of a Discount Range Prepayment Notice; provided that (I) any such solicitation shall be extended, at the sole discretion of such Borrower Party, to (x) each Term Lender or (y) each Term Lender with respect to any Class of Term Loans on an individual Class basis, (II) any such notice shall specify the maximum aggregate principal amount of the relevant Term Loans (the “**Discount Range Prepayment Amount**”), the Class or Classes of Term Loans subject to such offer and the maximum and minimum percentage discounts to par (the “**Discount Range**”) of the principal amount of such Term Loans with respect to each relevant Class of Term Loans willing to be prepaid by such Borrower Party (it being understood that different Discount Ranges or Discount Range Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.05(a)(v)(C)), (III) the Discount Range Prepayment Amount shall be in an aggregate amount not less than \$5,000,000 and whole increments of \$1,000,000 in excess thereof and (IV) unless rescinded, each such solicitation by the applicable Borrower Party shall remain outstanding through the Discount Range Prepayment Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Discount Range Prepayment Notice and a form of the Discount Range Prepayment Offer to be submitted by a

responding Term Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York time, on the third Business Day after the date of delivery of such notice to such Lenders (the “**Discount Range Prepayment Response Date**”). Each Term Lender’s Discount Range Prepayment Offer shall be irrevocable and shall specify a discount to par within the Discount Range (the “**Submitted Discount**”) at which such Lender is willing to allow prepayment of any or all of its then outstanding Term Loans of the applicable Class or Classes and the maximum aggregate principal amount and Classes of such Lender’s Term Loans (the “**Submitted Amount**”) such Term Lender is willing to have prepaid at the Submitted Discount. Any Term Lender whose Discount Range Prepayment Offer is not received by the Auction Agent by the Discount Range Prepayment Response Date shall be deemed to have declined to accept a Discounted Term Loan Prepayment of any of its Term Loans at any discount to their par value within the Discount Range.

(1) The Auction Agent shall review all Discount Range Prepayment Offers received on or before the applicable Discount Range Prepayment Response Date and shall determine (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the Applicable Discount and Term Loans to be prepaid at such Applicable Discount in accordance with this subsection (C). The relevant Borrower Party agrees to accept on the Discount Range Prepayment Response Date all Discount Range Prepayment Offers received by the Auction Agent by the Discount Range Prepayment Response Date, in the order from the Submitted Discount that is the largest discount to par to the Submitted Discount that is the smallest discount to par, up to and including the Submitted Discount that is the smallest discount to par within the Discount Range (such Submitted Discount that is the smallest discount to par within the Discount Range being referred to as the “**Applicable Discount**”) which yields a Discounted Term Loan Prepayment in an aggregate principal amount equal to the lower of (I) the Discount Range Prepayment Amount and (II) the sum of all Submitted Amounts. Each Term Lender that has submitted a Discount Range Prepayment Offer to accept prepayment at a discount to par that is larger than or equal to the Applicable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Submitted Amount (subject to any required proration pursuant to the following subsection (3)) at the Applicable Discount (each such Term Lender, a “**Discount Prepayment Participating Lender**”).

(2) If there is at least one Discount Prepayment Participating Lender, the relevant Borrower Party will prepay the respective outstanding Term Loans of each Discount Prepayment Participating Lender in the aggregate principal amount and of the Classes specified in such Lender’s Discount Range Prepayment Offer at the Applicable Discount; provided that if the Submitted Amount by all Discount Prepayment Participating Lenders offered at a discount to par greater than the Applicable Discount exceeds the Discount Range Prepayment Amount, prepayment of the principal amount of the relevant Term Loans for those Discount Prepayment Participating Lenders whose Submitted Discount is a discount to par greater than or equal to the Applicable Discount (the “**Identified Discount Prepayment Participating Lenders**”) shall be made pro rata among the Identified Discount Prepayment Participating Lenders in accordance with the Submitted Amount of each such Identified Discount Prepayment Participating Lender and the Auction Agent (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the “**Discount Range Proration**”). The Auction Agent shall promptly, and in any case within five (5) Business Days following the Discount Range Prepayment Response Date, notify (I) the relevant Borrower Party of the respective Term Lenders’ responses to such solicitation, the Discounted Prepayment Effective Date, the Applicable Discount, the aggregate principal amount of the Discounted Term Loan Prepayment and the Classes to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, the Applicable Discount and the aggregate principal amount and Classes of Term Loans to be prepaid at the Applicable Discount on such date, (III) each Discount Prepayment Participating Lender of the aggregate principal amount and Classes of such Term Lender to be prepaid at the Applicable Discount on such date and (IV) if applicable, each Identified Discount Prepayment Participating Lender of the Discount Range Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the relevant Borrower Party and Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice

to the applicable Borrower Party shall be due and payable by such Borrower Party on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(D) (1) Any Borrower Party may from time to time solicit Solicited Discounted Prepayment Offers by providing the Auction Agent with five (5) Business Days' notice in the form of a Solicited Discounted Prepayment Notice (or such later notice specified therein); provided that (I) any such solicitation shall be extended, at the sole discretion of such Borrower Party, to (x) each Term Lender or (y) each Lender with respect to any Class of Term Loans on an individual Class basis, (II) any such notice shall specify the maximum aggregate amount of the Term Loans (the "**Solicited Discounted Prepayment Amount**") and the Class or Classes of Term Loans the applicable Borrower Party is willing to prepay at a discount (it being understood that different Solicited Discounted Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.05(a)(v)(D)), (III) the Solicited Discounted Prepayment Amount shall be in an aggregate amount not less than \$5,000,000 and whole increments of \$1,000,000 in excess thereof and (IV) unless rescinded, each such solicitation by the applicable Borrower Party shall remain outstanding through the Solicited Discounted Prepayment Response Date. The Auction Agent will promptly provide each Appropriate Lender with a copy of such Solicited Discounted Prepayment Notice and a form of the Solicited Discounted Prepayment Offer to be submitted by a responding Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York time, on the third Business Day after the date of delivery of such notice to such Term Lenders (the "**Solicited Discounted Prepayment Response Date**"). Each Term Lender's Solicited Discounted Prepayment Offer shall (x) be irrevocable, (y) remain outstanding until the Acceptance Date and (z) specify both a discount to par (the "**Offered Discount**") at which such Term Lender is willing to allow prepayment of its then outstanding Term Loan and the maximum aggregate principal amount and Classes of such Term Loans (the "**Offered Amount**") such Term Lender is willing to have prepaid at the Offered Discount. Any Term Lender whose Solicited Discounted Prepayment Offer is not received by the Auction Agent by the Solicited Discounted Prepayment Response Date shall be deemed to have declined prepayment of any of its Term Loans at any discount.

(2) The Auction Agent shall promptly provide the relevant Borrower Party with a copy of all Solicited Discounted Prepayment Offers received on or before the Solicited Discounted Prepayment Response Date. Such Borrower Party shall review all such Solicited Discounted Prepayment Offers and select the smallest of the Offered Discounts specified by the relevant responding Term Lenders in the Solicited Discounted Prepayment Offers that is acceptable to the applicable Borrower Party (the "**Acceptable Discount**"), if any. If the applicable Borrower Party elects to accept any Offered Discount as the Acceptable Discount, then as soon as practicable after the determination of the Acceptable Discount, but in no event later than by the third Business Day after the date of receipt by such Borrower Party from the Auction Agent of a copy of all Solicited Discounted Prepayment Offers pursuant to the first sentence of this subsection (2) (the "**Acceptance Date**"), the applicable Borrower Party shall submit an Acceptance and Prepayment Notice to the Auction Agent setting forth the Acceptable Discount. If the Auction Agent shall fail to receive an Acceptance and Prepayment Notice from the applicable Borrower Party by the Acceptance Date, such Borrower Party shall be deemed to have rejected all Solicited Discounted Prepayment Offers.

(3) Based upon the Acceptable Discount and the Solicited Discounted Prepayment Offers received by the Auction Agent by the Solicited Discounted Prepayment Response Date, within three (3) Business Days after receipt of an Acceptance and Prepayment Notice (the "**Discounted Prepayment Determination Date**"), the Auction Agent will determine (with the consent of such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the aggregate principal amount and the Classes of Term Loans (the "**Acceptable Prepayment Amount**") to be prepaid by the relevant Borrower Party at the Acceptable Discount in accordance with this Section 2.05(a)(v)(D). If the applicable Borrower Party elects to accept any Acceptable Discount, then such Borrower Party agrees to accept all Solicited Discounted Prepayment Offers received by the Auction Agent by the Solicited Discounted Prepayment Response Date, in the order from largest Offered Discount to smallest Offered Discount, up to and including the Acceptable Discount. Each Term Lender that has

submitted a Solicited Discounted Prepayment Offer with an Offered Discount that is greater than or equal to the Acceptable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Offered Amount (subject to any required pro-rata reduction pursuant to the following sentence) at the Acceptable Discount (each such Lender, a “**Discount Prepayment Qualifying Lender**”). The applicable Borrower Party will prepay outstanding Term Loans pursuant to this subsection (D) to each Discount Prepayment Qualifying Lender in the aggregate principal amount and of the Classes specified in such Lender’s Solicited Discounted Prepayment Offer at the Acceptable Discount; provided that if the aggregate Offered Amount by all Discount Prepayment Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount exceeds the Solicited Discounted Prepayment Amount, prepayment of the principal amount of the Term Loans for those Discount Prepayment Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount (the “**Identified Discount Prepayment Qualifying Lenders**”) shall be made pro rata among the Identified Discount Prepayment Qualifying Lenders in accordance with the Offered Amount of each such Identified Discount Prepayment Qualifying Lender and the Auction Agent (in consultation with such Borrower Party and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the “**Solicited Discount Proration**”). On or prior to the Discounted Prepayment Determination Date, the Auction Agent shall promptly notify (I) the relevant Borrower Party of the Discounted Prepayment Effective Date and Acceptable Prepayment Amount comprising the Discounted Term Loan Prepayment and the Classes to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, the Acceptable Discount, and the Acceptable Prepayment Amount of all Term Loans and the Classes to be prepaid to be prepaid at the Applicable Discount on such date, (III) each Discount Prepayment Qualifying Lender of the aggregate principal amount and the Classes of such Term Lender to be prepaid at the Acceptable Discount on such date, and (IV) if applicable, each Identified Discount Prepayment Qualifying Lender of the Solicited Discount Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to such Borrower Party and Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to such Borrower Party shall be due and payable by such Borrower Party on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(E) In connection with any Discounted Term Loan Prepayment, the Borrower Parties and the Term Lenders acknowledge and agree that the Auction Agent may require, as a condition to the applicable Discounted Term Loan Prepayment, the payment of customary fees and expenses from a Borrower Party to such Auction Agent for its own account in connection therewith.

(F) If any Term Loan is prepaid in accordance with subsections (B) through (D) above, a Borrower Party shall prepay such Term Loans on the Discounted Prepayment Effective Date. The relevant Borrower Party shall make such prepayment to the Administrative Agent, for the account of the Discount Prepayment Accepting Lenders, Discount Prepayment Participating Lenders, or Discount Prepayment Qualifying Lenders, as applicable, at the Administrative Agent’s Office in immediately available funds not later than 12:00 p.m., New York time, on the Discounted Prepayment Effective Date and all such prepayments shall be applied to the relevant Class(es) of Term Loans and Lenders as specified by the applicable Borrower Party in the applicable offer. The Term Loans so prepaid shall be accompanied by all accrued and unpaid interest on the par principal amount so prepaid up to, but not including, the Discounted Prepayment Effective Date. Each prepayment of the outstanding Term Loans pursuant to this Section 2.05(a)(v) shall be paid to the Discount Prepayment Accepting Lenders, Discount Prepayment Participating Lenders, or Discount Prepayment Qualifying Lenders, as applicable, and shall be applied to the relevant Term Loans of such Lenders in accordance with their respective applicable share as calculated by the Auction Agent in accordance with this Section 2.05(a)(v) and, if the Administrative Agent is not the Auction Agent, the Administrative Agent shall be fully protected in relying on such calculations of the Auction Agent. The aggregate principal amount of the Classes and installments of the relevant Term Loans outstanding shall be deemed reduced by the full par value of the aggregate principal amount of the Classes of Term Loans prepaid on the Discounted Prepayment Effective Date in any Discounted Term Loan Prepayment.

(G) To the extent not expressly provided for herein, each Discounted Term Loan Prepayment shall be consummated pursuant to procedures consistent with the provisions in this Section 2.05(a)(v), established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by the applicable Borrower Party.

(H) Notwithstanding anything in any Loan Document to the contrary, for purposes of this Section 2.05(a)(v), each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; provided that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next Business Day.

(I) Each of the Borrower Parties and the Term Lenders acknowledge and agree that the Auction Agent may perform any and all of its duties under this Section 2.05(a)(v) by itself or through any Affiliate of the Auction Agent and expressly consents to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to each Affiliate of the Auction Agent and its respective activities in connection with any Discounted Term Loan Prepayment provided for in this Section 2.05(a)(v) as well as activities of the Auction Agent.

(J) Each Borrower Party shall have the right, by written notice to the Auction Agent, to revoke in full (but not in part) its offer to make a Discounted Term Loan Prepayment and rescind the applicable Specified Discount Prepayment Notice, Discount Range Prepayment Notice or Solicited Discounted Prepayment Notice therefor at its discretion at any time on or prior to the applicable Specified Discount Prepayment Response Date, Discount Range Prepayment Response Date or Solicited Discounted Prepayment Response Date (and if such offer is revoked pursuant to the preceding clauses, any failure by such Borrower Party to make any prepayment to a Lender, as applicable, pursuant to this Section 2.05(a)(v) shall not constitute a Default or Event of Default under Section 8.01 or otherwise).

(vi) Notwithstanding the foregoing, in the event that, on or prior to the date that is six months after the Amendment Effective Date (but not otherwise), a Borrower (x) prepays, refinances, substitutes or replaces any Initial Term Loans pursuant to a Repricing Transaction (including, for avoidance of doubt, any prepayment made pursuant to Section 2.05(b)(iii) that constitutes a Repricing Transaction), other than where such prepayment is funded by the issuance of notes by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary or a special purpose vehicle which on-lends the proceeds of such notes to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, or (y) effects any amendment of this Agreement resulting in a Repricing Transaction, such Borrower shall pay to the Administrative Agent, for the ratable account of each of the applicable Term Lenders, (I) in the case of clause (x), a prepayment premium of 1.00% of the aggregate principal amount of the Term Loans so prepaid, refinanced, substituted or replaced and (II) in the case of clause (y), a fee equal to 1.00% of the aggregate principal amount of the applicable Initial Term Loans outstanding of any Term Lender that shall have been the subject of a mandatory assignment under this Agreement (including pursuant to Section 3.12) following the failure of such Term Lender to consent to such amendment on or prior to the date falling six months after the Amendment Effective Date. Such amounts shall be due and payable within five Business Days of the date of effectiveness of such Repricing Transaction or (in the case of clause (y), if later than the date of effectiveness of the Repricing Transaction) the date of effectiveness of such mandatory assignment.

(b) *Mandatory.*

(i) Subject to Section 2.05(b)(ii) below, if any member of the Restricted Group makes any Asset Disposition that results in the realization or receipt by any member of the Restricted Group of Net Available Cash, the relevant Borrower shall cause to be prepaid on the date of the realization or receipt by any member of the Restricted Group of such Net Available Cash (or, in the event of Net Available Cash which may be reinvested as set forth below in this clause (ii), on the date such reinvestment period expires), subject to clause (b)(vii) of this Section 2.05, an aggregate principal amount of Loans in an amount which is the lesser of (a) the Net Available Cash from such Asset Disposition and (ii) an amount so as to ensure that the Consolidated Senior Secured Net Leverage Ratio does not exceed 5.00 to 1.00 on a pro forma basis after taking into account such Asset Dispositions and prepayments (but ignoring such Net Available Cash for purposes of determining compliance); *provided* that at the option of the Borrowers, the Borrowers may use all or any portion of the Net Available Cash received in

connection with an Asset Disposition in the business of the Restricted Group, including to make acquisitions, investments, capital expenditures or operational expenditures, in each case within 12 months of such receipt, and such proceeds shall not be required to be applied to prepay the Loans except to the extent not, within 12 months of such receipt, so used or contractually committed to be so used (it being understood that if any portion of such proceeds is not so used within such 12 month period but within such 12 month period is contractually committed to be used, then if such proceeds are not so used within 180 days from the end of such 12 month period (the “**Reinvestment End Date**”), then such remaining portion shall be required to prepay the Loans (to the extent otherwise required by this clause (b)(ii)), as of the date of such termination; and *provided further* that, if at the time that any such prepayment would be required, any Borrower (or any Restricted Subsidiary) is required to offer to prepay or repurchase other Senior Secured Indebtedness pursuant to the terms of the documentation governing such Indebtedness with the net proceeds of such Asset Disposition (such Senior Secured Indebtedness required to be offered to be so repurchased, “**Other Applicable Indebtedness**”), then the Borrowers may apply such Net Available Cash on a pro rata basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness at such time; *provided* that the portion of such net proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such net proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such net proceeds shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(b)(i) shall be reduced accordingly; *provided, further*, that to the extent the holders of Other Applicable Indebtedness decline to have such indebtedness repurchased or prepaid, the declined amount shall promptly (and in any event within ten (10) Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof; and *provided further* that no such prepayment under this Section 2.05(b)(i) shall be required where the amount of any such prepayment would be less than the greater of \$200,000,000 and 3.0% of Total Assets.

(ii) Notwithstanding anything in this Agreement to the contrary, no Borrower will be required to make or cause to be made any prepayment pursuant to Section 2.05(b)(i) above if the Financial Covenant set out in Section 7.02 of this Agreement was not required to be tested for the most recent Test Period ending prior to the Reinvestment End Date.

(iii) If any member of the Restricted Group Incurs or issues any Indebtedness after the Amendment Effective Date not permitted to be Incurred or issued pursuant to Section 4.09 of Annex II, the Borrowers shall cause to be prepaid an aggregate principal amount of Term Loans in an amount equal to 100% of all net cash proceeds received therefrom on or prior to the date of receipt by such member of the Restricted Group of such net cash proceeds.

(iv) If any Borrower Incurs or issues any Refinancing Loans resulting in net cash proceeds (as opposed to such Refinancing Loans arising out of an exchange of existing Term Loans for such Refinancing Loans), such Borrower (or the Company on its behalf) shall cause to be prepaid an aggregate principal amount of Term Loans in an amount equal to 100% of all net cash proceeds received therefrom on or prior to the date which is five (5) Business Days after the receipt by such Borrower of such net cash proceeds.

(v) If for any reason the aggregate Outstanding Amount of Revolving Credit Loans, Swing Line Loans and L/C Obligations at any time exceeds the aggregate Revolving Credit Commitments then in effect, the Borrowers shall promptly prepay Revolving Credit Loans and Swing Line Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided* that the Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(v) unless after the prepayment in full of the Revolving Credit Loans and Swing Line Loans such aggregate Outstanding Amount exceeds the aggregate Revolving Credit Commitments then in effect.

(vi) Each prepayment of Term Loans pursuant to Section 2.05(b)(A) shall be applied either (x) ratably to each Class of Term Loans then outstanding or (y) as requested by a Borrower in the notice delivered pursuant to clause (vii) below, to any Class or Classes of Term Loans, (B) shall be applied, with respect to each such Class for which prepayments will be made, in a manner determined at the discretion of the applicable Borrower in the applicable notice and (C) shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Share (or other applicable share provided by this Agreement) of each such Class of Term Loans, subject to clause (vii) of this Section 2.05(b). Notwithstanding clause (A) above, (1) in the case of prepayments pursuant to Section 2.05(b)(iv), such prepayment shall be applied in accordance with this clause (vi) solely to those applicable

Classes of Term Loans selected by the applicable Borrower and specified in the applicable Refinancing Amendment or notice (i.e., the applicable Refinanced Debt), and (2) any Additional Facility Joinder Agreement or Extension Amendment, may provide (including on an optional basis as elected by the Borrower) for a less than ratable application of prepayments to any Class of Term Loans established thereunder.

(vii) A Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made by such Borrower pursuant to clauses (ii) and (iii) of this Section 2.05(b) at least two (2) Business Days prior to the date of such prepayment (unless otherwise agreed by the Administrative Agent); *provided that*, subject to the payment when due of any amounts owing as a result thereof pursuant to Section 3.10, such Borrower may rescind (or delay the date of prepayment identified in) such notice if such prepayment would have resulted from a refinancing of all or any portion of the applicable Facility or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the aggregate amount of such prepayment to be made. The Administrative Agent will promptly notify each Appropriate Lender of the contents of the applicable Borrower's prepayment notice and of such Appropriate Lender's Pro Rata Share of the prepayment. Each Term Lender may reject all or a portion of its Pro Rata Share of any mandatory prepayment (such declined amounts, the "**Declined Proceeds**") of Term Loans required to be made pursuant to clauses (ii) and (iii) of this Section 2.05(b) by providing written notice (each, a "**Rejection Notice**") to the Administrative Agent and the applicable 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 from a given Lender shall specify the principal amount of the mandatory repayment of Term Loans to be rejected by such Lender. If a Term 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 mandatory prepayment of Term Loans. Any Declined Proceeds shall be offered to the Term Lenders not so declining such prepayment on a pro rata basis in accordance with the amounts of the Term Loans of such Lender (with such non-declining Term Lenders having the right to decline any prepayment with Declined Proceeds at the time and in the manner specified by the Administrative Agent). To the extent such non-declining Term Lenders elect to decline their Pro Rata Share of such Declined Proceeds, any Declined Proceeds remaining thereafter shall be retained by a Borrower.

(viii) Notwithstanding any other provisions of this Section 2.05, (i) to the extent that any of or all the Net Available Cash of any Asset Disposition by a Restricted Subsidiary is prohibited or delayed by applicable local law from being repatriated to the jurisdiction of the relevant Borrower, the portion of such Net Available Cash so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.05(b) but may be retained by the applicable Restricted Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the jurisdiction of the relevant Borrower (a Borrower hereby agreeing to use commercially reasonable efforts to cause the applicable Restricted Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Available Cash is permitted under the applicable local law, such repatriation will be promptly effected and an amount equal to such repatriated Net Available Cash will be promptly (and in any event not later than five (5) Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to this Section 2.05(b) to the extent provided herein and (ii) to the extent that a Borrower has determined in good faith that repatriation of any of or all the Net Available Cash of any such Asset Disposition would have material adverse tax consequences (as determined in good faith by a Borrower) with respect to such Net Available Cash, such Net Available Cash so affected will not be required to be applied to repay Term Loans at the times provided in this Section 2.05(b) but may be retained by the applicable Restricted Subsidiary.

(ix) Upon becoming aware of a Change of Control:

(A) the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable, shall promptly notify the Administrative Agent; and

(B) if the Required Lenders so require, the Administrative Agent shall, by not less than 30 Business Days' notice to the Company, cancel each Facility and declare all outstanding Borrowings, together with accrued interest and all other relevant amounts accrued under the Loan Documents

immediately due and payable, whereupon each Facility will be cancelled and all such outstanding amounts will become immediately due and payable.

(c) *Interest Funding Losses, Etc.*

(i) Except to the extent otherwise agreed by each Lender so being prepaid, all prepayments of Loans (other than any Revolving Credit Loan that is a Base Rate Loan and any Swing Line Loan) shall be accompanied by all accrued and unpaid interest thereon through but not including the date of such prepayment, together with, in the case of any such prepayment of a Eurocurrency Rate Loan on a date prior to the last day of an Interest Period therefor, any amounts owing in respect of such Eurocurrency Rate Loan pursuant to Section 3.10.

(ii) So long as no Event of Default shall have occurred and be continuing, if any prepayment of Eurocurrency Rate Loans is required to be made under this Section 2.05 (but excluding prepayments required under Section 2.05(b)(iv)), prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 2.05 in respect of any such Eurocurrency Rate Loan prior to the last day of the Interest Period therefor, a Borrower may, in its sole discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into a Cash Collateral Account until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from such Borrower or any other Loan Party) to apply such amount to the prepayment of such Loans in accordance with this Section 2.05. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the applicable Borrower or any other Loan Party) to apply such amount to the prepayment of the outstanding Loans in accordance with the relevant provisions of this Section 2.05. Such deposit shall be deemed to be a prepayment of such Loans by a Borrower for all purposes under this Agreement.

Section 2.06. Termination or Reduction of Commitments.

(a) *Optional.* A Borrower may, upon written notice to the Administrative Agent, terminate the unused Commitments of any Class, or from time to time permanently reduce the unused Commitments of any Class, in each case without premium or penalty; *provided* that (i) any such notice shall be received by the Administrative Agent at least three (3) Business Days prior to the date of termination or reduction (unless the Administrative Agent agrees to a shorter period in its discretion), (ii) any such partial reduction shall be in an aggregate amount of \$1,000,000, or any whole multiple of \$100,000 in excess thereof or, if less, the entire amount thereof and (iii) if, after giving effect to any reduction of the Commitments, the applicable Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Participating Revolving Credit Commitments, such sublimit shall be automatically reduced by the amount of such excess. Except as provided in the immediately preceding sentence, the amount of any such Revolving Credit Commitment reduction shall not be applied to the applicable Letter of Credit Sublimit or the Swing Line Sublimit unless otherwise specified by a Borrower. Notwithstanding the foregoing, a Borrower may rescind or postpone any notice of termination of any Commitments if such termination would have resulted from a refinancing of all of the applicable Facility or other conditional event, which refinancing or other event shall not be consummated or otherwise shall be delayed.

(b) *Mandatory.* The Term Commitment of each Term B-3 Lender with a Term B-3 Loan Commitment shall terminate on the Term B-3 Loan Commitment Termination Date. The Term Commitment of each Term Lender with respect to any Refinancing Term Loan or any Term Loan Extension Series shall be automatically and permanently reduced to \$0 upon the funding of Term Loans to be made by it on the date set forth in the corresponding Refinancing Amendment or Extension Amendment. The Revolving Credit Commitment of each Revolving Credit Lender shall automatically and permanently terminate on the Maturity Date for the applicable Class of Revolving Credit Commitments; *provided* that (x) the foregoing shall not release any Revolving Credit Lender from any liability it may have for its failure to fund Revolving Credit Loans, L/C Advances or participations in Swing Line Loans that were required to be funded by it on or prior to such Maturity Date and (y) the foregoing will not release any Revolving Credit Lender from any obligation to fund its portion of L/C Advances or participations in Swing Line Loans with respect to Letters of Credit issued or Swing Line Loans made prior to such Maturity Date. Each Additional Facility Commitment shall terminate on the date specified in the relevant Additional Facility Joinder Agreement.

(c) *Application of Commitment Reductions; Payment of Fees.* The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portions of the applicable Letter

of Credit Sublimit or the Swing Line Sublimit or the unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.12). All commitment fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

(d) *Treatment of Classes.* Notwithstanding anything to the contrary set forth above in this Section 2.06, an Initial Borrower may elect, in its discretion, to (i) terminate the unused Class B Revolving Credit Commitments, or from time to time permanently reduce the unused Class B Revolving Credit Commitments, in accordance with the provisions of clause (a) of this Section 2.06 on a non-pro rata basis with the Class A Revolving Credit Commitments, and (ii) terminate the unused Class A Revolving Credit Commitments, or from time to time permanently reduce the unused Class A Revolving Credit Commitments, in accordance with clause (a) of this Section 2.06(a) on a non-pro rata basis with the Class B Revolving Credit Commitments. In connection with any proposed reduction or termination of Class A Revolving Credit Commitments as contemplated in this clause (d), each of the participations in each Swing Line Loan granted to and acquired by the Class A Revolving Credit Lenders shall, so long as the Class B Revolving Credit Commitments shall remain outstanding, be reallocated to the Class B Revolving Credit Lenders in accordance with such Class B Revolving Credit Lenders' respective Pro Rata Shares of the Class B Revolving Credit Commitments (determined after giving effect to any such reduction or termination); *provided* that to the extent that the amount of such reallocation would cause the aggregate Revolving Credit Exposure of the Class B Revolving Lenders (or any of them) to exceed the aggregate amount of the Class B Revolving Credit Commitments (or the Class B Revolving Credit Commitments of any Lender), immediately prior to such reallocation (determined after giving effect to any such reduction or termination), the amount of the Swing Line Loans to be reallocated equal to such excess shall be repaid or cash collateralized in a manner reasonably satisfactory to the relevant Swing Line Lender.

Section 2.07. Repayment of Loans.

(a) *Term Loans.*

(i) The Borrowers shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for any Class of Term Loans, the aggregate principal amount of all Term Loans of such Class outstanding on such date.

(ii) The amount of any such payment set forth in clause (i) above shall be adjusted to account for the addition of any Extended Term Loans or Refinancing Term Loans to contemplate (A) the reduction in the aggregate principal amount of any Term Loans that were paid down in connection with the Incurrence of such Extended Term Loans or Refinancing Term Loans, and (B) any increase to payments to the extent and as required pursuant to the terms of any applicable Extension Amendment or Refinancing Amendment.

(iii) Any Borrower which has drawn an Additional Facility Loan shall repay such Loan under the Additional Facility in accordance with the provisions of the relevant Additional Facility Joinder Agreement.

(b) *Revolving Credit Loans.* The Borrowers shall, jointly and severally, repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for any Class of Revolving Credit Commitments the aggregate outstanding principal amount of all Revolving Credit Loans made in respect of such Revolving Credit Commitments.

(c) *Swing Line Loans.* The Borrowers shall repay the aggregate principal amount of each Swing Line Loan on the earlier to occur of (i) the date five (5) Business Days after such Loan is made and (ii) the Latest Maturity Date for the Participating Revolving Credit Commitments.

Section 2.08. Interest.

(a) Subject to the provisions of Section 2.08(b), (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding

principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for Revolving Credit Loans made under the Initial Revolving Credit Commitments.

(b) During the continuance of a Default under Section 8.01(a), Borrowers shall pay interest on past due amounts owing by it hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Accrued and unpaid interest on such amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

(d) Each Additional Facility Loan shall bear interest at a rate specified in the Additional Facility Joinder Agreement.

Section 2.09. Fees. In addition to certain fees described in Sections 2.03(h) and (i):

(a) *Commitment Fee.* The Borrowers agree to pay to the Administrative Agent for the account of each Revolving Credit Lender under each Class of Revolving Credit Commitments in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a commitment fee equal to the Applicable Rate with respect to Revolving Credit Loan commitment fees for such Class times the actual daily amount by which the aggregate Revolving Credit Commitment for the applicable Class of Revolving Credit Commitments exceeds the sum of (A) the Outstanding Amount of Revolving Credit Loans for such Class of Revolving Credit Commitments and (B) the Outstanding Amount of L/C Obligations for such Class of Revolving Credit Commitments; *provided* that any commitment fee accrued with respect to any of the 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 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 Borrowers prior to such time; and *provided, further*, that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fee on each Class of Revolving Credit Commitments (unless otherwise specified in the relevant Additional Facility Joinder Agreement, Extension Amendment or Refinancing Amendment) shall accrue at all times from the funding date for such Class or, in the case of the Class A Initial Revolving Credit Commitments, the date on which that certain revolving credit facility agreement dated December 31, 2014 (as amended from time to time) between, among others, the Company, the Original Borrower, and BNP Paribas as agent, was cancelled and all outstanding amounts thereunder were repaid on full, until the date falling thirty (30) days prior to the Maturity Date for such Class of Revolving Credit Commitments, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each of March, June, September and December, commencing with the first such date during the first full fiscal quarter to occur after the funding date for such Class, and on the Maturity Date for such Class of Revolving Credit Commitments. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) *Other Fees.* Each Borrower shall pay, to the Administrative Agent and/or the Arrangers, as applicable, such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between such Borrower and the applicable Agent).

(c) *Additional Facility Fees.* If specified in the relevant Additional Facility Joinder Agreement, Borrowers shall pay to the Administrative Agent (for the account of each Lender under the relevant Additional Facility) an upfront fee computed at the rate specified in the relevant Additional Facility Joinder Agreement on that Lender's Commitment under that Additional Facility in accordance with the terms therein.

Section 2.10. Computation of Interest and Fees.

All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurocurrency Rate or the prime rate) or Revolving Credit Loans denominated in Sterling shall be made on the basis of a year of three hundred and sixty-five (365) days, or three hundred and sixty-six (366) days, as applicable, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a three hundred and sixty (360) day year and actual days elapsed. 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 2.12(a), bear interest for one (1) day. In computing interest on any Loan, the day such Loan is made or converted to a Loan of a different Type shall be included and the date such Loan is repaid or converted to a Loan of a different type, as the case may be, shall be excluded. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.11. Evidence of Indebtedness.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and evidenced by one or more entries in the Register maintained by the Administrative Agent, acting solely for purposes of Treasury Regulation Section 5f.103-1(c), as agent for the Borrowers, in each case in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be *prima facie* evidence absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, each Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note payable to such Lender, which shall evidence such Lender's Loans in addition to such accounts or records. 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.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records and, in the case of the Administrative Agent, entries in the Register, evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(c) Entries made in good faith by the Administrative Agent in the Register pursuant to Sections 2.11(a) and (b), and by each Lender in its account or accounts pursuant to Sections 2.11(a) and (b), shall be *prima facie* evidence of the amount of principal and interest due and payable or to become due and payable from each Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement and the other Loan Documents, absent manifest error; *provided* that the failure of the Administrative Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of each Borrower under this Agreement and the other Loan Documents.

Section 2.12. Payments Generally.

(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 and except with respect to payments in an Available Currency (other than Dollars) and in respect of Alternative Letters of Credit, 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 Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder in an Available Currency (other than Dollars) except in respect of Alternative Letters of Credit shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in such Available Currency and in Same Day Funds not later than 2:00 p.m. (London time) on the dates specified herein. If, for any reason, the Borrowers are prohibited by any Law from making any required payment hereunder in an Available Currency (other than Dollars) except in respect of

Alternative Letters of Credit, the Borrowers shall make such payment in Dollars in the Dollar Equivalent, as calculated by the Company, of the Available Currency payment amount. The Administrative Agent will promptly distribute to each Appropriate Lender its Pro Rata Share (or other applicable share provided for under this Agreement) of such payment in like funds as received by wire transfer to such Lender's applicable Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m. in the case of Dollars or (ii) after 2:00 pm (London time) in the case of payments in an Available Currency (other than Dollars), shall, in each case, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Payments owing to an Alternative L/C Issuer in respect of reimbursement obligations under an Alternative Letter of Credit shall, to the extent not paid with the proceeds of a Revolving Credit Borrowing, be made directly by the relevant Borrower to such Alternative L/C Issuer.

(b) If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be; *provided* that, if such extension would cause payment of interest on or principal of Eurocurrency Rate Loans to be made in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

(c) Unless a Borrower or any Lender has notified the Administrative Agent, prior to the date any payment is required to be made by it to the Administrative Agent hereunder, that the Borrowers or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that the Borrowers or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in Same Day Funds, then:

(i) if a Borrower failed to make such payment, each Lender shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender 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 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; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in Same Day Funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to a Borrower to the date such amount is recovered by the Administrative Agent (the "**Compensation Period**") at a rate per annum equal to the applicable Overnight Rate from time to time in effect. When such Lender makes payment to the Administrative Agent (together with all accrued interest thereon), then such payment amount (excluding the amount of any interest which may have accrued and been paid in respect of such late payment) shall constitute such Lender's Loan included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrowers, and the Borrowers shall pay such amount to the Administrative Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to the applicable Borrowing. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrowers may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Administrative Agent to any Lender or the Borrowers with respect to any amount owing under this Section 2.12(c) shall be conclusive, absent manifest error.

(d) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrowers by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV or in the applicable Additional Facility Joinder Agreement, Extension Amendment or Refinancing Amendment are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(e) The obligations of the Lenders hereunder to make Loans and to fund participations in Letters of Credit and Swing Line Loans 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.

(f) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(g) Whenever any payment received by the Administrative Agent under this Agreement or any of the other Loan Documents is insufficient to pay in full all amounts due and payable to the Administrative Agent and the Lenders under or in respect of this Agreement and the other Loan Documents on any date, such payment shall be distributed by the Administrative Agent and applied by the Administrative Agent and the Lenders in the order of priority set forth in Section 8.03. If the Administrative Agent receives funds for application to the Obligations of the Loan Parties under or in respect of the Loan Documents under circumstances for which the Loan Documents do not specify the manner in which such funds are to be applied, the Administrative Agent may (to the fullest extent permitted by mandatory provisions of applicable Law), but shall not be obligated to, elect to distribute such funds to each of the Lenders in accordance with such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the sum of (a) the Outstanding Amount of all Loans outstanding at such time and (b) the Outstanding Amount of all L/C Obligations outstanding at such time, in repayment or prepayment of such of the outstanding Loans or other Obligations then owing to such Lender.

Section 2.13. Sharing of Payments. If, other than as expressly provided elsewhere herein or required by court order, any Lender shall obtain payment in respect of any principal or interest on account of the Loans made by it, or the participations in L/C Obligations and Swing Line Loans held by it, any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them and/or such subparticipations in the participations in L/C Obligations or Swing Line Loans held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment in respect of any principal or interest on such Loans or such participations, as the case may be, pro rata with each of them; *provided* that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon. For the avoidance of doubt, the provisions of this paragraph shall not be construed to apply to (A) any payment made by a Borrower pursuant to and in accordance with the express terms of this Agreement as in effect from time to time (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant permitted hereunder or (C) any receipt or recovery by a Lender in its capacity as an Alternative L/C Issuer at any time prior to the Administrative Agent having exercised any of its rights under Section 8.02 (an "**Acceleration Event**"); following the occurrence of an Acceleration Event, the provisions of this paragraph shall apply to all receipts and recoveries by Alternative L/C Issuers. Each Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 10.09) with respect to such participation as fully as if such Lender were the direct creditor of such Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.13 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.13 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased. For purposes of subclause (vi)(a) of the definition of Indemnified Taxes, a Lender that acquires a participation pursuant to this Section 2.13 shall be treated as having acquired such participation on the earlier date(s) on which such Lender acquired the applicable interest(s) in the Commitment(s) and/or Loan(s) to which such participation relates.

Section 2.14. Additional Facilities.

(a) By at least two Business Days' notice to the Administrative Agent (or such shorter period as the Administrative Agent shall agree), and pursuant to the terms and conditions in this Section 2.14 and in the applicable Additional Facility Joinder Agreement, an Additional Facility or an Increase (as defined below) may be provided to any Loan Party in an aggregate principal amount not to exceed the Additional Facility Available Amount (as determined on the date of Incurrence thereof), *provided* that (i) on the date of the proposed Additional Facility Loan all representations and warranties to be made in a Request for Credit Extension in accordance with Section 4.03 are true and correct in all material respects (or, with respect to any representation or warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language, in all respects) on and as of the date of the proposed Additional Facility Loan with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects (or, with respect to any such representation or warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language, in all respects) as of such earlier date, and (ii) no Event of Default is continuing on such date or would occur after giving effect to the proposed advance; *provided, further*, that in connection with any Additional Facility the primary purpose of which is to finance a Limited Condition Transaction, the conditions set forth in the foregoing clauses (i) and (ii) shall not be required to be satisfied (other than to the extent required by the Additional Facility Lenders party thereto).

(b) Any person may become a Lender under this Agreement by delivering to the Administrative Agent an Additional Facility Joinder Agreement which must be duly executed by that person, the Administrative Agent, the applicable Borrower and the relevant Additional Borrower (if any). That person shall become a Lender on the date specified in the Additional Facility Joinder Agreement. Additional Facilities may be provided by any existing Lender, but no existing Lender will have an obligation to make an Additional Facility Commitment nor will the applicable Borrower have any obligation to approach any existing Lender to provide any Additional Facility Commitment.

(c) Upon the relevant person becoming a Lender, the total of the Commitments under this Agreement shall be increased by the amount set out in the relevant Additional Facility Joinder Agreement as that Lender's Additional Facility Commitment.

(d) Each Lender under an Additional Facility will grant to the applicable Borrower a term or revolving loan facility in the amount specified in the relevant Additional Facility Joinder Agreement during the Additional Facility Availability Period specified in the Additional Facility Joinder Agreement, subject to the terms of this Agreement.

(e) No Additional Facility shall have the benefit of any guarantee unless the existing Lenders also share in such guarantee. The execution by the applicable Borrower, the Guarantors and the relevant Additional Borrower of the Additional Facility Joinder Agreement shall constitute confirmation by each Guarantor that its obligations under the Guaranty shall extend to the total of the Commitments as increased by the addition of the relevant Lender's Commitment and shall be owed to each Secured Party including the relevant Lender but otherwise shall continue unaffected.

(f) The aggregate amount of all outstanding Additional Facility Loans under an Additional Facility shall not at any time exceed the relevant Total Additional Facility Commitments for that Additional Facility.

(g) The aggregate amount of the participations of a Lender in Additional Facility Loans under an Additional Facility shall not at any time exceed that Lender's Additional Facility Commitment for that Additional Facility at that time.

(h) No Additional Facility shall have the benefit of any security unless the existing Lenders also share in such security; *provided* that the Additional Facility Borrowers and the relevant Additional Facility Lender may agree that an Additional Facility shares in the Collateral on a junior basis to the other Facilities. The effectiveness of an Additional Facility shall be subject to customary reaffirmation in respect of any Collateral Documents and, to the extent reasonably requested by the Administrative Agent, delivery of a written opinion of counsel to the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(i) in respect of each Additional Facility:

(i) each Additional Facility Borrower for that Additional Facility is a Loan Party;

(ii) the principal amount, interest rate, interest periods, Latest Maturity Date, use of proceeds, repayment schedule, availability, fees, incorporation of relevant clauses relating to, or in connection with, any Additional Facility and related provisions, and the currency of that Additional Facility shall be agreed by the relevant Additional Facility Borrowers and the relevant Additional Facility Lenders (and, in the case of currency and incorporation of the relevant clauses relating to, or in connection with, any Additional Facility which is a revolving facility, the Administrative Agent) and set out in the relevant Additional Facility Joinder Agreement;

(iii) the relevant Additional Facility Joinder Agreement shall specify whether that Additional Facility is in form of a term loan or a revolving loan;

(iv) notwithstanding anything to the contrary in this Agreement, (A) any Additional Revolving Facility may provide for the ability on a voluntary basis to permanently repay and terminate or reduce any Revolving Credit Commitments on a pro rata basis, less than or greater than a pro rata basis with other outstanding revolving Facilities hereunder and (B) any Additional Facility Loan in the form of a term loan may participate on a pro rata basis, less than or greater than a pro rata basis in any voluntary prepayments of the Term Loans hereunder under other outstanding Classes of Term Loans, and on a pro rata basis or less than a pro rata basis in any mandatory prepayments of the Term Loans hereunder under other outstanding Classes of Term Loans;

(v) the Revolving Credit Commitments in respect of any Additional Revolving Facility may, at the election of the Company, be designated as Financial Covenant Revolving Credit Commitments;

(vi) each Additional Facility Joinder Agreement may provide for the consent of the Additional Facility Lenders under the applicable Additional Facility (including any Increase in respect thereof) to one or more amendments to this Agreement and the other Loan Documents (in addition to those amendments contemplated by clause (o) of this Section 2.14), and each party to this Agreement acknowledges and agrees that such consent shall be binding on all Additional Facility Lenders in respect of such Additional Facility and shall be counted for purposes of the definition of determining whether the consent of the Required Lenders, Required Class Lenders, Required Revolving Credit Lenders and affected Lenders has been obtained, and for all other relevant purposes under Section 10.01; and

(vii) subject to sub-clauses (i), (ii), (iv), (v) and (vi) above, the general terms of that Additional Facility shall be consistent in all material respects with the terms of this Agreement.

(j) The Borrowers may pay to any Additional Facility Lender a fee in the amount and at the times agreed between the applicable Borrower and that Additional Facility Lender.

(k) Each Additional Facility Lender shall become a party to this Agreement and be entitled to share in the Collateral in accordance with the terms of the applicable Intercreditor Agreement and the Collateral Documents *pari passu* with the Lenders under the other Facilities; *provided* that the Additional Facility Borrowers and the relevant Additional Facility Lender may agree that an Additional Facility shares in the Collateral on a junior basis to the other Facilities which, if so agreed, shall be set out in the relevant Additional Facility Joinder Agreement. In addition, each Additional Facility Lender shall be subject to the applicable Intercreditor Agreement or enter into equivalent intercreditor arrangements having a similar effect.

(l) Each party to this Agreement (other than each proposed Additional Facility Lender, the applicable Borrower and each Additional Facility Borrower) irrevocably authorizes and instructs the Administrative Agent to execute on its behalf any Additional Facility Joinder Agreement which has been duly completed and signed on behalf of each proposed Additional Facility Lender, the applicable Borrower and each proposed Additional Facility Borrower and each Loan Party agrees to be bound by such joinder.

(m) On the Additional Facility Commencement Date:

(i) each Additional Facility Lender party to that Additional Facility Joinder Agreement, each other Finance Party and the Loan Parties shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had each Additional Facility Lender been a Lender on the

Amendment Effective Date, with the rights and/or obligations assumed by it as a result of that accession and with the Commitment specified by it as its Additional Facility Commitment; and

(ii) each Additional Facility Lender shall become a party to this Agreement as an “**Additional Facility Lender**”.

(n) [Reserved].

(o) With the prior written consent of the Company, the Administrative Agent is authorized and instructed to enter into such documentation as is reasonably required to amend this Agreement and any other Loan Document (in accordance with the terms of this Section 2.14) to reflect the terms of each Additional Facility without the consent of any Lender other than each applicable Additional Facility Lender, including amendments as deemed necessary by the Administrative Agent in its reasonable judgment to effect any lien or payment subordination and associated rights of the applicable Lenders to the extent any Additional Facilities are to rank junior in right of security or payment or to address technical issues relating to funding and payments.

(p) This Section 2.14 shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

(q) The facilities under which any Term Commitments or Revolving Credit Commitments have been made available may be increased by any amount (an “**Increase**”) which shall not exceed the Additional Facility Available Amount by the execution by any Lender or Additional Facility Lender of one or more Additional Facility Joinder Agreements or Increase Confirmations (under which the Maturity Date, Applicable Rate and any other economic terms applicable to the relevant Additional Facility Commitments are the same as those applicable to the existing Term Commitments or Revolving Credit Commitments). Following any such Increase, references to Term Loans and Revolving Credit Loans, as applicable, and the Lenders in respect of the Term Loans and Revolving Credit Loans, as applicable, shall include Lenders and Loans made under any such Additional Facility Joinder Agreements or Increase Confirmations. In respect of any such Increase:

(i) on the date of the proposed Increase, all representations and warranties to be made in a Request for Credit Extension in accordance with Section 4.03 shall be true and correct in all material respects (or, with respect to any representation or warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language, in all respects) on and as of the date of the proposed Increase with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects (or, with respect to any such representation or warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language, in all respects) as of such earlier date, and (ii) no Event of Default is continuing on such date or would occur after giving effect to the proposed advance; provided that, in connection with any such Increase the primary purpose of which is to finance a Limited Condition Transaction, the conditions set forth in the foregoing clauses (i) and (ii) shall not be required to be satisfied (other than to the extent required by any Lender or Additional Facility Lender in respect of such Increase);

(ii) each party to this Agreement (other than the relevant Lender or Additional Facility Lender and the applicable Borrower) irrevocably authorizes and instructs the Administrative Agent to execute on its behalf any Additional Facility Joinder Agreement or Increase Confirmation which has been duly completed and signed on behalf of each Lender or proposed Additional Facility Lender, the applicable Borrower and each Loan Party agrees to be bound by such joinder; and

(iii) with the prior written consent of the Company, the Administrative Agent is authorized and instructed to enter into such documentation as is reasonably required to amend this Agreement and any other Loan Document (in accordance with the terms of this Section 2.14) to reflect the terms of each Increase without the consent of any Lender other than each applicable Additional Facility Lender.

Section 2.15. Refinancing Amendments.

(a) On one or more occasions after the Amendment Effective Date, the Borrowers may obtain, from any Lender or any other bank, financial institution or other institutional lender or investor that agrees to provide any portion of Credit Agreement Refinancing Indebtedness in the form of Refinancing Term Loans or Other Revolving Credit Commitments pursuant to a Refinancing Amendment in accordance with this Section 2.15 (each,

an “**Additional Refinancing Lender**”) (*provided that* (i) solely with respect to Other Revolving Credit Commitments and Other Revolving Credit Loans, the Administrative Agent, each Swing Line Lender and each L/C Issuer shall have consented (not to be unreasonably withheld or delayed) to such Lender’s or Additional Refinancing Lender’s providing such Other Revolving Credit Commitments to the extent such consent, if any, would be required under Section 10.07(b) for an assignment of Revolving Credit Commitments to such Lender or Additional Refinancing Lender, unless such Lender or Additional Refinancing Lender is an existing Revolving Credit Lender or any Affiliate or Approved Fund of an existing Revolving Credit Lender, (ii) with respect to Refinancing Term Loans, any Affiliated Lender providing Refinancing Term Loans shall be subject to the same restrictions set forth in Section 10.07(k) as they would otherwise be subject to with respect to any purchase by or assignment to such Affiliated Lender of Term Loans and (iii) Affiliated Lenders may not provide Other Revolving Credit Commitments), in respect of all or any portion of any Class, series or tranche, as selected by the Borrowers in their sole discretion without prejudice to Section 2.05(a)(i) above, of Term Loans or Revolving Credit Loans (or unused Revolving Credit Commitments) or Additional Facility Commitments) then outstanding under this Agreement, in the form of Refinancing Term Loans, Refinancing Term Commitments, Other Revolving Credit Commitments, or Other Revolving Credit Loans, in each case, constituting Credit Agreement Refinancing Indebtedness pursuant to a Refinancing Amendment; *provided that* notwithstanding anything to the contrary in this Section 2.15 or otherwise, (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on Other Revolving Credit Commitments (and related outstandings), (B) repayments required upon the maturity date of the Other Revolving Credit Commitments, (C) repayments made in connection with any refinancing of Other Revolving Credit Commitments and (D) repayment made in connection with a permanent repayment and termination of commitments (subject to clause (3) below)) of Loans with respect to Other Revolving Credit Commitments after the date of obtaining any Other Revolving Credit Commitments shall be made on a pro rata basis (or, in the case of repayment, on a pro rata basis or less than pro rata basis) with all other Revolving Credit Commitments, (2) subject to the provisions of Section 2.03(m) and Section 2.04(g) to the extent dealing with Swing Line Loans and Letters of Credit which mature or expire after a maturity date when there exist Other Revolving Credit Commitments with a longer maturity date, all Swing Line Loans and Letters of Credit shall be participated on a pro rata basis by all Lenders with Commitments in accordance with their percentage of the Revolving Credit Commitments existing on the date such Other Revolving Credit Commitments are obtained (and except as provided in Section 2.03(m) and Section 2.04(g), without giving effect to changes thereto on an earlier maturity date with respect to Swing Line Loans and Letters of Credit theretofore incurred or issued), (3) the permanent repayment of Revolving Credit Loans with respect to, and termination of, Other Revolving Credit Commitments after the date of obtaining any Other Revolving Credit Commitments shall be made on a pro rata basis, less than pro rata basis or greater than pro rata basis with all other Revolving Credit Commitments and (4) assignments and participations of Other Revolving Credit Commitments and Other Revolving Credit Loans shall be governed by the same assignment and participation provisions applicable to Revolving Credit Commitments and Revolving Credit Loans existing on the date such Other Revolving Credit Commitments are obtained.

(b) The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.03 and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) customary legal opinions, board resolutions and officers’ certificates consistent with those delivered on the Amendment Effective Date other than changes to such legal opinion resulting from a change in law, change in fact or change to counsel’s form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Administrative Agent in order to ensure that such Credit Agreement Refinancing Indebtedness is provided with the benefit of the applicable Loan Documents.

(c) Each Refinancing Commitment shall be in an aggregate principal amount that is not less than \$1,000,000 in the case of an Other Revolving Credit Commitment and \$15,000,000 in the case of a Refinancing Term Commitment; *provided that* such amounts may be less than \$1,000,000 and \$15,000,000, respectively, if such amount is equal to (x) the entire outstanding principal amount of the Refinanced Debt that is in the form of Revolving Credit Commitments or (y) the entire principal amount of Refinanced Debt that is in the form of Term Loans..

(d) Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to a Refinancing Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Credit Agreement Refinancing Indebtedness Incurred pursuant thereto and (ii) make such other changes to this Agreement and the other Loan Documents consistent with the provisions and intent of the third paragraph of Section 10.01 (without the consent of the Required

Lenders called for therein) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Parent Borrower, to effect the provisions of this Section 2.15, and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Refinancing Amendment.

(e) This Section 2.15 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

(f) Notwithstanding anything in this Agreement to the contrary, nothing in this Section 2.15 will be construed to limit the provisions of Section 2.14 or the ability to Incur Indebtedness, including Refinancing Indebtedness, under Section 4.09 of Annex II.

Section 2.16. Extension of Term Loans; Extension of Revolving Credit Loans.

(a) *Extension of Term Loans.* The applicable Borrower may at any time and from time to time request that all or a portion of the Term Loans of any given Class (or series or tranche thereof) selected by it in its sole discretion (an “**Existing Term Loan Tranche**”) be amended, converted or exchanged to extend the scheduled Maturity Date(s) with respect to all or a portion of any principal amount of the Term Loans of such Existing Term Loan Tranche (any such Term Loans which have been so amended, extended, or converted, “**Extended Term Loans**”) and to provide for other terms consistent with this Section 2.16. In order to establish any Extended Term Loans, the applicable Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Term Loan Tranche) (each, a “**Term Loan Extension Request**”) setting forth the proposed terms of the Extended Term Loans to be established, which shall (x) be identical as offered to each Lender under such Existing Term Loan Tranche (including as to the proposed interest rates and fees payable, but excluding any arrangement, structuring or other similar fees payable in connection therewith that are not generally shared with all relevant Lenders) and offered pro rata to each Lender under such Existing Term Loan Tranche and (y) be identical to the Term Loans under the Existing Term Loan Tranche from which such Extended Term Loans are intended to be amended, except that: (i) the scheduled final maturity date shall be extended and all or any of the scheduled amortization payments of principal of the Extended Term Loans, if any, may be delayed to later dates than the scheduled amortization payments of principal of the Term Loans of such Existing Term Loan Tranche, to the extent provided in the applicable Extension Amendment; (ii) the All-In Yield with respect to the Extended Term Loans (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the All-In Yield for the Term Loans of such Existing Term Loan Tranche, in each case, to the extent provided in the applicable Extension Amendment; (iii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Term Loans); and (iv) Extended Term Loans may have optional prepayment terms (including call protection and prepayment terms and premiums) as may be agreed by the applicable Borrower and the Lenders thereof; *provided*, that no Extended Term Loans may be optionally prepaid prior to the date on which the Term Loans under the Existing Term Loan Tranche from which such Extended Term Loans were amended are repaid in full, unless such optional prepayment is accompanied by a pro rata optional prepayment of the Term Loans; *provided, however*, that (A) subject to the Permitted Earlier Maturity Indebtedness Exception, the Weighted Average Life to Maturity of any Extended Term Loans (to the extent they are unsecured) of a given Term Loan Extension Series at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of the Existing Term Loan Tranche from which such Extended Term Loans are amended, (B) all documentation in respect of such Extension Amendment shall be consistent with the foregoing and (C) any Extended Term Loans may 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 greater than a pro rata basis except in the case of a prepayment under Section 2.05(b)(iv) and Section 2.05(b)(vi)(A)(y)), in any mandatory repayments or prepayments of Term Loans hereunder, in each case as specified in the respective Term Loan Extension Request. Any Extended Term Loans amended pursuant to any Term Loan Extension Request shall be designated a series (each, a “**Term Loan Extension Series**”) of Extended Term Loans for all purposes of this Agreement; *provided* that any Extended Term Loans amended from an Existing Term Loan Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Term Loan Extension Series with respect to such Existing Term Loan Tranche. The applicable Borrower may impose an Extension Minimum Condition with respect to any Term Loan Extension Request, which may be waived by such Borrower in its sole discretion.

(b) *Extension of Revolving Credit Commitments.* The applicable Borrower may at any time and from time to time request that all or a portion of the Revolving Credit Commitments of any given Class (or series or tranche thereof) selected by it in its sole discretion (each, an “**Existing Revolver Tranche**”) be amended, converted or exchanged to extend the Maturity Date with respect to all or a portion of any principal amount of such Revolving Credit Commitments (any such Revolving Credit Commitments which have been so amended, converted or exchanged “**Extended Revolving Credit Commitments**”) and to provide for other terms consistent with this Section 2.16. In order to establish any Extended Revolving Credit Commitments, the applicable Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Revolver Tranche) (each, a “**Revolver Extension Request**”) setting forth the proposed terms of the Extended Revolving Credit Commitments to be established, which shall (x) be identical as offered to each Lender under such Existing Revolver Tranche (including as to the proposed interest rates and fees payable, but excluding any arrangement, structuring or other fees payable in connection therewith that are not generally shared with all relevant Lenders) and offered pro rata to each Lender under such Existing Revolver Tranche and (y) be identical to the Revolving Credit Commitments under the Existing Revolver Tranche from which such Extended Revolving Credit Commitments are to be amended, except that: (i) the Maturity Date of the Extended Revolving Credit Commitments may be delayed to a later date than the Maturity Date of the Revolving Credit Commitments of such Existing Revolver Tranche, to the extent provided in the applicable Extension Amendment; (ii) the All-In Yield with respect to extensions of credit under the Extended Revolving Credit Commitments (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the All-In Yield for extensions of credit under the Revolving Credit Commitments of such Existing Revolver Tranche, in each case, to the extent provided in the applicable Extension Amendment; (iii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Revolving Credit Commitments); and (iv) all borrowings under the applicable Revolving Credit Commitments (*i.e.*, the Existing Revolver Tranche and the Extended Revolving Credit Commitments of the applicable Revolver Extension Series) and repayments thereunder shall be made on a pro rata basis (except for (I) payments of interest and fees at different rates on Extended Revolving Credit Commitments (and related outstandings) and (II) repayments required upon the Maturity Date of the non-extending Revolving Credit Commitments); *provided, further*, that (A) in no event shall the Maturity Date of any Extended Revolving Credit Commitments of a given Revolver Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Revolving Credit Commitments hereunder and (B) all documentation in respect of such Extension Amendment shall be consistent with the foregoing. Any Extended Revolving Credit Commitments amended pursuant to any Revolver Extension Request shall be designated a series (each, a “**Revolver Extension Series**”) of Extended Revolving Credit Commitments for all purposes of this Agreement; *provided* that any Extended Revolving Credit Commitments amended from an Existing Revolver Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Revolver Extension Series with respect to such Existing Revolver Tranche. The applicable Borrower may impose an Extension Minimum Condition with respect to any Revolver Extension Request, which may be waived by such Borrower in its sole discretion.

(c) *Extension Request.* The applicable Borrower shall provide the applicable Extension Request at least two (2) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior to the date on which Lenders under the Existing Term Loan Tranche or Existing Revolver Tranche, as applicable, are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.16. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Tranche amended into Extended Term Loans or any of its Revolving Credit Commitments amended into Extended Revolving Credit Commitments, as applicable, pursuant to any Extension Request. Any Lender holding a Loan under an Existing Term Loan Tranche (each, an “**Extending Term Lender**”) wishing to have all or a portion of its Term Loans under the Existing Term Loan Tranche subject to such Extension Request amended into Extended Term Loans and any Revolving Credit Lender (each, an “**Extending Revolving Credit Lender**”) wishing to have all or a portion of its Revolving Credit Commitments under the Existing Revolver Tranche subject to such Extension Request amended into Extended Revolving Credit Commitments, as applicable, shall notify the Administrative Agent (each, an “**Extension Election**”) on or prior to the date specified in such Extension Request of the amount of its Term Loans under the Existing Term Loan Tranche or Revolving Credit Commitments under the Existing Revolver Tranche, as applicable, which it has elected to request be amended into Extended Term Loans or Extended Revolving Credit Commitments, as applicable (subject to any minimum denomination requirements imposed by the Administrative Agent). In the event that the aggregate principal amount of Term Loans under the Existing Term Loan Tranche or Revolving Credit Commitments under the Existing Revolver Tranche, as applicable, in respect of which applicable

Term Lenders or Revolving Credit Lenders, as the case may be, shall have accepted the relevant Extension Request exceeds the amount of Extended Term Loans or Extended Revolving Credit Commitments, as applicable, requested to be extended pursuant to the Extension Request, Term Loans or Revolving Credit Commitments, as applicable, subject to Extension Elections shall be amended to Extended Term Loans or Revolving Credit Commitments, as applicable, on a pro rata basis (subject to rounding by the Administrative Agent, which shall be conclusive) based on the aggregate principal amount of Term Loans or Revolving Credit Commitments, as applicable, included in each such Extension Election.

(d) *Extension Amendment.* Extended Term Loans and Extended Revolving Credit Commitments shall be established pursuant to an amendment (including incorporating a new tranche of Extended Term Loans and/or Extended Revolving Credit Commitments, as applicable, in accordance with the Extension Election by the Extending Term Lenders and/or the Extending Revolving Credit Lenders) (each, an “**Extension Amendment**”) to this Agreement among the applicable Borrower, the Administrative Agent and each Extending Term Lender or Extending Revolving Credit Lender, as applicable, providing an Extended Term Loan or Extended Revolving Credit Commitment, as applicable, thereunder, which shall be consistent with the provisions set forth in Sections 2.16(a) or (b) above, respectively (but which shall not require the consent of any other Lender). The effectiveness of any Extension Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 or Section 4.03, as applicable, and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) legal opinions, board resolutions and officers’ certificates consistent with those delivered on the Amendment Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel’s form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Administrative Agent in order to ensure that the Extended Term Loans or Extended Revolving Credit Commitments, as applicable, are provided with the benefit of the applicable Loan Documents. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Term Loans or Extended Revolving Credit Commitments, as applicable, Incurred pursuant thereto, (ii) modify the scheduled repayments set forth in Section 2.07 with respect to any Existing Term Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Term Loans required to be paid thereunder in an amount equal to the aggregate principal amount of the Extended Term Loans amended pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Term Loans required pursuant to Section 2.07), (iii) modify the prepayments set forth in Section 2.05 to reflect the existence of the Extended Term Loans and the application of prepayments with respect thereto, (iv) address technical issues relating to funding and payments and (v) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the applicable Borrower, to effect the provisions of this Section 2.16, and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Extension Amendment.

(e) No conversion of Loans pursuant to any Extension in accordance with this Section 2.16 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

(f) This Section 2.16 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

(g) Notwithstanding anything in this Agreement to the contrary, nothing in this Section 2.16 will be construed to limit the provisions in Section 2.14.

Section 2.17. Defaulting Lenders.

(a) *Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. That Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; *third*, if so determined by the Administrative Agent or requested by the L/C Issuer or Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Line Loan or Letter of Credit; *fourth*, as the Company may request (so long as no Default or Event of Default has occurred and is continuing), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Company, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or L/C Borrowings were made at a time when the conditions set forth in Section 4.02 or Section 4.03, as applicable, were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. That Defaulting Lender (x) shall not be entitled to receive any commitment fee pursuant to Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Company shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (y) shall be limited in its right to receive Letter of Credit fees as provided in Section 2.03(h).

(iv) Reallocation of Pro Rata Share to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Sections 2.03 and 2.04, the "Pro Rata Share" of each Non-Defaulting Lender's Revolving Credit Loans and L/C Obligations shall be computed without giving effect to the Participating Revolving Credit Commitment of that Defaulting Lender; *provided* that (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default has occurred and is continuing; and (ii) the aggregate obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swing Line Loans shall not exceed the positive difference, if any, of (1) the Participating Revolving Credit Commitment of that Non-Defaulting Lender minus (2) the aggregate Outstanding Amount of the Loans of that Non-Defaulting Lender under such Participating Revolving Credit Commitments. Subject to Section 2.19 (Acknowledgment and Consent to Bail-in of EEA Financial Institution), no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(b) Defaulting Lender Cure. If the Company, the Administrative Agent, Swing Line Lender and each L/C Issuer agree in writing in their sole discretion that 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 (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Credit Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Pro Rata Share (without giving effect

to Section 2.17(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while that 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 Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *Termination of Revolving Credit Commitments.* The Borrowers shall have the right to terminate the Revolving Credit Commitment of a Defaulting Lender in accordance with Section 2.06 solely to the extent such termination does not cause the Revolving Credit Exposure to exceed the Revolving Credit Commitment.

Section 2.18. General limitation on each Borrower's Obligation

In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Law affecting the rights of creditors generally, if the obligations of any Borrower under this Agreement would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability hereunder, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Borrower, any Loan Party or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 2.19. Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, 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 Loan 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.

ARTICLE III
TAXES, INCREASED COSTS PROTECTION AND ILLEGALITY

Section 3.01. Taxes.

(a) Save in respect of any payments in connection with any Loan to a UK Borrower (a "**UK Payment**") (to which Section 3.02 shall apply in place of this Section 3.01(a)) or to an Irish Borrower (an "**Irish Payment**") (to which Section 3.02 shall apply in place of this Section 3.01(a)) or to a Belgian Borrower (a "**Belgian Payment**") (to which Section 3.03 shall apply in place of this section 3.01(a)), and except as provided in this Section 3.01, any and all payments made by or on account of each Borrower (the term Borrower under Article III being deemed to include any Subsidiary for whose account a Letter of Credit or Alternative Letter of Credit is issued) or Guarantor under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by any Law. If any Borrower, any Guarantor or other applicable withholding agent shall

be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to any Finance Party, (i) if the Tax in question is an Indemnified Tax or Other Tax, the sum payable by any Borrower or any Guarantor shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums paid under this Section 3.01), each Lender (or, in the case of a payment made to the Administrative Agent, an Arranger or a Bookrunner for its own account, the Administrative Agent or such Arranger or Bookrunner) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable withholding agent shall make such deductions, (iii) the applicable withholding agent shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within thirty (30) days after the date of such payment (or, if receipts or evidence are not available within thirty (30) days, as soon as possible thereafter), if any Borrower or any Guarantor is the applicable withholding agent, it shall furnish to such Agent or Lender (as the case may be) the original or a copy of a receipt evidencing payment thereof or other evidence acceptable to such Finance Party.

(b) In addition, each Borrower agrees to pay any and all present or future stamp, court or documentary Taxes and any other excise, property, intangible or mortgage recording Taxes, imposed by any Governmental Authority, which arise from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under or otherwise with respect to, any Loan Document excluding, in each case, any such Tax imposed as a result of a Finance Party's Assignment and Assumption, grant of a participation, transfer or assignment to or designation of a new applicable Lending Office or other office for receiving payments under any Loan Document (collectively, "**Assignment Taxes**"), except for Assignment Taxes resulting from any such Assignment and Assumption, participation, transfer, assignment or designation, that is requested or required in writing by a Borrower (all such non-excluded taxes described in this Section 3.01(b) being hereinafter referred to as "**Other Taxes**").

(c) Each Borrower and each Guarantor agrees to indemnify each Finance Party (i) the full amount of Indemnified Taxes and Other Taxes payable by such Finance Party (including Indemnified Taxes and Other Taxes imposed on or attributable to amounts payable under this Section 3.01) and (ii) any expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by such Finance Party (or by Administrative Agent on behalf of such Lender) to the Company, accompanied by a written statement thereof setting forth in reasonable detail the basis and calculation of such amounts shall be conclusive absent manifest error. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to Taxes that it deems confidential) to the Company or any other Person.

(d) For the avoidance of doubt this Section 3.01(d) shall not apply in respect of Irish Payments or UK Payments, which are dealt with in Section 3.02. Each Finance Party shall, at such times as are reasonably requested by a Borrower or the Administrative Agent, provide that Borrower and the Administrative Agent with any documentation prescribed by Law or reasonably requested by that Borrower or the Administrative Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding Tax with respect to any payments to be made to such Lender under the Loan Documents. Each such Lender and Agent shall, whenever a lapse in time or change in circumstances renders such documentation obsolete or inaccurate in any material respect, deliver promptly and on or before the date such documentation expires, becomes obsolete or inaccurate, to that Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by that Borrower or the Administrative Agent) or promptly notify that Borrower and the Administrative Agent in writing of its inability to do so. Unless the applicable withholding agent has received forms or other documents satisfactory to it indicating that payments under any Loan Document to or for a Lender are not subject to withholding Tax or are subject to such Tax at a rate reduced by an applicable tax treaty, the applicable withholding agent shall withhold amounts required to be withheld by applicable Law from such payments at the applicable statutory rate. Notwithstanding any other provision of this clause (d), a Lender shall not be required to deliver any form pursuant to this clause (d) that such Lender is not legally eligible to deliver.

Without limiting the foregoing:

(i) Each Lender that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Company and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed original copies of IRS Form W-9 (or any successor forms) certifying that such Lender is exempt from U.S. federal backup withholding, *provided, however*, that if the

Lender is a disregarded entity for U.S. federal income tax purposes, it shall provide the appropriate withholding form of its owner (together with supporting documentation).

(ii) Each Lender that is not a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Company and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the request of the Company or the Administrative Agent) whichever of the following is applicable:

(A) two properly completed and duly signed original copies of IRS Form W-8BEN or W-8BEN-E, as applicable, (or any successor forms) claiming eligibility for the benefits of an income tax treaty to which the United States is a party,

(B) two properly completed and duly signed original copies of IRS Form W-8ECI (or any successor forms),

(C) in the case of a Lender claiming the benefits of the exemption for portfolio interest under Sections 871(h) or 881(c) of the Code, (A) a certificate substantially in the form of Exhibit H hereto (any such certificate a “**United States Tax Compliance Certificate**”) and (B) two properly completed and duly signed original copies of IRS Form W-8BEN or W-8BEN-E, as applicable, (or any successor forms),

(D) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership, or is a Participant holding a participation granted by a participating Lender), IRS Form W-8IMY (or any successor forms) of the Lender, accompanied by a Form W-8ECI, W-8BEN, W-8BEN-E, United States Tax Compliance Certificate, Form W-9, Form W-8IMY or any other required information from each beneficial owner, as applicable (*provided* that, if the Lender is a partnership (and not a participating Lender) and one or more direct or indirect partners are claiming the portfolio interest exemption, the United States Tax Compliance Certificate may be provided by such Lender on behalf of such partner(s)), or

(E) two properly completed and duly signed original copies of any other form prescribed by applicable U.S. federal income tax laws (including the Treasury Regulations) as a basis for claiming a complete exemption from, or a reduction in, U.S. federal withholding tax on any payments to such Lender under the Loan Documents.

(iii) Each Agent that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Company and the Administrative Agent two properly completed and duly signed original copies of IRS Form W-9 with respect to fees received for its own account, certifying that such Agent is exempt from U.S. federal backup withholding. Each Agent that is not a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Company and the Administrative Agent two properly completed and duly signed original copies of IRS Form W-8ECI with respect to fees received for its own account.

(e) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent at the time or times prescribed by Laws and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable Laws and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has or has not complied with such Lender's obligations under FATCA and, if necessary, to determine the amount to deduct and withhold from such payment. For purposes of this clause (e), the term “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(f) Any Lender or the Administrative Agent claiming any additional amounts payable pursuant to this Section 3.01 or a Tax Payment shall use its reasonable efforts to mitigate or reduce the additional amounts payable, which reasonable efforts may include a change in the jurisdiction of its Lending Office (or any other measures reasonably requested by the Company) if such a change or other measures would reduce any such

additional amounts (or any similar amount that may thereafter accrue) and would not, in the sole determination of such Lender, result in any unreimbursed cost or expense or be otherwise disadvantageous to such Lender.

(g) If any Lender or the Administrative Agent determines, in its sole discretion exercised in good faith, that it has received a refund in respect of any Indemnified Taxes or Other Taxes as to which indemnification or additional amounts have been paid to it by a Loan Party pursuant to this Section 3.01, it shall promptly remit such refund to such Loan Party (but only to the extent of indemnification or additional amounts paid by such Loan Party under this Section 3.01(g) with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of the Lender or Administrative Agent, as the case may be, and without interest (other than any interest paid by the relevant taxing authority with respect to such refund net of any Taxes payable by any Administrative Agent or Lender on such interest); *provided* that the Loan Parties, upon the request of the Lender or the Administrative Agent, as the case may be, agree promptly to return such refund (plus any penalties, interest or other charges imposed by the relevant taxing authority) to such party in the event such party is required to repay such refund to the relevant taxing authority. Notwithstanding anything to the contrary in this Section 3.01(g), in no event will a Lender or Administrative Agent be required to pay any amount to a Loan Party pursuant to this Section 3.01(g) the payment of which would place the Lender or Administrative Agent in a less favorable net after-Tax position than the Lender or Administrative Agent would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to Taxes that it deems confidential) to the Company or any other Person.

(h) For the avoidance of doubt, the term “Lender” shall, for purposes of this Section 3.01 and the definition of “Indemnified Taxes”, include any L/C Issuer, any Alternative L/C Issuer and any Swing Line Lender.

Section 3.02. Irish & U.K. Taxes.

(a) Each Irish Payment and each UK Payment made by a Loan Party under a Loan Document shall be made by it without any Tax Deduction, unless a Tax Deduction is required by Law.

(b) As soon as it becomes aware that it is or will be required by Law to make a Tax Deduction (or that there is any change in the rate at which or the basis on which such Tax Deduction is to be made) the relevant Loan Party shall notify the Administrative Agent accordingly. Similarly, a Lender shall notify the Administrative Agent and the relevant Loan Party upon becoming so aware in respect of a payment payable to that Lender.

(c) If a Tax Deduction is required by Law to be made by a Loan Party, the amount of the payment due shall, unless paragraph (f) or (g) below applies, be increased to an amount so that, after the required Tax Deduction is made, the payee receives an amount equal to the amount it would have received had no Tax Deduction been required.

(d) If a Tax Deduction is required by Law to be made by the Administrative Agent or the Security Trustee (other than by reason of the Administrative Agent or the Security Trustee performing its obligations as such under this Agreement through an office located outside the United Kingdom) from any payment to any Finance Party which represents an amount or amounts received from a Loan Party, that Loan Party shall, unless paragraph (f) below applies, pay directly to that Finance Party an amount which, after making the required Tax Deduction enables the payee of that amount to receive an amount equal to the payment which it would have received if no Tax Deduction had been required.

(e) If a Tax Deduction is required by Law to be made by the Administrative Agent or the Security Trustee from any payment to any Finance Party under paragraph (d) above, the Administrative Agent or the Security Trustee as appropriate shall unless paragraph (f) below applies, make that Tax Deduction and any payment required in connection with that Tax Deduction to the relevant taxing authority within the time allowed and in the minimum amount required by Law and within 30 days of making either a Tax Deduction or any payment in connection with that Tax Deduction, the Administrative Agent or the Security Trustee making that Tax Deduction or other payment shall deliver to the relevant Loan Party evidence that the Tax Deduction or other payment has been made or accounted for to the relevant tax authority.

(f) No Loan Party is required to make a Tax Payment to a Lender under paragraphs (c) or (d) above for a Tax Deduction in respect of Tax imposed by the United Kingdom on a payment of interest by a UK Borrower in respect of a participation in a Loan by that Lender to the UK Borrower where that Lender is not a UK Qualifying Lender on the date on which the relevant payment of interest is due (otherwise than as a consequence of a Change in Tax Law) to the extent that payment could have been made without a Tax Deduction if that Lender had been a UK Qualifying Lender on that date.

(g) No Loan Party is required to make a Tax Payment to a Lender under paragraphs (c) or (d) above for a Tax Deduction in respect of Tax imposed by Ireland on a payment of interest by an Irish Borrower in respect of a participation in a Loan by that Lender to the Irish Borrower where (i) that Lender is not an Irish Qualifying Lender on the date on which the relevant payment of interest is due (otherwise than as a consequence of a Change in Tax Law) to the extent that payment could have been made without a Tax Deduction if that Lender had been an Irish Qualifying Lender on that date or (ii) that Lender is an Irish Qualifying Lender solely on account of being an Irish Treaty Lender and such Loan Party could have made the payment to the Lender without a Tax Deduction had that Lender complied with its obligations under Part 2 of Section 3.04(d).

(h) The relevant Loan Party which is required to make a Tax Deduction shall make that Tax Deduction and any payment required in connection with that Tax Deduction to the relevant taxing authority within the time allowed and in the minimum amount required by Law.

(i) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the relevant Loan Party making that Tax Deduction or other payment shall deliver to the Administrative Agent for the Finance Party entitled to the interest to which such Tax Deduction or payment relates, evidence that the Tax Deduction or other payment has been made or accounted for to the relevant tax authority.

Section 3.03. Belgian Taxes

(a) Each Belgian Payment made by a Loan Party under a Loan Document shall be made by it without any Tax Deduction, unless a Tax Deduction is required by Law.

(b) As soon as it becomes aware that it is or will be required by Law to make a Tax Deduction (or that there is any change in the rate at which or the basis on which such Tax Deduction is to be made) the relevant Loan Party shall notify the Administrative Agent accordingly. Similarly, a Lender shall notify the Administrative Agent and the relevant Loan Party upon becoming so aware in respect of a payment payable to that Lender.

(c) If a Tax Deduction is required by Law to be made by a Loan Party, the amount of the payment due shall, unless paragraph (f) below applies, be increased to an amount so that, after the required Tax Deduction is made, the payee receives an amount equal to the amount it would have received had no Tax Deduction been required.

(d) If a Tax Deduction is required by Law to be made by the Administrative Agent or the Security Trustee from any payment to any Finance Party which represents an amount or amounts received from a Loan Party, that Loan Party shall, unless paragraph (f) below applies, pay directly to that Finance Party an amount which, after making the required Tax Deduction enables the payee of that amount to receive an amount equal to the payment which it would have received if no Tax Deduction had been required.

(e) If a Tax Deduction is required by Law to be made by the Administrative Agent or the Security Trustee from any payment to any Finance Party under paragraph (d) above, the Administrative Agent or the Security Trustee as appropriate shall unless paragraph (f) below applies, make that Tax Deduction and any payment required in connection with that Tax Deduction to the relevant taxing authority within the time allowed and in the minimum amount required by Law and within 30 days of making either a Tax Deduction or any payment in connection with that Tax Deduction, the Administrative Agent or the Security Trustee making that Tax Deduction or other payment shall deliver to the relevant Loan Party evidence that the Tax Deduction or other payment has been made or accounted for to the relevant tax authority.

(f) No Loan Party is required to make a Tax Payment to a Lender under paragraphs (c) or (d) above for a Tax Deduction in respect of Tax imposed by Belgium on a payment of interest by a Belgian Borrower in respect of a participation in a Loan by that Lender to the Belgian Borrower where that Lender is not a Belgian

Qualifying Lender on the date on which the relevant payment of interest is due (otherwise than as a consequence of a Change in Tax Law) to the extent that payment could have been made without a Tax Deduction if that Lender had been a Belgian Qualifying Lender on that date.

(g) The relevant Loan Party which is required to make a Tax Deduction shall make that Tax Deduction and any payment required in connection with that Tax Deduction to the relevant taxing authority within the time allowed and in the minimum amount required by Law.

(h) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the relevant Loan Party making that Tax Deduction or other payment shall deliver to the Administrative Agent for the Finance Party entitled to the interest to which such Tax Deduction or payment relates, evidence that the Tax Deduction or other payment has been made or accounted for to the relevant tax authority.

(i) In respect of each Belgian Payment made by a Loan Party under a Loan Document, such Loan Party will be entitled to request and obtain within a reasonable time frame which will be no longer than 3 months, from the L/C Issuers all information necessary in order to allow it to fulfil its obligations under Article 307 Belgian Income Tax Code 1992 and Article 179 of the Royal decree implementing the Belgian Income tax Code 1992 regarding the requirement to declare to the Belgian tax authorities by way of the form 275 F payments directly or indirectly made to beneficiaries listed on these Belgian tax provisions.

Section 3.04. Lender Tax Status

Part 1 - UK

(a) Each Lender in respect of a Loan to a UK Borrower represents and warrants to the Administrative Agent and to each UK Borrower:

(i) in the case of a Lender party to this Agreement at the Amendment Effective Date, that as at the Amendment Effective Date, it has the tax status set out opposite its name in Part A of Schedule III; or

(ii) in the case of any other Lender, that as at the relevant effective date specified in each Assignment and Assumption or the relevant effective date specified in each Increase Confirmation, it is:

(A) a UK Bank Lender;

(B) a UK Non-Bank Lender and falls within paragraph (a) or (b) of the definition thereof; or

(C) a UK Treaty Lender,

as the same shall be expressly indicated in the relevant Assignment and Assumption or Increase Confirmation.

(b) Each Lender expressed to be a "UK Non-Bank Lender" in Part A of Schedule III (*Lender Tax Status*) or in the Assignment and Assumption or Increase Confirmation pursuant to which it becomes a Lender represents and warrants to:

(i) the Administrative Agent and to each UK Borrower, on the Amendment Effective Date, or on the relevant effective date specified in each Assignment and Assumption or the relevant effective date specified in each Increase Confirmation (as the case may be) that it is within paragraph (a) of the definition of UK Non-Bank Lender on that date (unless, if it is not within such paragraph (a), it is within paragraph (b) of such definition on that date, and has notified the Administrative Agent of the circumstances by virtue of which it falls within such paragraph (b) and has provided evidence of the same to each UK Borrower if and to the extent requested to do so, by the Administrative Agent or a UK Borrower; and

(ii) the Administrative Agent and to each UK Borrower, that unless it notifies the Administrative Agent and each UK Borrower to the contrary in writing prior to any such date, its representation

and warranty in paragraph (i) above is true in relation to that Lender's participation in each Loan made to a UK Borrower, on each date that the relevant UK Borrower makes a payment of interest in relation to such Loan.

(c) (i) A 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 Loan Party) by including its scheme reference number and its jurisdiction of tax residence opposite its name in Part A of Schedule III.

(ii) A new lender 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 Loan Party) by including its scheme reference number and its jurisdiction of tax residence in the Assignment and Assumption or Increase Confirmation which it executes.

(iii) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (c)(i) or paragraph (c)(ii) above, then no Loan Party shall make any filing under or in relation to the HMRC DT Treaty Passport Scheme in respect of that Lender's Commitment(s) or its participation in any Loan unless that Lender otherwise agrees.

(iv) Each Loan Party that makes a UK Payment to which that Lender is entitled shall cooperate with the Lender in completing any procedural formalities as may be necessary for the relevant Loan Party to obtain authorisation to make that payment without a Tax Deduction (including where a Lender includes the indication described in paragraphs (c)(i) or (c)(ii) above, filing with HMRC, within any applicable time limit, a form DTTP2 or such equivalent or other HMRC form(s) as may be required to be filed pursuant to the HMRC DT Treaty Passport Scheme in respect of that Lender, completed in accordance with the information provided by that Lender); *provided, however*, that nothing in this paragraph (c)(i) shall require a Lender to disclose any confidential information or information regarding its business, tax affairs or tax computations (including, without limitation, its tax returns or its calculations).

(d) (i) If, in relation to any interest payment to a Lender on a Loan:

(A) that Lender has confirmed to the UK Borrower and to the Administrative Agent before that interest payment would otherwise fall due that:

(1) it has completed, where applicable, the necessary procedural formalities referred to in, and otherwise complied with, paragraph (c) above; and

(2) H.M. Revenue & Customs has not declined to issue the authorisation referred to in the definition of "UK Treaty Lender" (the "**Authorisation**") to that Lender in relation to that Loan, or if H.M. Revenue & Customs has declined, the Lender is disputing that decision in good faith; and

(B) the UK Borrower has not received the Authorisation,

then, such Lender may elect, by not less than 5 Business Days prior confirmation in writing to the Administrative Agent, that such interest payment (the "**Relevant Interest Payment**") shall not be due and payable under Section 2.08(c) until the date which is 5 Business Days after the earlier of:

(C) the date on which the Authorisation is received by the relevant UK Borrower;

(D) the date that Lender confirms to the relevant UK Borrower and the Administrative Agent that it is not entitled to claim full relief from liability to taxation otherwise imposed by the United Kingdom (in relation to that Lender's participation in Loans made to the Borrower) on interest under a Double Taxation Treaty in relation to the Relevant Interest Payment; and

(E) the earlier of (I) the date which is 6 months after the date on which the Relevant Interest Payment had otherwise been due and payable and (II) the date of final repayment (whether scheduled, voluntary or mandatory) of principal in respect of the Relevant Interest Payment.

(ii) For the avoidance of doubt, in the event that sub-paragraph (i) above applies, the Interest Period to which the Relevant Interest Payment relates shall not be extended and the start of the immediately succeeding Interest Period shall not be delayed.

(e) Any Lender which was a UK Qualifying Lender when it became party to this Agreement but subsequently ceases to be a UK Qualifying Lender (other than by reason of a Change in Tax Law) shall promptly notify each UK Borrower of that event, *provided* that if there is a Change in Tax Law which in the reasonable opinion of the relevant UK Borrower may result in any Lender which was a UK Qualifying Lender when it became a party to this Agreement ceasing to be a UK Qualifying Lender, such UK Qualifying Lender shall co-operate with each UK Borrower and provide reasonable evidence requested by each UK Borrower in order for the UK Borrower to determine whether such Lender has ceased to be a UK Qualifying Lender *provided, however*, that nothing in this paragraph (e) shall require a Lender to disclose any confidential information or information regarding its business, tax affairs or tax computations (including without limitation, its tax returns or its calculations).

(f) For the purposes of paragraphs (a) to (e) above, each Lender shall promptly deliver such documents evidencing its corporate and tax status as the Administrative Agent or the relevant UK Borrower may reasonably request, *provided* that in the event that any Lender fails to comply with the foregoing requirement, the UK Borrower shall be permitted:

(i) to withhold and retain an amount in respect of the applicable withholding tax estimated in good faith by the applicable Borrower to be required to be withheld in respect of interest payable to such Lender; or

(ii) subject to the provisions of paragraph (a) of Section 10.07, to refuse to grant its consent to such transfer.

(g) In the event that either the Administrative Agent or any UK Borrower has reason to believe that any representation given by a Lender in accordance with Part 1 of this Section 3.04 is incorrect or inaccurate, the Administrative Agent or the relevant UK Borrower (as the case may be) shall promptly inform the other party and the relevant Lender, and may thereafter request such documents relating to the corporate and tax status of such Lender as the Administrative Agent or the UK Borrower may reasonably require for the purposes of determining whether or not such representation was indeed incorrect.

Part 2 – Irish

(a) Each Lender in respect of a Loan to an Irish Borrower represents and warrants to the Administrative Agent and to each Irish Borrower:

(i) in the case of a Lender party to this Agreement at the Amendment Effective Date, that, where there is an Irish Borrower (whether as at the Amendment Effective Date or at any time thereafter), such Lender will provide its tax status set out opposite its name in the form of in Part B of Schedule III; or

(ii) in the case of any other Lender, where there is an Irish Borrower, that as at the relevant effective date specified in each Assignment and Assumption or the relevant effective date specified in each Increase Confirmation, such Lender will provide that it is:

(A) not an Irish Qualifying Lender

(B) an Irish Qualifying Lender (other than solely on account of being an Irish Treaty Lender)

(C) an Irish Qualifying Lender (solely on account of being an Irish Treaty Lender),

as the same shall be expressly indicated in the relevant Assignment and Assumption or Increase Confirmation; *provided* that if there is not an Irish Borrower as at the effective date of such Assignment and Assumption or Increase Confirmation, but there is an Irish Borrower thereafter, such Lender will provide its tax status set out opposite its name in the form of Part B of Schedule III as at the date the Irish Borrower becomes an Additional Borrower.

(b) Each Irish Qualifying Lender expressed to be an “Irish Non-Bank Lender” in Part B of Schedule III (*Lender Tax Status*) or in the Assignment and Assumption or Increase Confirmation pursuant to which it becomes a Lender represents and warrants to:

(i) the Administrative Agent and to each Irish Borrower, on the Amendment Effective Date, or on the relevant effective date specified in each Assignment and Assumption or the relevant effective date specified in each Increase Confirmation (as the case may be) that it is an Irish Qualifying Lender;

(ii) the Administrative Agent and to each Irish Borrower, that unless it notifies the Administrative Agent and each Irish Borrower to the contrary in writing prior to any such date, its representation and warranty in paragraph (i) above is true in relation to that Lender’s participation in each Loan made to an Irish Borrower, on each date that the relevant Irish Borrower makes a payment of interest in relation to such Loan.

(c) Any Lender which was an Irish Qualifying Lender when it became party to this Agreement but subsequently ceases to be an Irish Qualifying Lender (other than by reason of a Change in Tax Law) shall promptly notify each Irish Borrower of that event, provided that if there is a Change in Tax Law which in the reasonable opinion of the relevant Irish Borrower may result in any Lender which was an Irish Qualifying Lender when it became a party to this Agreement ceasing to be an Irish Qualifying Lender, such Irish Qualifying Lender shall co-operate with each Irish Borrower and provide reasonable evidence requested by each Irish Borrower in order for the Irish Borrower to determine whether such Lender has ceased to be an Irish Qualifying Lender *provided, however*, that nothing in this paragraph (c) shall require a Lender to disclose any confidential information or information regarding its business, tax affairs or tax computations (including without limitation, its tax returns or its calculations).

(d) An Irish Treaty Lender and the Borrower shall co-operate in completing any procedural formalities necessary for it to obtain authorisation to make that payment without a Tax Deduction on account of Tax imposed by Ireland.

(e) For the purposes of paragraphs (a) to (d) above, each Lender shall promptly deliver such documents evidencing its corporate and tax status as the Administrative Agent or the relevant Irish Borrower may reasonably request, *provided* that in the event that any Lender fails to comply with the foregoing requirement, the Irish Borrower shall be permitted:

(i) to withhold and retain an amount in respect of the applicable withholding tax estimated in good faith by the applicable Borrower to be required to be withheld in respect of interest payable to such Lender; or

(ii) subject to the provisions of paragraph (a) of Section 10.07, to refuse to grant its consent to such transfer.

(f) In the event that either the Administrative Agent or any Irish Borrower has reason to believe that any representation given by a Lender in accordance with Part 2 of this Section 3.04 is incorrect or inaccurate, the Administrative Agent or the relevant Irish Borrower (as the case may be) shall promptly inform the other party and the relevant Lender, and may thereafter request such documents relating to the corporate and tax status of such Lender as the Administrative Agent or the Irish Borrower may reasonably require for the purposes of determining whether or not such representation was indeed incorrect.

(g) If, following delivery of such documentation and following consultation between the Administrative Agent, the relevant Irish Borrower and the relevant Lender, the Irish Borrower concludes (acting reasonably and in good faith) that there is insufficient evidence to determine the relevant tax status of such Lender, the Irish Borrower shall be permitted in respect of such Lender, to withhold and retain an amount in respect of the applicable withholding tax estimated in good faith by the Irish Borrower to be required to be withheld in respect of interest payable to such Lender until such time as that Lender has delivered sufficient evidence of its tax status to the Administrative Agent and the Irish Borrower.

(h) Each Lender shall provide to each Irish Borrower any information reasonably requested and necessary in order to permit an Irish Borrower to comply with its obligations under Sections 891A, 891E, 891F and 891G of the TCA.

(i) If, following delivery of such documentation and following consultation between the Administrative Agent, the relevant UK Borrower and the relevant Lender, the UK Borrower concludes (acting reasonably and in good faith) that there is insufficient evidence to determine the relevant tax status of such Lender, the UK Borrower shall be permitted in respect of such Lender, to withhold and retain an amount in respect of the applicable withholding tax estimated in good faith by the UK Borrower to be required to be withheld in respect of interest payable to such Lender until such time as that Lender has delivered sufficient evidence of its tax status to the Administrative Agent and the UK Borrower.

Section 3.05. Value Added Tax

(a) All consideration expressed to be payable under a Loan Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. Subject to paragraph (b) below, if VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Loan Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT concurrently against the issue of an appropriate invoice.

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) in connection with a Loan Document, and any Party other than the Recipient (the “**Subject Party**”) is required by the terms of any Loan Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration), (i) if the Supplier is required to account to the relevant tax authority for the VAT, the Subject Party must also pay to the Supplier and, (ii) if the Recipient is required to account to the relevant tax authority for the VAT the Subject Party must pay to the Recipient, (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. Where paragraph (i) applies, the Recipient must 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 the VAT chargeable on that supply. Where paragraph (ii) applies, the Subject Party must only pay to the Recipient an amount equal to the amount of such VAT to the extent that the Recipient reasonably determines that it is not entitled to a credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Loan Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party for the full amount of such costs and expenses including such costs that represent VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.

(d) Any reference in this Section 3.05 to any Party shall, at any time when such Party is treated as a member of a group including but not limited to any fiscal unities for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “**representative member**” to have the same meaning as in the Value Added Tax Act 1994 or in the relevant legislation of any jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax).

(e) If VAT is chargeable on any supply made by a Finance Party to any Party under a Loan Document and if reasonably requested by such Finance Party, that Party must give the Finance Party details of its VAT registration number and any other information as is reasonably requested in connection with the Finance Party’s reporting requirements for the supply and at such time that the Finance Party may reasonably request it.

Where a Borrower is required to make a payment under paragraph (b) above, such amount shall not become due until such Borrower has received a formal invoice detailing the amount to be paid.

Section 3.06. Tax Credits

(a) If a Loan Party makes a Tax Payment and the relevant Finance Party determines, in its sole opinion, that:

- (i) a Tax Credit is attributable to that Tax Payment; and

(ii) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall (subject to paragraph (b) below and to the extent that such Finance Party can do so without prejudicing the availability and/or the amount of the Tax Credit and the right of that Finance Party to obtain any other benefit, relief or allowance which may be available to it) pay to either the relevant Loan Party such amount which that Finance Party determines, in its sole opinion, 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 Loan Party.

(b) Each Finance Party shall have an absolute discretion as to the time at which and the order and manner in which it realises or utilises any Tax Credits and shall not be obliged to arrange its business or its tax affairs in any particular way in order to be eligible for any credit or refund or similar benefit.

(c) No Finance Party shall be obliged to disclose to any other person any information regarding its business, tax affairs or tax computations (including, without limitation, its tax returns or its calculations).

(d) If a Finance Party has made a payment to a Loan Party pursuant to this Section 3.06 on account of a Tax Credit and it subsequently transpires that that Finance Party did not receive that Tax Credit, or received a reduced Tax Credit, such Loan Party, shall, on demand, pay to that Finance Party the amount which that Finance Party determines, acting reasonably and in good faith, will put it (after that payment is received) in the same after-tax position as it would have been in had no such payment or a reduced payment been made to such Loan Party.

No Finance Party shall be obliged to make any payment under this Section 3.06 if, by doing so, it would contravene the terms of any applicable Law or any notice, direction or requirement of any governmental or regulatory authority (whether or not having the force of law).

Section 3.07. Illegality.

If any Lender reasonably determines that any Law or its interpretation or application thereof has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurocurrency Rate Loans, or to determine or charge interest rates based upon the Eurocurrency Rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or any Available Currency (other than Dollars) in the applicable interbank market, then, on notice thereof by such Lender to the Company through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurocurrency Rate Loans or to convert Base Rate Loans to Eurocurrency Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Company shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, (I) if applicable and such Loans are denominated in Dollars, convert all applicable Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate) or (II) if applicable and such Loans are denominated in an Available Currency (other than Dollars), to the extent the applicable Borrower and all Appropriate Lenders agree, convert such Loans to Loans bearing interest at an alternative rate mutually acceptable to the applicable Borrower and all of the Appropriate Lenders, in each case either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or promptly, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate component of the Base Rate with respect to any Base Rate Loans, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurocurrency Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender. Upon any such prepayment or conversion, the Company shall also pay accrued interest on the amount so prepaid or converted and all amounts due, if any, in connection with such prepayment and conversion.

Section 3.08. Inability to Determine Rates.

If the Required Lenders reasonably determine in good faith that for any reason in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof that (a) deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount, currency and Interest Period of such Eurocurrency Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan or in connection with an existing or proposed Base Rate Loan, or (c) the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Company and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Company may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein or, in the case of a pending request for a Loan denominated in an Available Currency (other than Dollars), the Company and Lenders may establish a mutually acceptable alternative rate.

Section 3.09. Increased Cost and Reduced Return; Capital Adequacy; Eurocurrency Rate Loan Reserves.

(a) If any Lender reasonably determines that as a result of a Change in Law, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining Eurocurrency Rate Loans or (as the case may be) issuing, participating in or maintaining Letters of Credit or Alternative Letters of Credit (or maintaining its obligations to participate in or issue any Letters of Credit or Alternative Letters of Credit), or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (including any Taxes (other than (i) Indemnified Taxes or Other Taxes or (ii) Taxes excluded from the definition of Indemnified Taxes or Other Taxes), including by imposing, modifying or holding applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, and excluding for purposes of this Section 3.09(a) any such increased costs or reduction in amount resulting from reserve requirements contemplated by Section 3.09(b) or the definition of Eurocurrency Rate), then from time to time within five (5) days after demand by such Lender setting forth in reasonable detail such increased costs (with a copy of such demand to the Administrative Agent given in accordance with Section 3.11), the Company shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender reasonably determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by it, or participations in or issuance of Letters of Credit or Alternative Letters of Credit by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity and such Lender's desired return on capital), then from time to time upon demand of such Lender (with a copy of such demand to the Administrative Agent), the Company will pay to such Lender, as the case may be, within five (5) days after demand by such Lender, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) The Company shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional interest on the unpaid principal amount of each applicable Eurocurrency Rate Loan of the Company equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financing regulatory authority imposed in respect of the maintenance of the Commitments or the funding of any Eurocurrency Rate Loans of the Company, such additional costs (expressed as a percentage per annum and rounded

upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Loan, *provided* the Company shall have received at least fifteen (15) days' prior notice (with a copy to the Administrative Agent) of such additional interest or cost from such Lender. If a Lender fails to give notice five (5) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days from receipt of such notice.

Section 3.10. Funding Losses.

Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, which demand shall set forth in reasonable detail the basis for requesting such amount, the Company shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense actually incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurocurrency Rate Loan of any Borrower on a day other than the last day of the Interest Period for such Loan; or

(b) any failure by any Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurocurrency Rate Loan of that Borrower on the date or in the amount notified by that Borrower;

including any loss or expense (excluding loss of anticipated profits or margin) arising from the liquidation or reemployment of funds obtained by it to maintain such Eurocurrency Rate Loan or from fees payable to terminate the deposits from which such funds were obtained.

Section 3.11. Matters Applicable to All Requests for Compensation.

(a) If any Lender requests compensation under Section 3.09, or the Company or any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.07, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or issuing Letters of Credit or Alternative Letters of Credit hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.09, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.07, as applicable, and (ii) in each case, would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material economic, legal or regulatory respect; *provided* nothing in this Section 3.11(a) shall affect or postpone any Obligations of the Company or any Borrower or the rights of the Lenders under this Article III.

(b) Each Lender may make any Credit Extension to a Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of that Borrower to repay the Credit Extension in accordance with the terms of this Agreement.

(c) If any Lender requests compensation by the Company or any Borrower under Section 3.09, the Company or a Borrower may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender to make or continue Eurocurrency Rate Loans from one Interest Period to another Interest Period, or to convert Base Rate Loans into Eurocurrency Rate Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 3.11(e) shall be applicable); *provided* that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of Section 3.01, 3.07, 3.08 or 3.09 shall not constitute a waiver of such Lender's right to demand such compensation, *provided* that no Borrower shall be required to compensate a Lender pursuant to the foregoing provisions of Section 3.01, 3.07, 3.08 or 3.09 for any increased costs incurred or reductions suffered more than two hundred and seventy (270) days prior to the date that such Lender notifies the Company or a Borrower of the event giving rise to such claim and of such Lender's intention to claim compensation therefor (except that, if the

circumstance giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) If the obligation of any Lender to make or continue any Eurocurrency Rate Loan or to convert Base Rate Loans into Eurocurrency Rate Loans shall be suspended pursuant to Section 3.11(b) hereof, such Lender's applicable Eurocurrency Rate Loans shall be automatically converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for such Eurocurrency Rate Loans (or, in the case of any immediate conversion required by Section 3.02, on such earlier date as required by Law) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 3.07, 3.08 or 3.09 hereof that gave rise to such conversion no longer exist:

(i) to the extent that such Lender's Eurocurrency Rate Loans have been so converted, all payments and prepayments of principal that would otherwise be applied to such Lender's applicable Eurocurrency Rate Loans shall be applied instead to its Base Rate Loans; and

(ii) all Loans that would otherwise be made or continued from one Interest Period to another by such Lender as Eurocurrency Rate Loans shall be made or continued instead as Base Rate Loans (if possible), and all Base Rate Loans of such Lender that would otherwise be converted into Eurocurrency Rate Loans shall remain as Base Rate Loans.

(f) If any Lender gives notice to the Company or a Borrower (with a copy to the Administrative Agent) that the circumstances specified in Section 3.07, 3.08 or 3.09 hereof that gave rise to the conversion of any of such Lender's Eurocurrency Rate Loans pursuant to this Section 3.11 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurocurrency Rate Loans made by other Lenders under the applicable Facility are outstanding, if applicable, such Lender's Base Rate Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurocurrency Rate Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding Eurocurrency Rate Loans under such Facility and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Commitments for the applicable Facility.

(g) Any Finance Party claiming compensation under this Article III shall deliver a certificate to the Company setting forth in reasonable detail the additional amount or amounts to be paid to it hereunder, which shall be conclusive on the absence of manifest error. In determining such amounts, such Finance Party may use any reasonable averaging and attribution methods.

Section 3.12. Replacement of Lenders under Certain Circumstances.

If (i) any Lender ceases to make Eurocurrency Rate Loans as a result of any condition described in Section 3.07 or Section 3.09, (ii) a Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 or 3.09 or make a Tax Payment and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 3.01(f), (iii) any Lender is a Non-Consenting Lender, (iv) any Lender becomes a Defaulting Lender, or (v) any other circumstance exists hereunder that gives any Borrower the right to replace a Lender as a party hereto, then that Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.07), all of its interests, rights and obligations under this Agreement (or, with respect to clause (iii) above, all of its interests, rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, waiver and amendment) and the related Loan Documents to one or more Eligible Assignees (*provided* that neither the Administrative Agent nor any Lender shall have any obligation to that Borrower to find a replacement Lender or other such Person) that shall assume such obligations (any of which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(a) the Company shall have paid to the Administrative Agent the assignment fee specified in Section 10.07(b)(ii)(D);

(b) such Lender shall have received payment of an amount equal to the applicable outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and

under the other Loan Documents (including any amounts under Section 3.10) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company;

(c) such Lender being replaced pursuant to this Section 3.12 shall (1) execute and deliver an Assignment and Assumption with respect to all, or a portion as applicable, of such Lender's Commitment and outstanding Loans and participations in L/C Obligations and Swing Line Loans, and (2) deliver any Notes evidencing such Loans to a Borrower or Administrative Agent (or a lost or destroyed note indemnity in lieu thereof); *provided* that the failure of any such Lender to execute an Assignment and Assumption or deliver such Notes shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment may be recorded in the Register and the Notes shall be deemed to be cancelled upon such failure;

(d) the Eligible Assignee shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Commitments and participations, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender;

(e) in the case of any such assignment resulting from a claim for compensation under Section 3.09 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(f) such assignment shall not conflict with applicable Laws;

(g) any Lender that acts as an L/C Issuer or Alternative L/C Issuer may not be replaced hereunder at any time when it has any Letter of Credit or Alternative Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such L/C Issuer or Alternative L/C Issuer (including the furnishing of a back-up standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such L/C Issuer or Alternative L/C Issuer or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such L/C Issuer or Alternative L/C Issuer) have been made with respect to each such outstanding Letter of Credit or Alternative Letter of Credit; and

(h) the Lender that acts as the Administrative Agent cannot be replaced in its capacity as Administrative Agent other than in accordance with Section 9.06,

In the event that (i) the Company or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of each affected Lender or all the Lenders with respect to a certain Class or Classes of the Loans and/or Commitments and (iii) the Required Lenders (or, in the case of a consent, waiver or amendment involving all affected Lenders of a certain Class, the Required Class Lenders) have agreed (but solely to the extent required by Section 10.01) to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "**Non-Consenting Lender.**"

In connection with any such replacement, (i) if the Lender to be replaced is a Non-Consenting Lender, the Company shall pay to each Non-Consenting Lender, concurrently with the effectiveness of the respective assignment, the fee set forth in Section 2.05(a)(vi) to the extent applicable and (ii) if any such Non-Consenting Lender or Defaulting Lender does not execute and deliver to the Administrative Agent a duly executed Assignment and Assumption reflecting such replacement within five (5) Business Days of the date on which the assignee Lender executes and delivers such Assignment and Assumption Agreement to such Non-Consenting Lender or Defaulting Lender, then such Non-Consenting Lender or Defaulting Lender shall be deemed to have executed and delivered such Assignment and Assumption without any action on the part of the Non-Consenting Lender or Defaulting Lender.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

Section 3.13. Survival.

All of each Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments and the Loan Documents and repayment of all other Obligations hereunder.

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

Section 4.01. [Reserved].

Section 4.02. Conditions to Credit Extensions on the Amendment Effective Date.

The effectiveness of the Commitments of the Lenders on the Amendment Effective Date and the obligations of the Lenders to make a Credit Extension hereunder on the Amendment Effective Date (the “**Initial Credit Extensions**”) is subject to the satisfaction (or waiver) of the following conditions precedent, except as otherwise agreed between the Borrowers and the Administrative Agent:

(a) The Administrative Agent’s receipt of the following, each of which shall be originals or pdf copies or other facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the Company and the Initial Borrowers, each in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) executed counterparts of the Amendment and Restatement Agreement by the Company and the Initial Borrowers;

(ii) a Request for Credit Extension in accordance with the requirements thereof;

(iii) an opinion from Ropes & Gray International LLP, English legal counsel to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent;

(iv) an opinion from Ropes & Gray International LLP, New York legal counsel to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent

(v) an opinion from Cayman Islands counsel to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent;

(vi) a copy of the following documents, in each case in respect of the Company and each Initial Borrower: (w) a certificate of good standing (or equivalent) issued by the relevant Governmental Authority in its jurisdiction, if available in such jurisdiction, (x) its constitutional documents, (y) a resolution of its Board of Directors and (z) a specimen signature of each person authorized by the resolution referred to in clause (y);

(vii) a re-confirmation of an English law-governed Equitable Charge over Shares dated January 29, 2010 (the “**Sable Holding Equitable Share Charge**”) and made between Cable and Wireless Plc (now known as Cable & Wireless Limited) as Company and BNP Paribas as Security Trustee in respect of the shares of Sable Holding Limited;

(viii) a re-confirmation of an English law-governed Security Confirmation Deed dated January 26, 2012 and made between Cable & Wireless Limited (formerly known as Cable and Wireless Plc), Sable Holding Limited and CWIGroup Limited as Confirming Parties and BNP Paribas as Security Trustee in respect of (a) an English law-governed Equitable Charge over Shares dated January 29, 2010 and made between Cable & Wireless Limited (formerly Cable & Wireless Plc) as Company and BNP Paribas as Security Trustee in respect of the shares of Sable Holding Limited (“**Sable Holding Share Security Confirmation**”), (b) an English law-governed Equitable Charge over Shares dated January 29, 2010 and made between Sable Holding Limited as Company and BNP Paribas as Security Trustee in respect of the shares of CWIGroup Limited and (c) an English law-governed Equitable Charge over Shares dated January 29, 2010 and made between CWIGroup Limited as Company and BNP Paribas as Security Trustee in respect of the shares of Cable and Wireless (West Indies) Limited;

(ix) a re-confirmation of an English law-governed Security Agreement over Shares dated March 31, 2015 (the “**Sable Holding Share Security Agreement**”, collectively with the Sable Holding Equitable Share Charge and the Sable Holding Share Security Confirmation, the “**Sable Holding Share Security Documents**”) and made between Cable & Wireless Limited as Chargor and BNP Paribas as Security Trustee in respect of the shares of Sable Holding Limited; and

(x) an English law governed assignment by way of security over any intercompany loans granted by Cable & Wireless Limited to Sable Holding Limited.

(b) The representations and warranties of each Loan Party set forth in Article V and in each other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date; *provided, however*, 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.

(c) It shall not be unlawful in any applicable jurisdiction for that Lender to perform its obligations to lend its participation of the relevant Credit Extension on the Amendment Effective Date, as applicable.

(d) No Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

(e) The Administrative Agent shall have received evidence that the Agreement has been designated as a “Permitted Senior Document” as defined in and in accordance with the Existing Intercreditor Agreement.

Section 4.03. Conditions to all Credit Extensions after the Amendment Effective Date.

The obligation of each Lender to honor any Request for Credit Extension (other than (i) with respect to the Initial Credit Extensions, (ii) with respect to a Limited Condition Transaction, and (iii) a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurocurrency Rate Loans, but including Additional Facility Loans) is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party set forth in Article V and in each other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date; *provided, however*, 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.

(b) No Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

(c) The Administrative Agent and, if applicable, the relevant L/C Issuer or Alternative L/C Issuer or the Swing Line Lender, as applicable, shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than (i) with respect to the Initial Credit Extensions, (ii) with respect to a Limited Condition Transaction, (iii) a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurocurrency Rate Loans) submitted by any Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.03(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

Section 4.04. Compliance with Conditions.

Without limiting the generality of the provisions of Section 9.03, for purposes of determining compliance with the conditions specified in Section 4.02 and Section 4.03 each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Amendment Effective Date specifying its objection thereto.

ARTICLE V REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent and the Lenders at the time of each Credit Extension (to the extent required to be true and correct for such Credit Extension pursuant to Article IV) that:

Section 5.01. Existence, Qualification and Power; Compliance with Laws.

(a) Each Loan Party and each member of the Restricted Group that is a Material Subsidiary (i) is a Person duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization (to the extent such concept exists in such jurisdiction), (ii) has all requisite power and authority to (A) own or lease its assets and carry on its business as currently conducted and (B) in the case of the Loan Parties, execute, deliver and perform its obligations under the Loan Documents to which it is a party, (iii) is duly qualified and in good standing (to the extent such concept exists in such jurisdiction) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (iv) is in compliance with all applicable Laws, orders, writs and injunctions and (v) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case referred to in clause (i) (other than with respect to any Borrower), (ii)(A) (other than with respect to any Borrower), (iii), (iv) or (v), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) The Original Borrower is duly incorporated with limited liability as an exempted company under the laws of the Cayman Islands, validly existing and in good standing under the laws of the Cayman Islands with the full power to enter into, exercise its rights and perform its obligations under this Agreement and the other Loan Documents to which it is a party.

(c) In the case of the Original Borrower, it is resident for Tax purposes in the United Kingdom.

Section 5.02. Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party, and the consummation of the borrowings under, and the use of proceeds of the Initial Term Loans and the Initial Revolving Credit Commitments, (a) have been (or will be, in the case of the Initial Term Loans, on or prior to the date of any borrowing thereunder) duly authorized by all necessary corporate or other organizational action, and (b) do not (i) contravene the terms of any of such Person's Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than as permitted by Section 4.12 of Annex II), or require any payment to be made under (x) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject or (iii) violate any Law; except with respect to any conflict, breach or contravention or payment (but not creation of Liens) referred to in clauses (ii) and (iii), to the extent that such violation, conflict, breach, contravention or payment could not reasonably be expected to have a Material Adverse Effect.

Section 5.03. Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, the perfection or maintenance of the Liens created under the Collateral Documents (including the priority thereof) or the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for (i) filings and registrations necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties, (ii) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect (except to the extent not required to be obtained, taken, given or made or in full force and effect pursuant to the Collateral and Guarantee Requirement) and (iii) those approvals, consents, exemptions,

authorizations or other actions, notices or filings, the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect.

Section 5.04. Binding Effect.

This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is a party thereto. This Agreement and each other Loan Document constitutes a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is a party thereto in accordance with its terms, except as such enforceability may be limited by (i) Debtor Relief Laws and by general principles of equity principles of good faith and fair dealing, and (ii) the need for filings and registrations necessary to create or perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties and (iii) the effect of foreign Laws, rules and regulations as they relate to pledges of or security interests in any Equity Interests in Foreign Subsidiaries.

Section 5.05. Financial Statements; No Material Adverse Effect.

(a) The consolidated financial statements of the Reporting Entity most recently delivered to the Administrative Agent fairly present in all material respects the financial condition and the consolidated financial position of the Reporting Entity as of the dates thereof and their results of operations for the period covered thereby in accordance with IFRS consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein.

(b) Since the Amendment Effective Date, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

Section 5.06. Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, overtly threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against any member of the Restricted Group or against any of their properties or revenues that either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.07. Ownership of Property; Liens.

(a) Each Loan Party and each member of the Restricted Group that is a Material Subsidiary has good record title to, or valid leasehold interests in, or easements or other limited property interests in, all of its property necessary in the ordinary conduct of its business, free and clear of all Liens except Permitted Liens and except where the failure to have such title or other interest could not have or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Each Loan Party and each member of the Restricted Group that is a Material Subsidiary has complied with all obligations under all leases to which it is a party, except where the failure to comply could not reasonably be expected to have a Material Adverse Effect, and all such leases are in full force and effect, except those in respect of which the failure to be in full force and effect could not reasonably be expected to have a Material Adverse Effect.

Section 5.08. Environmental Matters.

Except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(a) each member of the Restricted Group and its respective properties and operations are in compliance with all Environmental Laws, which includes obtaining and maintaining all applicable Environmental Permits required under such Environmental Laws to carry on the business of the members of the Restricted Group;

(b) the members of the Restricted Group have not received any written notice that alleges any of them is in violation of or potentially liable under any Environmental Laws and none of the Loan Parties nor any of the Real Property is the subject of any claims, investigations, liens, demands, or judicial, administrative or arbitral

proceedings pending or, to the knowledge of the members of the Restricted Group, threatened in writing, under any Environmental Law the effect of which would be to impose liability on any member of the Restricted Group under such Environmental Law or to revoke or modify any Environmental Permit held by any of the Loan Parties; and

(c) there has been no Release of Hazardous Materials on, at, under or from any Real Property or facilities owned, operated or leased by any of the members of the Restricted Group, or, to the knowledge of the members of the Restricted Group, Real Property formerly owned, operated or leased by any member of the Restricted Group that, in any case, could reasonably be expected to require any member of the Restricted Group to perform any investigation, remedial activity or corrective action or cleanup under Environmental Laws or could otherwise reasonably be expected to result in any member of the Restricted Group incurring liability under Environmental Laws.

Section 5.09. Taxes.

(a) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, there is no pending claim for a Tax deficiency or assessment known to any Loan Party or any member of the Restricted Group against any Loan Party or any member of the Restricted Group that would, individually or in the aggregate, have or is reasonably likely to have a Material Adverse Effect.

(b) It is not materially overdue in the filing of any Tax returns required to be filed by it (where such late filing might result in any material fine or penalty on it) and it has paid within any period required by law all Taxes shown to be due on any Tax returns required to be filed by it or on any assessments made against it (other than Tax liabilities being contested by it in good faith and where it has made adequate reserves for such liabilities or where such overdue filing, or non-payment, or a claim for payment, in each such case would not have or not be reasonably likely to have a Material Adverse Effect).

Section 5.10. ERISA Compliance.

(a) Except as could not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Pension Plan and Multiemployer Plan is in compliance with the applicable provisions of ERISA, the Code and other applicable Federal or state Laws.

(b) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); and (iii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan, except, with respect to each of the foregoing clauses of this Section 5.10(b), as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 5.11. Pensions.

Each Loan Party and each member of Restricted Group that is a Material Subsidiary is in compliance with its statutory obligations in relation to the Cable & Wireless Superannuation Fund, except as would not reasonably be expected to result in a Material Adverse Effect.

Section 5.12. Margin Regulations; Investment Company Act.

(a) No Loan Party and no Restricted Subsidiary is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Borrowings or drawings under any Letter of Credit or Alternative Letter of Credit will be used for any purpose that violates Regulation U, Regulation T and Regulation X of the Board.

(b) No Loan Party is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

Section 5.13. Disclosure.

No report, financial statement, certificate or other written information, furnished by or on behalf of any Loan Party (other than projected financial information, pro forma financial information and information of a general economic or industry nature) to the Administrative Agent or any Lender under this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not materially misleading. With respect to projected financial information and pro forma financial information, the Company represents that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation; it being understood that such projections may vary from actual results and that such variances may be material.

Section 5.14. Labor Matters.

Except as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Loan Party or member of the Restricted Group that is a Material Subsidiary pending or, to the knowledge of the Company, threatened and (b) hours worked by and payments made to employees of the Company or any of the Restricted Subsidiaries have been in compliance with the Fair Labor Standards Act or any other applicable Laws dealing with such matters.

Section 5.15. Intellectual Property; Etc.

Each Loan Party and each member of the Restricted Group that is a Material Subsidiary owns, licenses or possesses the right to use all of the trademarks, service marks, trade names, domain names, copyrights, patents, patent rights, licenses, technology, software, know-how database rights, design rights and other intellectual property rights (collectively, “**IP Rights**”) that are reasonably necessary for the operation of their respective businesses as currently conducted, and such IP Rights do not conflict with the rights of any Person, except to the extent the absence of such IP Rights and such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company, the operation of the respective businesses of each Loan Party and member of the Restricted Group that is a Material Subsidiary as currently conducted does not infringe upon any rights held by any Person except for such infringements, individually or in the aggregate, which could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the IP Rights is pending or, to the knowledge of the Company, threatened in writing against any Loan Party or any member of the Restricted Group that is a Material Subsidiary, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.16. Solvency.

On the date of funding of the Term B-3 Loan, the Company and its Restricted Subsidiaries, on a consolidated basis, are Solvent.

Section 5.17. [Reserved].

Section 5.18. USA Patriot Act, Anti-Corruption Laws and Sanctions.

(a) To the extent applicable, each Loan Party and each of its Subsidiaries, is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (ii) the USA Patriot Act.

(b) (i) No part of the proceeds of the Loans (or any Letters of Credit or Alternative Letters of Credit) will be used directly or, to the knowledge of each Loan Party and each of its Subsidiaries, indirectly, (A) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”) or (B) except as would not reasonably be expected to have a Material Adverse Effect, in violation of any other Anti-Corruption Laws and (ii) each Loan Party and each of its Subsidiaries and, to the knowledge of each Loan Party

and each of its Subsidiaries, their respective directors, officers and employees, are currently in compliance with (A) the FCPA in all material respects and (B) except as would not reasonably be expected to have a Material Adverse Effect, any and other Anti-Corruption Laws.

(c) (i) No Loan Party or any of its Subsidiaries will directly, or to the knowledge of such Loan Party or its Subsidiaries, indirectly, use the proceeds of the Loans in violation of applicable Sanctions or otherwise knowingly make available such proceeds to any Person for the purpose of financing the activities of any Sanctioned Person, except to the extent licensed, exempted or otherwise approved by a competent governmental body responsible for enforcing such Sanctions, (ii) no Loan Party or any of its Subsidiaries, or to the knowledge of such Loan Party or its Subsidiaries, their respective directors, officers or employees or, to the knowledge of the Company, any controlled Affiliate of the Company, the Company or its Subsidiaries that will act in any capacity in connection with or benefit from any Facility, is a Sanctioned Person and (iii) no Loan Party or its Subsidiaries or, to the knowledge of such Loan Party or its Subsidiaries, their respective directors, officers and employees, are in violation of applicable Sanctions in any material respect.

Section 5.19. Collateral Documents.

(a) Except as otherwise contemplated hereby or under any other Loan Documents, the provisions of the Collateral Documents, together with such filings and other actions required to be taken hereby or by the applicable Collateral Documents (including the delivery of certificates representing securities required to be delivered pursuant to the applicable Collateral Documents), are effective to create in favor of the Security Trustee for the benefit of the Secured Parties, except as otherwise provided hereunder, including subject to Liens permitted by Section 4.12 of Annex II, a legal, valid, enforceable and perfected first priority Lien on all right, title and interest of the respective Loan Parties in the Collateral described therein.

(b) Notwithstanding anything herein (including this Section 5.19) or in any other Loan Document to the contrary, neither the Company nor any other Loan Party makes any representation or warranty as to (A) the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest to the extent such pledge, security interest, perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or (B) on the Amendment Effective Date and until required pursuant to Section 6.11, Section 6.16 or Section 6.17, the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or enforceability of any pledge or security interest.

Section 5.20. Telecommunications, Cable and Broadcasting Laws.

To the best of its knowledge and belief, it is in compliance in all material respects with all Telecommunications, Cable and Broadcasting Laws (but excluding for these purposes only, breaches of Telecommunications, Cable and Broadcasting Laws which have been expressly waived by the relevant regulatory authority), in each case, where failure to do so would reasonably be expected to have a Material Adverse Effect.

ARTICLE VI AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than (i) contingent indemnification obligations as to which no claim has been asserted and (ii) obligations under Treasury Services Agreements or obligations under Secured Hedge Agreements as to which arrangements reasonably satisfactory to the applicable Hedge Bank have been made) hereunder which is accrued and payable shall remain unpaid or unsatisfied, or any Letter of Credit or Alternative Letter of Credit shall remain outstanding (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or Alternative L/C Issuer, as applicable, or such Letter of Credit or Alternative Letter of Credit has been deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer or Alternative L/C Issuer, as applicable), then from and after the Amendment Effective Date, the Company shall, with respect to the covenants set forth in Sections 6.01 and 6.02 and, with respect to the other covenants set forth in this Article VI, the Loan Parties shall and shall cause each member of the Restricted Group to:

Section 6.01. Company Materials.

The Company hereby acknowledges that (a) the Administrative Agent and/or the Arranger will make available to the Lenders materials and/or information provided by or on behalf of the Company hereunder (collectively, “**Company Materials**”) by posting the Company Materials on IntraLinks or another similar electronic system (the “**Platform**”) and (b) certain of the Lenders (each, a “**Public Lender**”) may have personnel who do not wish to receive material non-public information with respect to the Company or its Subsidiaries, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons’ securities. The Company hereby agrees that so long as the Company is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities it will use commercially reasonable efforts to identify that portion of the Company Materials that may be distributed to the Public Lenders and that (w) all such Company Materials shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Company Materials “PUBLIC,” the Company shall be deemed to have authorized the Finance Parties to treat such Company Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Company or its securities for purposes of United States Federal and state securities laws (*provided, however*, that to the extent such Company Materials constitute Information, they shall be treated as set forth in Section 10.08); (y) all Company Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information”; and (z) the Administrative Agent and the other Finance Parties shall treat the Company Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information.” Notwithstanding the foregoing, the Company shall be under no obligation to mark the Company Materials “PUBLIC.”

Section 6.02. Compliance Certificates and other Information.

The Company shall deliver to the Administrative Agent for prompt further distribution to each Lender:

- (a) no later than five (5) Business Days after the delivery of the financial statements referred to in Section 4.03(a)(1), (2) and (3) of Annex II, a duly completed Compliance Certificate signed by a Responsible Officer of the Company;
- (b) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports and registration statements which the Company or any Restricted Subsidiary files with the SEC or with any Governmental Authority that may be substituted therefor (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered), exhibits to any registration statement and, if applicable, any registration statement on Form S-8) and in any case not otherwise required to be delivered to the Administrative Agent pursuant to any other clause of this Section 6.02 (*provided, however*, that to the extent any such reports or registration statements are filed on the SEC’s website or on the Reporting Entity’s or the Ultimate Parent’s website, such documents shall be deemed to be delivered to the Administrative Agent);
- (c) promptly after the furnishing thereof, in connection with the Existing Senior Notes, the 2019 Sterling Bonds, the Columbus Senior Notes or any other Indebtedness of the Restricted Group, in each case, in a principal amount in excess of the Threshold Amount, copies of any material notices received by any Loan Party (other than in the ordinary course) or material statements or material reports furnished to the holders of such Indebtedness generally (other than in the ordinary course or in connection with any board observer or similar rights) of the Company or of any of the Restricted Subsidiaries and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 6.02; *provided, however*, that to the extent any such notices, statements or reports are filed on the SEC’s website or on the Reporting Entity’s or the Ultimate Parent’s website, such documents shall be deemed to be delivered to the Administrative Agent;
- (d) together with the delivery of each annual Compliance Certificate pursuant to Section 6.02(a), a list of each Unrestricted Subsidiary as of the date of delivery of such Compliance Certificate (to the extent that there have been any changes in the identity or status of any Subsidiary as an Unrestricted Subsidiary since the later of the Amendment Effective Date and the most recent list provided); and
- (e) promptly, such additional information regarding the business, legal, financial or corporate affairs of the Loan Parties or any of their respective Restricted Subsidiaries, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request.

Section 6.03. Notices.

Promptly after a Responsible Officer of a Loan Party has obtained actual knowledge thereof, the Company or such Loan Party shall notify the Administrative Agent:

- (a) of the occurrence of any Default;
- (b) of the occurrence of an ERISA Event which could reasonably be expected to result in a Material Adverse Effect; and
- (c) of the filing or commencement of, or any written threat or notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Authority against the Company or any of the Restricted Subsidiaries, that could in each case reasonably be expected to result in a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a written statement of a Responsible Officer of such Loan Party (x) that such notice is being delivered pursuant to Section 6.03(a), (b) or (c) (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action the Company has taken and proposes to take with respect thereto.

Section 6.04. Payment of Taxes.

The Company and each other Loan Party shall, and shall cause each member of the Restricted Group to, pay, discharge or otherwise satisfy, as the same shall become due and payable in the normal conduct of its business, all its obligations and liabilities in respect of Taxes imposed upon it or upon its income or profits or in respect of its property, except, in each case, to the extent (a) any such Tax is being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with IFRS or (b) the failure to pay or discharge the same would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.05. Preservation of Existence, Etc.

The Company and each other Loan Party shall, and shall cause each member of the Restricted Group to:

- (a) preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization, and
- (b) take all reasonable action to maintain all rights, privileges (including its good standing where applicable in the relevant jurisdiction), permits, licenses and franchises material to the ordinary conduct of its business,

except, in the case of clause (a) (other than with respect to any Borrower) or (b), to the extent (i) that failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (ii) pursuant to any merger, consolidation, liquidation, dissolution or Asset Disposition permitted in Annex II.

Section 6.06. Maintenance of Properties.

Except if the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company and each other Loan Party shall, and shall cause each member of the Restricted Group to, maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and fire, casualty or condemnation excepted.

Section 6.07. Maintenance of Insurance.

The Company and each other Loan Party shall, and shall cause each member of the Restricted Group to, maintain with insurance companies that the Company believes (in the good faith judgment of its management) are reputable at the time the relevant coverage is placed or renewed, insurance with respect to its properties and business

against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Restricted Group) as are customarily carried under similar circumstances by such other Persons.

Section 6.08. Compliance with Laws.

The Company and each other Loan Party shall, and shall cause each member of the Restricted Group to, comply in all respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except if the failure to comply therewith would not have or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.09. Books and Records.

The Company and each other Loan Party shall, and shall cause each member of the Restricted Group 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 with IFRS and which reflect all material financial transactions and matters involving the assets and business of a member of the Restricted Group, as the case may be (it being understood and agreed that certain Foreign Subsidiaries maintain individual books and records in conformity with generally accepted accounting principles in their respective countries of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

Section 6.10. Inspection Rights.

While an Event of Default is continuing or if the Administrative Agent has reasonable grounds to believe that an Event of Default may exist and at other times if the Administrative Agent has reasonable grounds for such request, the Company shall permit, upon reasonable prior notice to the Company, the Administrative Agent and accountants or other professional advisers and independent contracts of the Administrative Agent to:

- (a) visit and inspect the properties of any member of the Restricted Group during normal business hours;
- (b) inspect its books and records other than records which the relevant member of the Restricted Group is prohibited by law, regulation or contract from disclosing to the Administrative Agent; and
- (c) discuss with its principal officers and auditors its business, assets, liabilities, financial position, results of operations and business prospects *provided* that (A) any such discussion with the auditors shall only be on the basis of the audited financial statements of the Restricted Group and any compliance certificates issued by the auditors and (B) representatives of the Company shall be entitled to be present at any such discussion with the auditors.

Section 6.11. Additional Collateral; Additional Guarantors.

At the Borrowers' expense, subject to the limitations and exceptions of this Agreement, including the provisions of the Collateral and Guarantee Requirement and any applicable limitation in any Collateral Document, the Company and each other Loan Party shall, and shall cause each member of the Restricted Group to, take all action necessary or reasonably requested by the Administrative Agent to ensure that the Collateral and Guarantee Requirement continues to be satisfied, including in relation to any provision of this Agreement which requires the Loan Parties or any member of the Restricted Group to deliver a Collateral Document for the purposes of granting any guarantee or Collateral for the benefit of the Secured Parties and the Administrative Agent agrees to execute, as soon as reasonably practicable, any such guarantee or Collateral Document which is presented to it for execution.

Section 6.12. Compliance with Environmental Laws.

(a) Except, in each case, to the extent that the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company and each other Loan Party shall, and shall cause each member of the Restricted Group to, comply, and take all reasonable actions to cause all lessees and other Persons operating or occupying its properties to comply with all applicable Environmental Laws and

Environmental Permits; obtain and renew all Environmental Permits necessary for its operations and properties; and, in each case to the extent the Loan Parties and each member of the Restricted Group are required by applicable Environmental Laws, conduct any investigation, remedial or other corrective action necessary to address Hazardous Materials at any property or facility in accordance with applicable Environmental Laws.

(b) The Loan Parties shall (and the Company shall cause each member of the Restricted Group to) promptly notify the Administrative Agent of any Environmental Liabilities or claims (to the best of such Loan Party's or member of the Restricted Group's knowledge and belief) pending or threatened against it which, if substantiated, has or is reasonably likely to have a Material Adverse Effect.

(c) No Loan Party shall (and the Parent shall not permit any member of the Restricted Group to) permit or allow to occur any discharge, release, leak, migration or other escape of any Hazardous Materials into the Environment on, under or from any property owned, leased, occupied or controlled by it, where such discharge, release, leak, migration or escape has or is reasonably likely to have a Material Adverse Effect.

Section 6.13. Further Assurances.

Promptly upon reasonable request by the Administrative Agent and/or the Security Trustee (as applicable), the Company shall (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent and/or the Security Trustee (as applicable) may reasonably request from time to time in order to carry out more effectively the purposes of the Collateral Documents, to the extent required pursuant to the Collateral and Guarantee Requirement.

Section 6.14. Designation of Subsidiaries.

The Company may at any time after the Amendment Effective Date designate any Restricted Subsidiary as an Unrestricted Subsidiary or an Unrestricted Subsidiary as a Restricted Subsidiary, in accordance with the provisions set forth in Annex I and Annex II.

Section 6.15. Use of Proceeds.

Each Borrower shall use the proceeds of any Borrowing, Letter of Credit or Alternative Letter of Credit for any purpose not otherwise prohibited under this Agreement, including using:

(a) the proceeds of the Term B-3 Loans to (i) finance the repayment of the term loan indebtedness outstanding under the 2016 Credit Agreement, including accrued and unpaid interest and any prepayment fees and other related fees, (ii) to cover fees, costs, expenses and other amounts in connection with the Facilities or other transactions related thereto and (iii) for any general corporate purposes of the Restricted Group; and

(b) the proceeds of the Revolving Credit Loans to (i) finance ongoing working capital requirements and for general corporate purposes of the Restricted Group, (ii) to refinance any outstanding loans, letters of credit, ancillaries or other amounts under the 2016 Credit Agreement, including any prepayment fees and other related fees, costs and expenses, (iii) to finance any payments to be made or letters of credit to be issued in respect of any pension fund of the Restricted Group and (iv) to cover fees, costs and expenses in connection with the Facilities or other transactions related thereto.

Section 6.16. Post-Closing Actions.

The Company shall complete or cause to be completed each of the actions described on Schedule 6.16 as soon as commercially reasonable and by no later than the date set forth in Schedule 6.16 with respect to such action or such later date as the Administrative Agent and/or the Security Trustee, as applicable, may reasonably agree (and in no event shall completion of such actions be required as a condition to making of the Credit Extensions on the Amendment Effective Date).

Section 6.17. Actions in connection with the Group Refinancing Transactions.

Following the refinancing of both the Existing Senior Notes and the Columbus Notes and the Group Refinancing Effective Date:

(a) The Company shall complete or cause to be completed each of the actions described on Schedule 6.17 as soon as commercially reasonable and by no later than the date set forth in Schedule 6.17 with respect to such action or such later date as the Administrative Agent and/or the Security Trustee, as applicable, may reasonably agree, including:

(i) within the time period specified in Schedule 6.17 of this Agreement, the New Intermediate Holdco shall become an Additional Guarantor and shall pledge its ownership interests in Sable Holding Limited to secure the Obligations and its Guaranty;

(ii) within the time period specified in Schedule 6.17 of this Agreement, the direct Holding Company of the New Intermediate Holdco shall pledge its ownership interests in the New Intermediate Holdco and any Subordinated Shareholder Loans owing to such Holding Company to secure the Obligations;

(b) each of C&W Communications and Cable & Wireless Limited shall be automatically released from its guarantee of the Obligations; and

(c) the Liens granted over any properties or assets constituting Collateral owned by C&W Communications (including, without limitation, the shares of CWC Cayman Finance Limited) and Cable & Wireless Limited shall be automatically released.

Section 6.18. Subordinated Shareholder Loans.

No later than 45 days following the Incurrence by any member of the Restricted Group of any Subordinated Shareholder Loan (or such longer period as specified in Schedule 6.16 or Schedule 6.17, or as the Administrative Agent may agree in its discretion), the Company or such member of the Restricted Group will cause each creditor in respect of any such Indebtedness to enter into a Pledge Agreement, in substantially the form attached as Exhibit E, with respect to such Indebtedness.

Section 6.19. Maintenance of Intellectual Property.

Except as otherwise permitted by this Agreement, each Loan Party shall, and shall cause each member of the Restricted Group to:

(a) make such registrations and pay such fees and similar amounts as are necessary to keep the registered Intellectual Property owned by any member of the Restricted Group and which is material to the conduct of the business of the Restricted Group as a whole from time to time;

(b) take such steps as are necessary and commercially reasonable (including the institution of legal proceedings) to prevent third parties infringing those Intellectual Property referred to in clause (a) above and (without prejudice to clause (a) above) take such other steps as are reasonably practicable to maintain and preserve its interests in those rights, except where failure to do so will not have or be reasonably likely to have a Material Adverse Effect;

(c) ensure that any license arrangements in respect of the Intellectual Property referred to in clause (a) entered into with any third party are entered into on arm's length terms and in the ordinary course of business (which shall include, for the avoidance of doubt, any such licensing arrangements entered into in connection with outsourcing on normal commercial terms) and will not have or be reasonably likely to have a Material Adverse Effect.

Section 6.20. Change in Accounting Practices.

(a) The Company shall notify the Administrative Agent if it elects to make one or more changes in any material accounting policies, practices or procedures whether resulting from the Company's decision at any time to adopt GAAP or otherwise and, in such event the Company shall provide, at the time of such notice, in respect of any change in the basis upon which the financial information required to be delivered under Section

4.03(a)(1), (2) or (3) of Annex II is prepared, either (i) a statement (providing reasonable detail) confirming the changes would have no material effect on the operation of the Consolidated Net Leverage Ratio or Consolidated Senior Secured Net Leverage Ratio or (ii) a description of the changes and the adjustments that would be required to be made to that financial information in order to cause them to reflect the accounting policies, practices or procedures prior to such change and sufficient information, in such detail and format as may be reasonably required by the Administrative Agent, to enable the Lenders to make a comparison between the financial positions indicated by that financial information and by the financial information required to be delivered under Section 4.03(a)(1), (2) and (3) of Annex II. Following the delivery of any such notice, the Required Lenders shall have the right to request, and following any such request the Company shall use commercially reasonable efforts to provide, the statement contemplated by clause (i) of the immediately preceding sentence or the description contemplated by clause (ii) of the immediately preceding sentence, as applicable, relating to the financial information required to be delivered under Section 4.03(a)(1), (2) or (3) of Annex II, as applicable, for the most recently completed quarter.

(b) In the event of any changes to the Company's accounting policies, practices or procedures other than resulting from the Company's decision at any time to adopt GAAP, if the Company notifies the Administrative Agent that it is no longer practicable to test compliance with the Consolidated Net Leverage Ratio and Consolidated Senior Secured Net Leverage Ratio against the financial information required to be delivered pursuant to Section 4.03(a)(1), (2) or (3) of Annex II:

(i) the Administrative Agent and the Company shall enter into negotiations with a view to agreeing upon an alternative definitions of Consolidated Net Leverage Ratio and Consolidated Senior Secured Net Leverage Ratio in order to maintain a consistent basis for such financial covenants (and for approval by the Required Lenders); and

(ii) (if the Administrative Agent and the Company agree upon an alternative definitions of Consolidated Net Leverage Ratio and Consolidated Senior Secured Net Leverage Ratio that is acceptable to the Required Lenders, such alternative financial covenants shall be binding on all parties hereto; and

(iii) if, after three months following the date of the notice given to the Administrative Agent pursuant to this Section 6.20(b), the Administrative Agent and the Company cannot agree upon alternative financial covenants that are acceptable to the Required Lenders, the Administrative Agent shall refer the matter to any of the auditors as may be agreed between the Company and the Administrative Agent for determination of the adjustments required to be made to such financial information or the calculation of such ratios to take account of such change, such determination to be binding on the parties hereto, provided that pending such determination (but not thereafter) the Company shall continue to prepare financial information and calculate such covenants in accordance with Section 6.19(a) above.

(c) In the event of any changes to such accounting policies, practices or procedures resulting from the Company's decision at any time to adopt GAAP, if the Company notifies the Administrative Agent that it is no longer practicable to test compliance with the Consolidated Net Leverage Ratio or Consolidated Senior Secured Net Leverage Ratio against the financial information required to be delivered pursuant to Section 4.03(a)(1), (2) or (3) of Annex II:

(i) the Company shall provide the Administrative Agent with (A) revised financial covenant ratio levels to replace those contained in the Financial Covenant and for purposes of determining compliance with any provision of this Agreement (including Annex II) by reference to the Consolidated Net Leverage Ratio or Consolidated Senior Secured Net Leverage Ratio (the "**Revised Ratios**") and (B) relevant financial covenant definitions to replace those contained in Annex I (the "**Revised Definitions**"), in each case resulting from the adoption of GAAP by the Company and that are substantially equivalent to the financial covenant ratio levels and definitions in existence at such time on the basis of IFRS, as confirmed by a report of a reputable accounting firm; and

(ii) the Revised Ratios and Revised Definitions shall become effective, and this Agreement shall be amended accordingly to reflect such amendments without any further consents from any Lender, if the Administrative Agent (acting on the instructions of the Required Lenders) has not objected (acting reasonably) to the implementation of the Revised Ratios and Revised Definitions within 60 days following the date of the notice given to the Administrative Agent pursuant to this Section 6.20(c), *provided that*, if at any time after the Company has adopted GAAP, it then elects to adopt IFRS, then this Agreement shall, immediately upon such election, be

amended to reflect such amendments without any further consents by any Finance Party to implement a deletion of the Revised Ratio and Revised Definitions and to reinstate the financial covenant ratio levels contained in the Financial Covenant and for purposes of determining compliance with any provision of this Agreement (including Annex II) by reference to the Consolidated Net Leverage Ratio or Consolidated Senior Secured Net Leverage Ratio and the relevant financial covenant definitions contained in Annex I, in each case, as at the Amendment Effective Date (updated to reflect any other amendments made since the Amendment Effective Date) subject to any amendments in accordance with paragraphs (a) and (b) above.

Section 6.21. Maintenance of Ratings.

The Company shall use commercially reasonable efforts to continue to have the Loans hereunder rated by S&P, Fitch and/or Moody's (but shall not be required to maintain any specific ratings level).

Section 6.22. "Know Your Client" Checks.

(a) If (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement, (ii) any change in the status of a Loan Party or the composition of the shareholders of a Loan Party after the date of this Agreement, or (iii) a proposed assignment or transfer by a Lender of any of its rights and/or 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 clause (iii), any prospective new Lender) to comply with "know your client" or similar reasonable identification procedures in circumstances where the necessary information is not already available to it, each Loan Party shall promptly upon the request of the Administrative Agent or any Lender (through the Administrative Agent) 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 (through the Administrative Agent and 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 clause (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your client" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents.

(b) Each Lender shall promptly upon the request of the Administrative Agent supply, or cause 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 client" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents.

(c) The Company shall, by not less than five (5) Business Days prior written notice to the Administrative Agent, notify the Administrative Agent (which shall promptly notify the Lenders) of its intention to request that any person becomes an Additional Borrower or Additional Guarantor.

(d) Following the giving of any notice pursuant to clause (c) above, if the joinder of such Additional Borrower or Additional Guarantor obliges the Administrative Agent or any Lender to comply with "know your client" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company 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 on behalf of any prospective new Lender) in order for the Administrative Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your client" or other similar checks under all applicable laws and regulations pursuant to the joinder of such Subsidiary to this Agreement as an Additional Borrower or Additional Guarantor.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than (i) contingent indemnification obligations as to which no claim has been asserted and (ii) obligations under Treasury Services Agreements or obligations under Secured Hedge Agreements as to which arrangements reasonably satisfactory to the applicable Hedge Bank have been made) hereunder which is accrued and payable shall remain unpaid or unsatisfied, or any Letter of Credit or Alternative Letter of Credit shall remain outstanding (unless the

Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or Alternative L/C Issuer, as applicable, or such Letter of Credit or Alternative Letter of Credit has been deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer or Alternative L/C Issuer, as applicable), then from and after the Amendment Effective Date:

Section 7.01. Annex II. Each Loan Party shall, and, to the extent provided below and in Annex II to this Agreement, shall cause each of the Restricted Subsidiaries to, comply with the covenants set forth in Annex II to this Agreement.

Section 7.02. Financial Covenant.

(a) Subject to Section 8.04, the Company shall not permit, as of any Compliance Date, the Consolidated Senior Secured Net Leverage Ratio for the relevant Test Period to exceed 5.00 to 1.00 as of such Compliance Date (the “**Financial Covenant**”).

(b) If the Financial Covenant has been breached for a Test Period (the “**First Test Period**”) but is complied with when tested in the next Test Period (the “**Second Test Period**”), then, the prior breach of the Financial Covenant or any Event of Default arising therefrom shall not (or shall be deemed to not) directly or indirectly constitute, or result in, a breach of any representation, warranty, undertaking or other term in the Loan Documents or a Default or an Event of Default (the “**Second Test Period Deemed Cure**”) unless the Administrative Agent has taken any acceleration action under clause (b) and the last paragraph of Section 8.02 (*Remedies Upon Event of Default*) before the delivery of the financial statements in respect of the Second Test Period; *provided that*, for the purposes of applying a Second Test Period Deemed Cure only, the Financial Covenant shall be tested on the last day of such Second Test Period (notwithstanding that the last day of such Second Test Period may not be a Compliance Date).

(c) If there is a dispute as to any interpretation of or computation for the Financial Covenant, the interpretation or computation of the auditors of the Company shall prevail.

(d) The provisions of this Section 7.02 are for the benefit of the Financial Covenant Revolving Credit Commitments only and the Required Revolving Credit Lenders may amend, waive or otherwise modify this Section 7.02 or the defined terms used for purposes of this Section 7.02 or waive any Default or Event of Default resulting from a breach of this Section 7.02 without the consent of any Lenders other than the Required Revolving Credit Lenders in accordance with the provisions of Section 10.01(a).

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default.

Any of the following from and after the Amendment Effective Date shall constitute an event of default (an “**Event of Default**”):

(a) *Non-Payment*. Any Loan Party fails to pay (i) within three (3) Business Days after the same becomes due, when and as required to be paid herein, any amount of principal of any Loan, or (ii) within five (5) Business Days after the same becomes due, any interest on any Loan or any other amount payable hereunder or with respect to any other Loan Document; or

(b) *Specific Covenants*. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Sections 4.07, 4.09, 4.10, 4.11, 4.12 or 4.15 of Annex II; or

(c) *Other Defaults*.

(i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in Section 4.03 of Annex II (as relates to delivery of financial information) and Section 6.02 of this Agreement and such failure continues for ninety (90) days after the earlier of (A) receipt by the Company of written notice thereof from the Administrative Agent and (B) such Loan Party becoming aware of that failure to comply;

(ii) Any Loan Party fails to perform or observe any other terms, covenant or agreement (not specified in Section 8.01(a) or (b) above or 8.01(c)(iii) below) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the earlier of (A) receipt by the Company of written notice thereof from the Administrative Agent and (B) such Loan Party becoming aware of that failure to comply;

(iii) Any Loan Party fails to perform, observe or comply with the Financial Covenant and such failure to perform, observe or comply has not been cured pursuant to Section 8.04; *provided* that the Company's failure to comply with the Financial Covenant shall not constitute an Event of Default with respect to any Term Loans or Term Commitments (or any Revolving Credit Loans or Revolving Credit Commitments that are not entitled to the benefit of the Financial Covenant) unless and until the Required Revolving Credit Lenders take, or direct the Administrative Agent to take, action in accordance with Section 8.02 and such action has not been rescinded on or before such date; or

(d) *Representations and Warranties.* Any representation, warranty, certification or statement of fact made or deemed made by any Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be incorrect in any material respect (or, with respect to any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language, in any respect (after giving effect to any qualification therein)) when made or deemed made and, in the event that such representation or warranty is capable of remedy, the misrepresentation is not remedied within 30 days after the earlier of: (A) receipt by the Company of written notice thereof from the Administrative Agent and (B) such Loan Party becoming aware of that misrepresentation; or

(e) *Cross-Default.*

(i) Subject to clause (iii) below, (A) any Indebtedness of a member of the Restricted Group is not paid when due or within any originally applicable grace period, (B) any Indebtedness of a member of the Restricted Group becomes prematurely due and payable or is placed on demand, in each case as a result of an event of default (howsoever described) under the document relating to that Indebtedness, or (C) any Indebtedness of a member of the Restricted Group becomes capable of being declared prematurely due and payable or placed on demand, in each case as a result of an event of default (howsoever described) under the document relating to that Indebtedness;

(ii) Subject to clause (iii) below, to the extent the Group Refinancing Effective Date has occurred, (A) any principal of Indebtedness of the direct Holding Company of the New Intermediate Holdco is not paid when due or within any originally applicable grace period or (B) any Indebtedness of the direct Holding Company of the New Intermediate Holdco becomes prematurely due and payable or is placed on demand, in each case as a result of an event of default (howsoever described) under the document relating to that Indebtedness;

(iii) It shall not be an Event of Default under this Section 8.01(e): (A) where the aggregate principal amount (or, if the relevant Indebtedness relates to a Interest Rate Agreement, Commodity Agreement or Currency Agreement, the amount or value (as applicable)) or of all Indebtedness to which any event specified in paragraphs (i)(A), (i)(B), (i)(C), (ii)(A) or (ii)(B) above relates is less than the Threshold Amount or the equivalent in other currencies; (B) if the circumstance which would otherwise have caused an Event of Default under this Section 8.01(e) is being contested in good faith by appropriate action; (C) if the relevant Indebtedness is cash-collateralized and such cash is available for application in satisfaction of such Indebtedness; (D) if the relevant Indebtedness relates to Interest Rate Agreement, Commodity Agreement or Currency Agreement in respect of which a termination event occurs as a result of the refinancing or redemption of any Indebtedness of the direct Holding Company of the New Intermediate Holdco (to the extent the Group Refinancing Effective Date has occurred) or of the Restricted Group, as applicable, at any time until the Maturity Date; (E) if such Indebtedness is owed by one member of the Restricted Group to another member of the Restricted Group or (F) with respect to any Term Loans or Term Commitments (or any Revolving Credit Loans or Revolving Credit Commitments that are not entitled to the benefit of the Financial Covenant), as a result of any failure to comply with the Financial Covenant unless and until the Required Revolving Credit Lenders take, or direct the Administrative Agent to take, action in accordance with Section 8.02 as a result of such failure to comply with the Financial Covenant; or

(f) *Insolvency Proceedings, Etc.*

(i) Any Borrower or any Loan Party that is a Material Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding, in each case of this Section 8.01(f)(i), except as a result of, or in connection with, any Solvent Liquidation;

(ii) To the extent the Group Refinancing Effective Date has occurred, the direct Holding Company of the New Intermediate Holdco institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding, in each case of this Section 8.01(f)(ii), except as a result of, or in connection with, any Solvent Liquidation; or

(g) *Attachment.* Any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of the Restricted Group, taken as a whole and which could reasonably be expected to result in a Material Adverse Effect and such writ or warrant of attachment is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(h) *Judgments.* There is entered against any Loan Party or any Restricted Subsidiary that is a Material Subsidiary, a final non-appealable judgment and order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied coverage) and such judgment or order shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of sixty (60) consecutive days; or

(i) *Invalidity of Loan Documents.*

(i) Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder (including as a result of a transaction permitted as an Asset Disposition and under Section 4.15 of Annex II) or as a result of acts or omissions by the Administrative Agent or any Lender or the satisfaction in full of all the Obligations (other than contingent reimbursement or indemnification obligations), ceases to be in full force and effect; or any Loan Party contests in writing the validity or enforceability of any provision of any Loan Document or the validity or priority of a Lien as required by the Collateral Documents on a material portion of the Collateral; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document (other than as a result of repayment in full of the Obligations and termination of the Aggregate Commitments), or purports in writing to revoke or rescind any Loan Document;

(ii) To the extent the Group Refinancing Effective Date has occurred, the direct Holding Company of the New Intermediate Holdco asserts in writing, in any pleading in any court of competent jurisdiction, that the Lien created or purported to be created by the New Intermediate Holdco Share Pledge over the shares of the New Intermediate Holdco or by the New Intermediate Holdco Shareholder Loan Pledge over the Subordinated Shareholder Loans made to the New Intermediate Holdco, is invalid or enforceable, and such Default continues for 60 days; or

(j) [Reserved]; or

(k) *Collateral Documents.* (i) Any Collateral Document after delivery thereof pursuant to Section 6.11, 6.13, 6.16 or 6.17 shall for any reason (other than pursuant to the terms hereof or thereof including as a result of a transaction not prohibited under this Agreement) cease to create a valid and perfected Lien, with the priority required by the Collateral Documents on and security interest in any material portion of the Collateral purported to be covered thereby, to the extent such Collateral has a fair market value in excess of \$100.0 million, subject to Liens permitted under Section 4.12 of Annex II, except to the extent that any such perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or results from the failure of the Administrative Agent and/or the Security Trustee (as applicable) to maintain possession of certificates actually delivered to it representing securities pledged or mortgaged under the Collateral Documents or to file Uniform Commercial Code continuation statements or (ii) any Lien created or purported to be created by the Collateral Documents (to the extent relating to Collateral having a fair market value in excess of \$100.0 million) shall cease to have the lien priority established or purported to be established by the applicable Intercreditor Agreement; or

(l) *ERISA.* (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of a Loan Party or an ERISA Affiliate in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect, or (ii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect;

provided, however, that: during the Clean-up Period in respect of any permitted acquisition or Permitted Investment, references to any Loan Party, any member of the Restricted Group or a Material Subsidiary in clause (b), clause (c)(i), clause (c)(ii) or clause (d)(i) of this Section 8.01 will not include any entity that has been acquired pursuant to a permitted acquisition or Permitted Investment if the relevant event or circumstance that would, but for the operation of this proviso, constitute a breach of the representations and warranties or a breach of the covenants or a potential or actual Event of Default (I) existed prior to the date of such permitted acquisition or Permitted Investment, (II) is capable of remedy during the Clean-Up Period and reasonable steps are being taken, having become aware of such event or circumstance, to ensure that such event or circumstance is being remedied, (III) was not procured or approved by any member of the Restricted Group and (IV) has not resulted in or could not be reasonably be expected to result in a Material Adverse Effect.

Section 8.02. Remedies Upon Event of Default.

Subject in all cases to the provisions of Section 4.04, if any Event of Default occurs and is continuing, the Administrative Agent may and, at the request of the Required Lenders, shall take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuers or Alternative L/C Issuers to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the applicable Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law;

provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to Borrower under the Bankruptcy Code of the United States or any Debtor Relief Laws, the obligation of each Lender to make Loans and any obligation of the L/C Issuers or Alternative L/C Issuers to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable and the obligation of the applicable Borrower

to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

Notwithstanding anything to the contrary, if the only Events of Default then having occurred and continuing are pursuant to a failure to observe the Financial Covenant, the Administrative Agent shall only take the actions set forth in this Section 8.02 at the request of the Required Revolving Credit Lenders (as opposed to Required Lenders).

Section 8.03. Application of Funds.

Except as may be otherwise provided in any applicable Refinancing Amendment with respect to Obligations under the applicable Refinancing Loans (in each case, which shall not be more favorable to the holders of such Loans than the allocation described below) and subject to the applicable Intercreditor Agreement, after the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), subject to Section 4.04, any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order (to the fullest extent permitted by mandatory provisions of applicable Law):

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including Attorney Costs payable under Section 10.04 and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including Attorney Costs payable under Section 10.04 and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause *Second* payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, L/C Borrowings, Alternative L/C Borrowings, and any fees, premiums and scheduled periodic payments due under Treasury Services Agreements or Secured Hedge Agreements, ratably among the Secured Parties in proportion to the respective amounts described in this clause *Third* payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Borrowings (including to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit) and Alternative L/C Borrowings (including to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Alternative Letters of Credit), and any breakage, termination or other payments under Treasury Services Agreements or Secured Hedge Agreements, ratably among the Secured Parties in proportion to the respective amounts described in this clause *Fourth* held by them;

Fifth, to the payment of all other Obligations of the Loan Parties that are due and payable to the Administrative Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last, the balance, if any, after all of the Obligations have been paid in full, to the applicable Borrower or as otherwise required by Law.

Notwithstanding the foregoing, no amount received from any Guarantor shall be applied to any Excluded Swap Obligation of such Guarantor.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit or Alternative Letters of Credit pursuant to clause *Fourth* above shall be applied to satisfy drawings under such Letters of Credit or such Alternative Letters of Credit, as applicable, as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit or all Alternative Letters of Credit, as applicable, have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above and, if no Obligations remain outstanding, to the Borrower.

Section 8.04. Borrowers' Right to Cure.

Notwithstanding anything to the contrary contained in Section 8.01 or Section 8.02:

(a) For the purpose of determining whether an Event of Default under the Financial Covenant has occurred, a Borrower may on one or more occasions designate any portion of the net cash proceeds from any Subordinated Shareholder Loans, sale or issuance of Qualified Equity Interests of a Borrower or contribution to the common capital of a Borrower (or from any other contribution to capital or issuance of any other Equity Interests on terms reasonably satisfactory to the Administrative Agent) (the “**Cure Amount**”), at the option of such Borrower, as an increase to Consolidated EBITDA or a deduction from the calculation of Indebtedness for the applicable fiscal quarter; *provided* that (i) such amounts to be designated are actually received by such Borrower on or after the first day of such applicable fiscal quarter and on or prior to the fifteenth (15th) Business Day after the date on which financial statements are required to be delivered with respect to such applicable fiscal quarter (the “**Cure Expiration Date**”), (ii) such amounts do not exceed the aggregate amount necessary to cure any Event of Default under the Financial Covenant as of such date and (iii) such Borrower shall have provided notice to the Administrative Agent on the date such amounts are designated as a “Cure Amount” (it being understood that to the extent any such notice is provided in advance of delivery of a Compliance Certificate for the applicable period, the amount of such net cash proceeds that is designated as the Cure Amount may be different than the amount necessary to cure any Event of Default under the Financial Covenant and may be modified, as necessary, in a subsequent corrected notice delivered on or before the Cure Expiration Date (it being understood that in any event the final designation of the Cure Amount shall continue to be subject to the requirements set forth in clauses (i) and (ii) above)). The Cure Amount used to calculate Consolidated EBITDA or Indebtedness for one fiscal quarter shall be used and included when calculating Consolidated EBITDA or Indebtedness for each Test Period that includes such fiscal quarter.

(b) The parties hereby acknowledge that this Section 8.04 may not be relied on for purposes of calculating any financial ratios other than for determining actual compliance with Section 7.02 (and not pro forma compliance with Section 7.02 that is required by any other provision of this Agreement) and shall not result in any adjustment to any amounts (including the amount of Indebtedness) or increase in cash (and shall not be included for purposes of determining pricing, mandatory prepayments and the availability or amount permitted pursuant to any covenant under Article VII) with respect to the quarter with respect to which such Cure Amount was made other than the amount of the Consolidated EBITDA referred to in the immediately preceding sentence.

(c) In furtherance of clause (a) above, (A) upon actual receipt and designation of the Cure Amount by a Borrower, the Financial Covenant shall be deemed satisfied and complied with as of the end of the relevant fiscal quarter with the same effect as though there had been no failure to comply with the Financial Covenant and any Event of Default under the Financial Covenant (and any other Default arising solely as a result thereof) shall be deemed not to have occurred for purposes of the Loan Documents, and (B) upon delivery to the Administrative Agent prior to the Cure Expiration Date of a notice from such Borrower stating its good faith intention to exercise its right set forth in this Section 8.04, neither the Administrative Agent on or after the last day of the applicable quarter nor any Lender may exercise any rights or remedies under Section 8.02 (or under any other Loan Document) on the basis of any actual or purported Event of Default under the Financial Covenant (and any other Default as a result thereof) until and unless the Cure Expiration Date has occurred without the Cure Amount having been received and designated.

(d) In each period of four consecutive fiscal quarters, there shall be at least two (2) fiscal quarters in which no cure right set forth in this Section 8.04 is exercised.

(e) There can be no more than five (5) fiscal quarters in which the cure rights set forth in this Section 8.04 are exercised during the term of the Facilities; *provided that*, so long as the Revolving Credit Loans made pursuant to the Initial Revolving Credit Commitments (the “**Initial RCF Loans**”) are no longer outstanding, there may be an additional fiscal quarter after the Maturity Date of the Initial RCF Loans in which the cure rights set forth in this Section 8.04 are exercised during the term of any Revolving Credit Commitments.

ARTICLE IX ADMINISTRATIVE AGENT AND OTHER AGENTS

Section 9.01. Appointment and Authority.

(a) Each of the Lenders and each L/C Issuer and Alternative L/C Issuer hereby irrevocably appoints The Bank of Nova Scotia to act on its behalf as the Administrative Agent hereunder and under the other Loan

Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article IX (other than Section 9.06 (solely with respect to the removal and consent rights of the Borrowers set forth therein) and Section 9.10 (solely with respect to the requirement for execution, filing and other actions with respect to the Collateral Documents and other collateral documentation set forth therein) are solely for the benefit of the Administrative Agent, the Lenders, each L/C Issuer and each Alternative L/C Issuer, and no Loan Party shall have rights as a third party beneficiary of any of such provisions.

(b) The Security Trustee shall act as the “collateral agent” under the Loan Documents, and each of the Lenders (including in its capacity as a potential Hedge Bank), each L/C Issuer and each Alternative L/C Issuer, acknowledges and agrees that, upon becoming a party to the applicable Intercreditor Agreement, it shall have appointed and authorized the Security Trustee to act as the agent of such Lender, each L/C Issuer and each Alternative L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto, including without limiting the generality of the foregoing, the Security Trustee to (i) execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto (including any Intercreditor Agreement), as contemplated by and in accordance with the provisions of this Agreement and the Collateral Documents and acknowledge and agree that any such action by the Security Trustee shall bind the Lenders and (ii) negotiate, enforce or settle any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender.

Section 9.02. Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.03. Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(d) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct.

The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender, an L/C Issuer or an Alternative L/C Issuer.

(e) Neither the Administrative Agent or the Security Trustee shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 9.04. Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit or Alternative Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, an L/C Issuer or an Alternative L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender, L/C Issuer or Alternative L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender, L/C Issuer or Alternative L/C Issuer, prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit or Alternative Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.05. Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents that is a "U.S. person" and a "financial institution" within the meaning of Treasury Regulation Section 1.1441-1 appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article IX and the confidentiality obligations of the Administrative Agent under Section 10.08 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

Section 9.06. Resignation of Administrative Agent.

The Administrative Agent may resign as the Administrative Agent upon ten (10) days' notice to the Lenders and the Company; provided that if no successor agent is appointed in accordance with the terms set forth below within such 10-day period, the Administrative Agent shall not be permitted to resign until the earlier to occur of (x) the date of the appointment of the successor agent or (y) the date that is thirty (30) days after the last day of such 10-day period. If the Administrative Agent is subject to an Agent-Related Distress Event, the Required Lenders may remove the Administrative Agent upon ten (10) days' notice. Upon the resignation or removal of the Administrative Agent under this Section 9.06, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders that is a "U.S. person" and a "financial institution" within the meaning of Treasury Regulation Section 1.1441-1, which such appointment shall be subject to the consent of the Company

(which consent may be withheld at the Company's sole discretion) at all times other than during the existence of an Event of Default under Section 8.01(a) or (f). If no successor agent is appointed by the Required Lenders prior to the effective date of the resignation or removal of the Administrative Agent, the retiring or removed Administrative Agent may appoint, after consulting with the Lenders and the Company, a successor agent from among the Lenders that is a "U.S. person" and a "financial institution" within the meaning of Treasury Regulation Section 1.1441-1; provided that if the Administrative Agent shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders, an L/C Issuer or an Alternative L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender, L/C Issuer or Alternative L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section 9.06. So long as no Default or Event of Default has occurred and is continuing, the Company may in its absolute discretion, by notice to the Administrative Agent, require the Administrative Agent to resign by giving fifteen days' notice, in which case the Administrative Agent shall resign and the Company shall appoint a successor Administrative Agent (without any Lender's consent). The Company may exercise such right to replace the Administrative Agent twice during the life of the Facilities. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent. Upon resignation or removal, the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor on the Amendment Effective Date unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent's resignation or the removed Administrative Agent's removal hereunder and under the other Loan Documents, hereunder and under the other Loan Documents, the provisions of this Article and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent and the retiring or removed Administrative Agent shall continue to be subject to Section 10.08.

Any resignation by or removal of The Bank of Nova Scotia as Administrative Agent pursuant to this Section 9.06 shall also constitute its resignation as L/C Issuer, Alternative L/C Issuer and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, Alternative L/C Issuer and Swing Line Lender, (ii) the retiring L/C Issuer, Alternative L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer and Alternative L/C Issuer shall issue letters of credit in substitution for the Letters of Credit or Alternative Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer and Alternative L/C Issuer to effectively assume the obligations of the retiring L/C Issuer and Alternative L/C Issuer with respect to such Letters of Credit or Alternative Letters of Credit.

Section 9.07. Non-Reliance on Administrative Agent and Other Lenders.

Each Lender, L/C Issuer and Alternative L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender, L/C Issuer and Alternative L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.08. No Other Duties, Etc.

Anything herein to the contrary notwithstanding, none of the Administrative Agent or the Bookrunners or Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in their capacity, as applicable, as the Administrative Agent, Lender, L/C Issuer, Alternative L/C Issuer or (in the case of Section 10.01(g) below) Arranger hereunder.

Section 9.09. Administrative Agent May File Proofs of Claim; Credit Bidding.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, but not obligated, 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, L/C Obligations 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 Lenders, the L/C Issuers, the Alternative L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers, the Alternative L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers, the Alternative L/C Issuers and the Administrative Agent under Sections 2.03(h) and (i), 2.09, 10.04 and 10.05) 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 Lender, L/C Issuer and Alternative L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, the L/C Issuers and the Alternative L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09, 10.04 and 10.05.

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, L/C Issuer or Alternative L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender, L/C Issuer or Alternative L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender, L/C Issuer or Alternative L/C Issuer or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent and/or the Security Trustee, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent and/or the Security Trustee (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent and/or the Security Trustee shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles *(provided that any actions by the Administrative Agent and/or the Security Trustee with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly,*

by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) through (h) of Section 10.01 of this Agreement), (iii) the Administrative Agent and/or the Security Trustee shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

Section 9.10. Collateral Matters.

Each of the Lenders (including in its capacity as a potential Hedge Bank), L/C Issuers and Alternative L/C Issuers irrevocably authorize the Administrative Agent and/or the Security Trustee,

(a) to enter into and sign for and on behalf of the Lenders as Secured Parties the Collateral Documents for the benefit of the Lenders and the Secured Parties,

(b) to agree, on behalf of the Lenders, to release any Lien on any property granted under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than (A) contingent indemnification obligations as to which no claim has been asserted and (B) obligations and liabilities which are accrued and payable under Treasury Services Agreements and Secured Hedge Agreements as to which arrangements reasonably satisfactory to the applicable Hedge Bank have been made) and the expiration or termination of all Letters of Credit and Alternative Letters of Credit (other than Letters of Credit or Alternative Letters of Credit that are Cash Collateralized or back-stopped by a letter of credit in form, amount and substance reasonably satisfactory to the Administrative Agent and/or the Security Trustee or a deemed reissuance under another facility as to which other arrangements satisfactory to the Administrative Agent and/or the Security Trustee and the relevant L/C Issuer or Alternative L/C Issuer, as applicable, shall have been made), (ii) at the time the property subject to such Lien is disposed or to be disposed as part of or in connection with any Asset Disposition permitted hereunder or under any other Loan Document (other than a lease and other than to a Person that is a Loan Party), (iii) subject to Section 10.01, if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders, (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty pursuant to Section 11.09, (v) if such property becomes an Excluded Asset, (vi) to release and re-take any Lien on Collateral to the extent otherwise permitted by the terms thereof or (vii) to the extent such release is required pursuant to the terms of any Intercreditor Agreement; and

(c) to agree, on behalf of the Lenders, to release or subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 4.12 of Annex II to the extent required by the holder of, or pursuant to the terms of any agreement governing, the obligations secured by such Liens.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to agree to release or subordinate its interest in particular types or items of property pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will (and each Lender irrevocably authorizes the Administrative Agent to), at the Borrowers' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item in accordance with the terms of the Loan Documents and this Section 9.10.

Section 9.11. Secured Cash Management Agreements and Secured Hedge Agreements.

Except as otherwise expressly set forth herein or in any Guaranty or any Collateral Document, no Hedge Bank that obtains the benefits of Section 8.03, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct

or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Treasury Services Agreements and Secured Hedge 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 Hedge Bank.

Section 9.12. Withholding Tax Indemnity.

To the extent required by any applicable Laws, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 3.01, each Lender shall indemnify and hold harmless the Administrative Agent against, and shall make payable in respect thereof within 10 days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the IRS or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender 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 other Loan Document against any amount due the Administrative Agent under this Section 9.12. The agreements in this Section 9.12 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all other Obligations. For the avoidance of doubt, the term "Lender" shall, for purposes of this Section 9.12, include any L/C Issuer, any Alternative L/C Issuer and any Swing Line Lender.

Section 9.13. Intercreditor Agreements.

(a) The Lenders hereby authorize the Administrative Agent to enter into any intercreditor agreement or arrangement permitted under this Agreement and the Lenders acknowledge that any such intercreditor agreement is binding upon the Lenders.

(b) Following the refinancing of the Columbus Senior Notes and the Existing Senior Notes, at the request of the Company, the Administrative Agent shall enter into the New Intercreditor Agreement on behalf of the Lenders. Each Lender:

(i) hereby authorizes the Administrative Agent to enter into the New Intercreditor Agreement, without the further consent of the Lenders; and

(ii) shall enter into the New Intercreditor Agreement in its capacity as a Hedge Bank (if applicable), and shall procure that its Affiliates that are Hedge Banks enters into the New Intercreditor Agreement, in each case, as "Hedge Counterparties" (as defined in the New Intercreditor Agreement).

**ARTICLE X
MISCELLANEOUS**

Section 10.01. Amendments, Etc.

(a) Except as otherwise provided in this Agreement, the Administrative Agent, if it has the prior written consent of the Required Lenders, and the Loan Parties may from time to time agree in writing to amend any Loan Document or to consent to or waive, prospectively or retrospectively, any of the requirements of any Loan Document and any amendments, consents or waivers so agreed shall be binding on all the Finance Parties and the Loan Parties; *provided* that any changes to the Financial Covenant or Section 8.04 and, in each case, any definition related thereto (as any such definition is used therein but not as otherwise used in this Agreement or any other Loan Document) or waiver of any Default or Event of Default resulting from a failure to perform or observe the Financial Covenant or Section 8.04 shall only require the consent of the Required Revolving Credit Lenders.

For the avoidance of doubt, any amendments relating to this Agreement shall only be made in accordance with the provisions of this Agreement and any amendments relating to an Interest Rate Agreement, Commodity Agreement or Currency Agreement shall only be made in accordance with the provisions of such Interest Rate Agreement, Commodity Agreement or Currency Agreement, in each case notwithstanding any other provisions of the Loan Documents.

An amendment, consent or waiver relating to the following matters (including any technical consequential amendments relating to such amendment, consent or waiver) may be made with the prior written consent of each Lender affected thereby and without the consent of any other Lender:

- (i) without prejudice to Section 2.14, any increase in the principal amount of any Commitment of such Lender;
- (ii) a reduction in the proportion of any amount received or recovered (whether by way of set-off, combination of accounts or otherwise) in respect of any amount due from any Loan Party under this Agreement to which such Lender is entitled;
- (iii) a decrease in any Applicable Rate for, or the principal amount of, any Loan, any Letter of Credit or Alternative Letter of Credit or any interest payment, fees or other amounts due under this Agreement to such Lender from any Loan Party or any other party to this Agreement;
- (iv) any change in the currency of payment of any amount under the Loan Documents;
- (v) unless otherwise specified the deferral of the date for payment of any principal, interest, fee or any other amount due under this Agreement to such Lender from any Loan Party or any other party to this Agreement;
- (vi) the deferral of any Maturity Date;
- (vii) any reduction to the percentages set forth in the definition of Required Lenders, Required Revolving Credit Lenders or any other provision specifying the number of Lenders or proportion of Loans or Commitments required to take any action under the Loan Documents;
- (viii) a change to this Section 10.01(a) and Section 10.01(e); or
- (ix) any change to Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby.

Notwithstanding the foregoing, a waiver of issuance or release of any or all or substantially all of the Guarantors under the guarantees or Collateral under the Collateral Documents (except as expressly permitted by any Intercreditor Agreement or other arrangement permitted under this Agreement) shall require the consent of Lenders holding more than 90% of the aggregate Outstanding Amounts and available Commitments.

(b) The Administrative Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Section 10.01.

(c) Any amendment or waiver which:

- (i) relates only to the rights or obligations applicable to a particular Class of Loan or Facility; and
- (ii) does not materially and adversely affect the rights or interests of Lenders in respect of any other Class of Loan or Facility,

may be made in accordance with this Section 10.01 but as if references in this Section 10.01 to the specified proportion of Lenders (including, for the avoidance of doubt, each affected Lender) whose consent would, but for this Section 10.01(c) be required for that amendment or waiver were to that proportion of the Lenders participating in that particular Class of Loan or Facility.

(d) (i) Notwithstanding any other provision of this Section 10.01 the Administrative Agent may at any time without the consent or sanction of the Lenders, concur with the Borrowers in making any modifications to any Loan Document, which in the opinion of the Administrative Agent would be proper to make provided that the Administrative Agent is of the opinion that such modification:

(A) would not be materially prejudicial to the position of any Lender and in the opinion of the Administrative Agent such modification is of a formal, minor or technical nature or is to correct a manifest error;

(B) is of a minor, operational or technical nature; or

(C) is to effect changes to the Loan Documents that are necessary and appropriate to effect the offering process set forth in Section 2.05(a)(v).

(ii) Any such modification shall be made on such terms as the Administrative Agent may reasonably determine, shall be binding upon the Lenders, and shall be notified by the Administrative Agent to the Lenders as soon as practicable thereafter.

(e) [Reserved].

(f) (i) No amendment, waiver or consent shall, unless in writing and signed by each L/C Issuer or Alternative L/C Issuer, as applicable, in addition to the Lenders required above, affect the rights or duties of such L/C Issuer or Alternative L/C Issuer, as applicable, under this Agreement or any Letter of Credit Application relating to any Letter of Credit or Alternative Letter of Credit issued or to be issued by it; *provided, however*, that this Agreement may be amended to adjust the mechanics related to the issuance of Letters of Credit and Alternative Letters of Credit, including mechanical changes relating to the existence of multiple L/C Issuers and Alternative L/C Issuers, with only the written consent of the Administrative Agent, the applicable L/C Issuer or Alternative L/C Issuer, as applicable, and the Company so long as the obligations of the Revolving Credit Lenders, if any, who have not executed such amendment, and if applicable the other L/C Issuers or Alternative L/C Issuers, if any, who have not executed such amendment, are not adversely affected thereby; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; *provided, however*, that this Agreement may be amended to adjust the borrowing mechanics related to Swing Line Loans with only the written consent of the Administrative Agent, the Swing Line Lenders and the Company so long as the obligations of the Revolving Credit Lenders, if any, who have not executed such amendment are not adversely affected thereby; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document; and (iv) Section 10.07(h) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any such Defaulting Lender may not be increased or extended without the consent of such Lender, (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms materially and adversely affects any Defaulting Lender to a greater extent than other affected Lenders shall require the consent of such Defaulting Lender and (x) the consent of any Defaulting Lender shall be required in respect of any amendments referred to in Section 10.01(b).

Notwithstanding the foregoing, no Lender consent is required to effect any amendment or supplement to any Intercreditor Agreement or other arrangement permitted under this Agreement (i) that is for the purpose of adding the holders (or a representative of the holders) of Additional Facilities or other Indebtedness permitted to be Incurred hereunder as parties thereto, as expressly contemplated by the terms thereof (it being understood that any such amendment or supplement may make such other changes thereto as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing and *provided* that such other changes are not adverse, in any material respect, to the interests of the Lenders) or (ii) that is expressly contemplated by any Intercreditor Agreement or arrangement permitted under this Agreement; *provided, further*, that no such agreement

shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers (a) to add one or more Additional 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 Loan Documents with the Term Loans, Revolving Credit Loans, Swing Line Loans and L/C Obligations 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, Required Revolving Credit Lenders or Required Class Lenders, as applicable.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the applicable Borrower and the Administrative Agent may enter into any Refinancing Amendment in accordance with Section 2.15 and any Extension Amendment in accordance with Section 2.16, and such Refinancing Amendments and Extension Amendments shall be effective to amend the terms of this Agreement and the other applicable Loan Documents, in each case, without any further action or consent of any other party to any Loan Document.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrowers and the Lenders providing the Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans of any Class (“**Replaced Term Loans**”) with replacement term loans (“**Replacement Term Loans**”) hereunder; *provided* that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Replaced Term Loans, plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees and expenses associated with such Replacement Term Loans, (b) the All-In Yield with respect to such Replacement Term Loans (or similar interest rate spread applicable to such Replacement Term Loans) shall not be higher than the All-In Yield for such Replaced Term Loans (or similar interest rate spread applicable to such Replaced Term Loans) immediately prior to such refinancing unless the maturity of the Replacement Term Loans is at least one year later than the maturity of the Replaced Term Loans, (c) the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Replaced Term Loans at the time of such refinancing (except by virtue of amortization or prepayment of the Replaced Term Loans prior to the time of such Incurrence) and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Replaced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the Latest Maturity Date of the Term Loans in effect immediately prior to such refinancing. Each amendment to this Agreement providing for Replacement Term Loans may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent and the Borrowers to effect the provisions of this paragraph, and for the avoidance of doubt, this paragraph shall supersede any other provisions in this Section 10.01 to the contrary.

Notwithstanding anything to the contrary contained in this Section 10.01, guarantees, collateral security documents and related documents executed by Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended and waived with the consent of the Administrative Agent at the request of the Borrowers without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to cure ambiguities, omissions or defects, or (iii) to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents.

Notwithstanding anything to the contrary in this Agreement, where a request for a waiver of, or an amendment to, any provision of any Loan Document has been sent by the Administrative Agent to the Lenders at the request of a Loan Party, each Lender that does not respond to such request for waiver or amendment within 10 Business Days after receipt by it of such request (or within such other period as the Administrative Agent and the Borrowers shall specify), shall be excluded from the calculation in determining whether the requisite level of consent to such waiver or amendment was granted.

(g) Amendments to give effect to the Group Refinancing Transactions.

(i) The Company, the Administrative Agent and the Arrangers agree to negotiate in good faith any amendments to give effect to, or as otherwise reasonably required to allow for, the Group Refinancing Transactions to the extent reasonably requested by either the Arrangers or the Company (to the extent that such amendments are not materially adverse to the interests of the Lenders, the Arrangers or the Company and do not relate to the matters contemplated by Sections 4.02 and 4.04). Each such party agrees that it will not unreasonably withhold consent to any request to amend or supplement this Agreement, in particular any amendments that are:

- (A) designed to correct any ambiguity, omission, defect, error or inconsistency in the documentation;
- (B) of an administrative nature; or
- (C) designed to take into account operational, tax or technical factors that affect the Restricted Group;

in each case arising as a consequence of or in connection with the Group Refinancing Transactions; *provided that* the Arrangers and the Administrative Agent shall not be required to consent to any amendment to the Financial Covenant ratio level, to the incurrence ratio levels or in each case, the related definitions, to the tranching of such debt, to any pricing levels, to the security and guarantee package, to the repayment and mandatory prepayment provisions, to the intercreditor and ranking arrangements, to lender voting arrangements, to the provisions relating to transfers and assignments by the Lenders or to amendments and waivers provisions.

(ii) If any such requested amendments are agreed by the Company, the Administrative Agent and the Arrangers, then such parties agree to promptly enter into any amendments, variations or supplements to this Agreement or any other Loan Document to effect those amendments prior to the Group Refinancing Effective Date, without the consent of any Lender. Each of the Lenders, the L/C Issuers and the Alternative L/C Issuers hereby authorizes the Administrative Agent and the Arrangers to negotiate and agree to any such amendments in accordance with this Section 10.01(g) and agree that such amendments shall be binding upon all Lenders. This Clause 10.01(g) is without prejudice to clause (d) of this Section 10.01.

Section 10.02. Notices and Other Communications; Facsimile Copies.

(a) Notices; Effectiveness; Electronic Communications.

Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (C) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, 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 the Company, any Borrower, the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02 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, telecopier number, electronic 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 the Borrower, the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers and the Swing Line Lender.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the

recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (C) below shall be effective as provided in such subsection (C).

(C) Electronic Communications. Notices and other communications to the Lenders, the L/C Issuers and the Alternative L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender, L/C Issuer or Alternative L/C Issuer pursuant to Article II if such Lender, L/C Issuer or Alternative L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or a Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(b) The Platform. The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the company materials or the adequacy of the Platform, and expressly disclaim liability for errors in or omissions from the company materials. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any agent party in connection with the company materials or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Loan Parties, any Lender, any L/C Issuer, any Alternative 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 the Borrowers' or the Administrative Agent's transmission of Company Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Agent Party; *provided, however*, that in no event shall any Agent Party have any liability to the Loan Parties, any Lender, any L/C Issuer, any Alternative L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(c) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(d) Reliance by Administrative Agent, L/C Issuers, Alternative L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the applicable Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, each L/C Issuer, each Alternative L/C Issuer and each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the applicable Borrower in the absence of gross negligence, willful misconduct or bad faith of

such Person, as determined by a final non-appealable judgment of a court of competent jurisdiction. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 10.03. No Waiver; Cumulative Remedies.

No failure by any Lender, any L/C Issuer, any Alternative L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders, L/C Issuers and Alternative L/C Issuers; *provided, however*, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) an L/C Issuer, an Alternative L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer, Alternative L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.09 (subject to the terms of Section 2.13), (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law or (e) the Security Trustee from exercising any rights or remedies granted to it under the applicable Intercreditor Agreement; and *provided, further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.04. Attorney Costs and Expenses.

The Arrangers shall bear their own costs and expenses incurred in connection with the preparation, negotiation, syndication and execution of this Agreement and the other Loan Documents, and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated). From and after the Amendment Effective Date, the Company shall pay or reimburse the Administrative Agent for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Law, and including all respective Attorney Costs, which shall be limited to Attorney Costs of one counsel to the Administrative Agent and the Lenders taken as a whole and one local counsel as reasonably necessary in any relevant jurisdiction material to the interests of the Lenders taken as a whole and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to the affected Indemnitees similarly situated). The agreements in this Section 10.04 shall survive the termination of the Aggregate Commitments and repayment of all other Obligations. All amounts due under this Section 10.04 shall be paid within thirty (30) days after written demand therefor (together with documentation and details supporting such reimbursement request). If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the Administrative Agent in its discretion. For the avoidance of doubt, this Section 10.04 shall not apply to Taxes, except any Taxes that represent costs and expenses arising from any non-Tax claim.

Section 10.05. Indemnification by the Borrower.

Each Borrower shall indemnify and hold harmless the Administrative Agent, each Agent-Related Person, Lender, Arranger and Bookrunner and their respective Affiliates, and their respective officers, directors, employees, partners, agents, advisors and other representatives of the foregoing (collectively the “**Indemnitees**”) from and against any and all liabilities, losses, damages, claims, or out-of-pocket expenses (including Attorney Costs but limited in the case of legal fees and expenses to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, one local counsel for all Indemnitees taken as a whole in each relevant jurisdiction, and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to the affected Indemnitees similarly situated) of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnitee in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment, Loan, Letter of Credit or Alternative Letter of Credit or the use or proposed use of the proceeds therefrom including any refusal by an L/C Issuer or Alternative L/C Issuer, as applicable, to honor a demand for payment under a Letter of Credit or Alternative Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit or Alternative Letter of Credit, or (c) any actual or alleged Environmental Liability of the Loan Parties or any Subsidiary, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, investigation, litigation or proceeding) (a “**Proceeding**”) and regardless of whether any Indemnitee is a party thereto or whether or not such Proceeding is brought by any Borrower or any other Person and, in each case, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnitee; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such liabilities, losses, damages, claims or out-of-pocket expenses resulted from (x) the fraud, gross negligence, bad faith or willful misconduct of such Indemnitee or of any of its Related Indemnified Persons, as determined by a final non-appealable judgment of a court of competent jurisdiction, (y) a material breach of any obligations under any Loan Document by such Indemnitee or of any of its Related Indemnified Persons, as determined by a final non-appealable judgment of a court of competent jurisdiction or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent or arranger or any similar role under any Facility and other than any claims arising out of any act or omission of any Borrower or any of its Affiliates (as determined in a final and non-appealable judgment of a court of competent jurisdiction). No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement (except for direct (as opposed to indirect, special, punitive or consequential) damages resulting from the gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction in a final and non-appealable judgment, of any such Indemnitee), nor shall any Indemnitee, Related Indemnified Person, Loan Party or any Subsidiary have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Amendment Effective Date) (other than, in the case of any Loan Party, in respect of any such damages incurred or paid by an Indemnitee to a third party, or which are included in a third-party claim, and for any out-of-pocket expenses related thereto). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 10.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, any Subsidiary of any Loan Party, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents are consummated. All amounts due under this Section 10.05 shall be paid within ten (10) days after written demand therefor (together with backup documentation supporting such reimbursement request); *provided, however*, that such Indemnitee shall promptly refund such amount to the extent that there is a final judicial or arbitral determination that such Indemnitee was not entitled to indemnification rights with respect to such payment pursuant to the express terms of this Section 10.05. The agreements in this Section 10.05 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations. For the avoidance of doubt, this Section 10.05 shall not apply to Taxes, except any Taxes that represent liabilities, obligations, losses, damages, penalties, claims, demands, actions, prepayments, suits, costs, expenses and disbursements arising from any non-Tax claims.

To the extent that any Borrower for any reason fails to indefeasibly pay any amount required under this Section 10.05 or Section 10.04 to be paid by it to the Administrative Agent (or any sub-agent thereof), an L/C Issuer, an Alternative L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay

to the Administrative Agent (or any such sub-agent), such L/C Issuer, such Alternative L/C Issuer or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), an L/C Issuer or an Alternative L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), L/C Issuer or Alternative L/C Issuer in connection with such capacity. The obligations of the Lenders under this paragraph are subject to the provisions of Section 2.12(e).

Section 10.06. Payments Set Aside.

To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent, any L/C Issuer, any Alternative L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer, any Alternative L/C Issuer 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 the Administrative Agent, such L/C Issuer, such Alternative L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (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, each L/C Issuer and each Alternative L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders, L/C Issuers and Alternative L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 10.07. Successors and Assigns.

(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 no Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (except as permitted by Section 5.01 of Annex II) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Assignee pursuant to an assignment made in accordance with the provisions of Section 10.07(b) (such an assignee, an **"Eligible Assignee"**) and (A) in the case of any Assignee that, immediately prior to or upon giving effect to such assignment, is an Affiliated Lender, Section 10.07(k) or (B) in the case of any Assignee that is the Company or any of its Subsidiaries, Section 10.07(l), (ii) by way of participation in accordance with the provisions of Section 10.07(e), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.07(g) or (i) or (iv) to an SPC in accordance with the provisions of Section 10.07(h); *provided, however*, that notwithstanding the foregoing, no Lender may assign or transfer by participation any of its rights or obligations hereunder to (I) any Person that is a Defaulting Lender, (II) a natural Person or a Disqualified Institution, (III) to the Company or any of its Subsidiaries (except pursuant to Section 2.05(a)(v) or Section 10.07(l)) or (IV) where such rights and obligations relate to a Loan to a UK Borrower, to any Person that is not a UK Qualifying Lender. 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 Section 10.07(e) and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement. The Administrative Agent shall promptly give notice to the Company of any request by a Lender to assign any of its rights or obligations hereunder to any Person that is on the Disqualified Institutions List or, to the extent it has knowledge, any Person that is an Affiliate of a Person on the Disqualified Institutions List; *provided* that the Administrative Agent shall have no responsibility with respect to the Disqualified Institutions List or any assignments to any Person that is included in the Disqualified Institutions List.

(b) (i) Subject to the limitations set forth in paragraph (a) above and the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (**"Assignees"**) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this Section 10.07(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed, except

(i) in connection with a proposed assignment to any Disqualified Institution or (ii) with respect to the consent of the Company for an assignment of a Revolving Credit Commitment or Revolving Credit Loan) of:

(A) the Company, *provided* that no consent of the Company shall be required for (i) an assignment of all or a portion of the Term Loans to a Lender, an Affiliate of a Lender or an Approved Fund, (ii) an assignment related to Revolving Credit Commitments or Revolving Credit Exposure to a Revolving Credit Lender, (iii) other than with respect to any proposed assignment to any Person that is a Disqualified Institution, if an Event of Default under Section 8.01(a) or, solely with respect to the Borrower, Section 8.01(f) has occurred and is continuing, to any Assignee or (iv) an assignment of all or a portion of the Loans pursuant to Section 10.07(k) or Section 10.07(l); *provided* that, other than with respect to any proposed assignment to any Person that is a Disqualified Institution, the applicable Borrower shall be deemed to have consented to any such assignment of the Term Loans unless it shall have objected thereto by written notice to the Administrative Agent within fifteen (15) Business Days after having received notice thereof;

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment of all or a portion of the Loans pursuant to Section 10.07(k) or Section 10.07(l);

(C) each applicable L/C Issuer at the time of such assignment; *provided* that no consent of the applicable L/C Issuer shall be required for any assignment of a Term Loan or any assignment to the Administrative Agent or an Arranger or Bookrunner or an Affiliate of the Administrative Agent or an Arranger or Bookrunner;

(D) the Swing Line Lender; *provided* that no consent of the Swing Line Lender shall be required for any assignment of a Term Loan or any assignment to the Administrative Agent or an Arranger or Bookrunner or an Affiliate of the Administrative Agent or an Arranger or Bookrunner; and

(E) the Assignee shall have entered into the documentation required for it to accede as a party to the applicable Intercreditor Agreement in the relevant capacity.

Notwithstanding the foregoing or anything to the contrary set forth herein, to the extent any Lender is required to assign any portion of its Commitments, Loans and other rights, duties and obligations hereunder in order to comply with applicable Laws, such assignment may be made by such Lender without the consent of the Company, the Administrative Agent, any applicable L/C Issuer or Alternative L/C Issuer, the Swing Line Lender or any other party hereto so long as such Lender complies with the requirements of Section 10.07(b)(ii); *provided* that to the extent applicable Laws do not require any Lender to assign any portion of its Commitments, Loans and other rights, duties and obligations hereunder to any specific Person, the Borrower, the Administrative Agent, any applicable L/C Issuer, any applicable Alternative L/C Issuer, the Swing Line Lender or any other party hereto shall maintain any consent rights pursuant to this Section 10.07(b)(i).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or 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 an amount of \$5,000,000 in the case of Revolving Credit Commitments or Revolving Credit Loans and \$1,000,000 in the case of Term Loans unless each of the Company and the Administrative Agent otherwise consent; *provided* that such assignments shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) unless otherwise consented to in writing by the Company, no Lender shall be entitled to effect any assignment or transfer which would result in the Assignee holding an aggregate participation of more than zero but less than (I) \$5,000,000 in relation to any Revolving Credit Commitment or (II) \$1,000,000 in relation to any Term Loans;

(C) in relation to its participation in Revolving Credit Loans or an Additional Revolving Facility (unless otherwise consented to in writing by the Borrower), no Lender shall be entitled to effect any assignment or transfer other than to the extent such transfers and assignments are on a pro rata basis as between the relevant Lender's Commitment under the participation in outstanding Revolving Credit Loans or any Additional Revolving Facility.

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (unless waived or reduced by the Administrative Agent in its sole discretion); and

(E) other than in the case of assignments pursuant to Section 10.07(l), the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

This paragraph (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis among such Facilities.

In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Administrative Agent, the applicable Pro Rata Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full Pro Rata Share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(c) Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.07(d), from and after the effective date specified in each Assignment and Assumption, (1) other than in connection with an assignment pursuant to Section 10.07(l), the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, *provided, however*, that an Assignee will not be eligible for benefits under Sections 3.01, 3.02 or 3.04 attributable to a Change in Law that is announced prior to the date of the transfer, except with respect to the amount of any benefits under Sections 3.01, 3.02 or 3.04 that would have been available to the assignor had the assignor remained a Lender, and (2) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, and the surrender by the assigning Lender of its Note, the applicable Borrower (at its expense) shall execute and deliver a Note to the assignee Lender; *provided*, that except as otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause (c) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.07(e).

(d) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption, each Affiliated Lender Assignment and Assumption delivered to it, and each notice of cancellation of any Loans delivered by the Company pursuant to Section 10.07(k) or Section 10.07(l) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans, L/C Obligations (specifying the Unreimbursed Amounts, and the Drawn Amounts), L/C Borrowings, Alternative L/C Borrowings and the amounts due under Section 2.03, owing to, each Lender pursuant to the terms

hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive, absent manifest error, and the Borrowers and the Finance Parties 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 the Company, and any Finance Party, at any reasonable time and from time to time upon reasonable prior notice. This Section 10.07(d) and Section 2.11 shall be construed so that all Loans are at all times maintained in “registered form” within the meaning of Section 163(f), 871(h)(2) and 881(c)(2) of the Code and any related Treasury Regulations (or any other relevant or successor provisions of the Code or of such Treasury Regulations). Notwithstanding the foregoing, in no event shall the Administrative Agent be obligated to ascertain, monitor or inquire as to whether any Lender is an Affiliated Lender nor shall the Administrative Agent be obligated to monitor the aggregate amount of Term Loans held by Affiliated Lenders.

(e) Subject to Section 10.06(f), any Lender, without consent of, or notice to, the Company or the Administrative Agent, may at any time sell participations to any Person (other than a natural person, any Borrower or any Borrower Affiliate or its Subsidiaries, a Disqualified Institution or a Defaulting Lender) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender’s participations in L/C Obligations and/or Swing Line Loans) owing to it); *provided* that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Company, 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. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or the other Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (a) through (f) of the first proviso to Section 10.01 that requires the affirmative vote of such Lender. Subject to Section 10.07(f), the Company agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender (subject, for the avoidance of doubt, to the limitations and requirements of those Sections (including Section 3.01(d)) applying to each Participant as if it were a Lender, and it being understood that the documentation required under Section 3.01(d) shall be delivered to the Discount Prepayment Participating Lender) and had acquired its interest by assignment pursuant to Section 10.07(c). To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “**Participant Register**”). 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. The portion of any Participant Register relating to any Participant requesting payment from the applicable Borrower or seeking to exercise its rights under Section 10.09 shall be available for inspection by the applicable Borrower upon reasonable request 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, or is otherwise required thereunder. For the avoidance of doubt, the Administrative Agent shall have no responsibility for maintaining a Participant Register or with respect to the sale of participations to any Person that is on the Disqualified Institutions List.

(f) If:

(i) a Lender assigns or transfers any participation to a Participant or changes its Lending Office; and

(ii) as a result of circumstances existing at the date of the assignment or transfer or change, a Loan Party would be obliged to make a payment to the Participant or Lender acting through its new Lending Office under Section 3.01 or 3.02,

then the Participant or Lender acting through its new Lending Office shall only be entitled to receive payment under those Sections to the same extent as the Participant or Lender acting through its existing Lending Office would have been if the assignment, transfer or change had not occurred. This Section 10.07(f) shall

not apply to: (a) an assignment or transfer in the ordinary course of primary syndication of the Loans or (b) in relation to Section 3.02(c) or (d), to a new lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with Section 3.03(c)(i) or (ii) and such Loan Party making the payment has not filed a form DTP2 with HMRC in respect of that new lender within 30 days following the date of the Assignment and Assumption or Increase Confirmation (as applicable).

(g) Any Lender may, without the consent of 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 (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a “**Granting Lender**”) may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers (an “**SPC**”) the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof and (iii) such SPC and the applicable Loan or any applicable part thereof, shall be appropriately reflected in the Participant Register. Each party hereto hereby agrees that (i) an SPC shall be entitled to the benefit of Sections 3.01, 3.02, 3.04 and 3.05 (subject to the requirements and the limitations of such Sections and it being understood that the documentation required under Section 3.01(d) shall be delivered to the Granting Lender), but neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrowers under this Agreement except, in the case of Section 3.01, to the extent that the grant to the SPC was made with the prior written consent of the Company (not to be unreasonably withheld or delayed; for the avoidance of doubt, the Company shall have a reasonable basis for withholding consent if an exercise by an SPC immediately after the grant would result in materially increased indemnification obligation to the Company at such time), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the Lender hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Company and the Administrative Agent and with the payment of a processing fee of \$3,500, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC. If a Granting Lender grants an option to an SPC as described herein and such grant is not reflected in the Register, the Granting Lender shall maintain a separate register on which it records the name and address of each SPC and the principal amounts (and related interest) of each SPC’s interest with respect to the Loans, Commitments or other interests hereunder, which entries shall be conclusive absent manifest error; *provided*, that no Lender shall have any obligation to disclose any portion of such register to any Person except to the extent disclosure is necessary to establish that the Loans, Commitments or other interests hereunder are in registered form for United States federal income tax purposes.

(i) Notwithstanding anything to the contrary contained herein, without the consent of the Company or the Administrative Agent, (1) any Lender may in accordance with applicable Law create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it and (2) any Lender that is a Fund may create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it to the trustee for holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities; *provided* that unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 10.07, (i) no such pledge shall release the pledging Lender from any of its obligations under the Loan Documents and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Loan Documents even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

(j) Notwithstanding anything to the contrary contained herein, any L/C Issuer, any Alternative L/C Issuer or the Swing Line Lender may, upon thirty (30) days’ notice to the Company and the Lenders, resign as an

L/C Issuer, Alternative L/C Issuer or Swing Line Lender, respectively; *provided* that on or prior to the expiration of such 30-day period with respect to such resignation, the relevant L/C Issuer, Alternative L/C Issuer or Swing Line Lender shall have identified a successor L/C Issuer, Alternative L/C Issuer or Swing Line Lender reasonably acceptable to the Company willing to accept its appointment as successor L/C Issuer, Alternative L/C Issuer or Swing Line Lender, as applicable. In the event of any such resignation of an L/C Issuer, Alternative L/C Issuer or Swing Line Lender, the Company shall be entitled to appoint from among the Lenders willing to accept such appointment a successor L/C Issuer, Alternative L/C Issuer or Swing Line Lender hereunder; *provided* that no failure by the Company to appoint any such successor or by the relevant L/C Issuer, Alternative L/C Issuer or Swing Line Lender to designate any such successor shall affect the resignation of the relevant L/C Issuer, Alternative L/C Issuer or the Swing Line Lender, as the case may be, except as expressly provided above. If an L/C Issuer or Alternative L/C Issuer resigns as an L/C Issuer or Alternative L/C Issuer, it shall retain all the rights and obligations of an L/C Issuer or Alternative L/C Issuer hereunder with respect to all Letters of Credit or Alternative Letters of Credit, as applicable, outstanding as of the effective date of its resignation as an L/C Issuer or Alternative L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If the Swing Line Lender resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c).

(k) Any Lender may at any time, assign all or a portion of its rights and obligations with respect to Term Loans under this Agreement to a Person who is or will become, after such assignment, an Affiliated Lender through (x) Dutch auctions or other offers to purchase or take by assignment open to all Lenders on a pro rata basis (including in accordance with the procedures described in Section 2.05(a)(v) or as otherwise approved by the Administrative Agent) or (y) open market purchase on a non-pro rata basis, in each case subject to the following limitations:

(i) the assigning Lender and the Affiliated Lender purchasing such Lender's Term Loans shall execute and deliver to the Administrative Agent an assignment agreement substantially in the form of Exhibit I hereto (an "**Affiliated Lender Assignment and Assumption**");

(ii) Affiliated Lenders will not receive information provided solely to Lenders by the Administrative Agent or any Lender and will not be permitted to attend or participate in conference calls or meetings attended solely by the Lenders and the Administrative Agent, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans or Commitments required to be delivered to Lenders pursuant to Article II;

(iii) (A) each Affiliated Lender that purchases any Term Loans pursuant to clause (x) above shall represent and warrant to the selling Lender and the Administrative Agent (other than any other Affiliated Lender), or shall make a statement that such representation cannot be made, that it does not possess material non-public information with respect to the Company and its Subsidiaries or the securities of any of them that has not been disclosed to the Term Lenders generally (other than Term Lenders who elect not to receive such information) and (B) each Lender (other than any other Affiliated Lender) that assigns any Term Loans to an Affiliated Lender pursuant to clause (k)(y) above shall deliver to the Administrative Agent and the Company a customary Big Boy Letter;

(iv) the aggregate principal amount of Term Loans held at any one time by Affiliated Lenders shall not exceed 30% of the original principal amount of all Term Loans at such time outstanding (such percentage, the "**Affiliated Lender Cap**"); *provided* that to the extent any assignment to an Affiliated Lender would result in the aggregate principal amount of all Loans held by Affiliated Lenders exceeding the Affiliated Lender Cap, the assignment of such excess amount will be *void ab initio*; *provided further* that such cap shall not apply to Loans assigned to Affiliated Lenders where the assignment is in relation to a Qualifying Assignment.

(v) as a condition to each assignment pursuant to this clause (k), the Administrative Agent and the Company shall have been provided a notice in the form of Exhibit E-2 to this Agreement in connection with each assignment to an Affiliated Lender or a Person that upon effectiveness of such assignment would constitute an Affiliated Lender pursuant to which such Affiliated Lender shall waive any right to bring any action in connection with such Term Loans against the Administrative Agent, in its capacity as such.

Each Affiliated Lender agrees to notify the Administrative Agent promptly (and in any event within 10 Business Days) if it acquires any Person who is also a Lender, and each Lender agrees to notify the Administrative Agent promptly (and in any event within ten (10) Business Days) if it becomes an Affiliated Lender. Such notice shall contain the type of information required and be delivered to the same addressee as set forth in Exhibit E-2.

Notwithstanding anything to the contrary contained herein, any Affiliated Lender that has purchased Term Loans pursuant to this subsection (k) may, in its sole discretion, contribute, directly or indirectly, principal amount of such Term Loans, plus all accrued and unpaid interest thereon, to the relevant Borrower for the purpose of cancelling and extinguishing such Term Loans. Upon the date of such contribution, assignment or transfer, (x) the aggregate outstanding principal amount of Term Loans shall reflect such cancellation and extinguishing of the Term Loans then held by the relevant Borrower and (y) the relevant Borrower shall promptly provide notice to the Administrative Agent of such contribution of such Term Loans, and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Term Loans in the Register.

(l) Any Lender may, so long as no Event of Default has occurred and is continuing, at any time, assign all or a portion of its rights and obligations with respect to Term Loans under this Agreement to a Loan Party through (x) Dutch auctions or other offers to purchase open to all Lenders on a pro rata basis (including in accordance with procedures of the type described in Section 2.05(a)(v)) or (y) notwithstanding Sections 2.12 and 2.13 or any other provision in this Agreement, open market purchase on a non-pro rata basis; *provided further* that:

(i) if a Loan Party is the assignee, upon such assignment, transfer or contribution, such Loan Party shall automatically be deemed to have contributed the principal amount of such Term Loans, plus all accrued and unpaid interest thereon, to a Borrower; and

(ii) (a) the principal amount of such Term Loans, along with all accrued and unpaid interest thereon, so contributed, assigned or transferred to a Borrower shall be deemed automatically cancelled and extinguished on the date of such contribution, assignment or transfer, (b) the aggregate outstanding principal amount of Term Loans of the remaining Lenders shall reflect such cancellation and extinguishing of the Term Loans then held by such Borrower and (c) such Borrower shall promptly provide notice to the Administrative Agent of such contribution, assignment or transfer of such Term Loans, and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Term Loans in the Register.

(m) Notwithstanding anything in Section 10.01 or the definition of “Required Lenders” or “Required Class Lenders” to the contrary, for purposes of determining whether the Required Lenders and Required Class Lenders (in respect of a Class of Term Loans) have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, or subject to Section 10.07(n), any plan of reorganization pursuant to the U.S. Bankruptcy Code, (ii) otherwise acted on any matter related to any Loan Document, or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, no Affiliated Lender shall have any right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action, and all Term Loans held by any Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders, Required Class Lenders (in respect of a Class of Term Loans) or all Lenders have taken any actions, except that no amendment, modification or waiver of any Loan Document shall, without the consent of the applicable Affiliated Lender, deprive any Affiliated Lender of its Pro Rata Share of any payment to which all Lenders of the applicable Class of Term Loans are entitled or affect an Affiliated Lender in a manner that is disproportionate to the effect on any Lender of the same Class of Term Loans.

(n) Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, each Affiliated Lender hereby agrees that (and each Affiliated Lender Assignment and Assumption shall provide a confirmation that) if a proceeding under any Debtor Relief Law shall be commenced by or against the Company or any other Loan Party at a time when such Lender is an Affiliated Lender, such Affiliated Lender irrevocably authorizes and empowers the Administrative Agent to vote on behalf of such Affiliated Lender with respect to the Term Loans held by such Affiliated Lender in a manner such that all Affiliated Lenders will be deemed to vote in the same proportion as Lenders that are not Affiliated Lenders, unless the Administrative Agent instructs such Affiliated Lender to vote, in which case such Affiliated Lender shall vote with respect to the Term Loans held by it in order to provide that all Affiliated Lenders will be deemed to vote in the same proportion as Lenders that are not Affiliated Lenders; *provided* that such Affiliated Lender shall be entitled to vote in accordance with its sole

discretion (and not in accordance with the direction of the Administrative Agent) in connection with any plan of reorganization to the extent any such plan of reorganization proposes to treat any Obligations held by such Affiliated Lender in a manner that has a disproportionate effect on such Affiliated Lender as compared to the proposed treatment of similar Obligations held by Term Lenders that are not Affiliated Lenders.

(o) Notwithstanding any other provision of this Agreement, no Lender shall be entitled to assign or transfer any of its rights benefits or obligations under the Loan Documents in relation to the Revolving Credit Loans without the prior written consent of the Borrower, *provided* that no such consent shall be required in the case of any assignment or transfer:

(i) by a Lender to another Lender an Affiliate of a Lender or an Approved Fund; and

(ii) other than with respect to any proposed assignment to any Person that is a Disqualified Institution, if an Event of Default under Section 8.01(a) or, solely with respect to the Company or any other Loan Party, Section 8.01(f) has occurred and is continuing, to any Assignee.

(p) 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 the Term Loans purchased by, or contributed to (in each case, and subsequently cancelled hereunder), any Borrower pursuant to Section 10.07(k) or (l) and the principal repayment installments with respect to the Term Loans of such Class pursuant to Section 2.07(a)(i) shall be reduced pro rata by the par value of the aggregate principal amount of Term Loans so purchased or contributed (and subsequently cancelled), with such reduction being applied solely to the Term Loans of the Lenders which sold such Term Loans.

Section 10.08. Confidentiality.

Each of the Finance Parties agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to its Affiliates and its and its Affiliates' managers, administrators, directors, officers, employees, trustees, partners, investors, investment advisors and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any Governmental Authority or self-regulatory authority having or asserting jurisdiction over such Person (including any Governmental Authority regulating any Lender or its Affiliates), *provided* that the Administrative Agent or such Lender, as applicable, agrees that it will notify the Company prior to any such disclosure by such Person to the extent practicable (other than at the request of a regulatory authority or any self-regulatory authority having or asserting jurisdiction over such Person) unless such notification is prohibited by law, rule or regulation; (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, *provided* that the Administrative Agent or such Lender, as applicable, agrees that it will notify the Company as soon as practicable in the event of any such disclosure by such Person (other than at the request of a regulatory authority or any self-regulatory authority having or asserting jurisdiction over such Person) unless such notification is prohibited by law, rule or regulation; (d) to any other party to this Agreement; (e) subject to an agreement containing provisions at least as restrictive as those of this Section 10.08 (or as may otherwise be reasonably acceptable to the Company), to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be an Additional Lender, any pledgee referred to in Section 10.07(g), or any actual or prospective direct or indirect counterparty (or its advisors) to any swap or derivative transaction relating to the Company and its obligations; (f) with the written consent of the Company; (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 10.08 or becomes available to the Administrative Agent, any Arranger, any Lender, any L/C Issuer, any Alternative L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than a Loan Party or their respective related parties (so long as such source is not known to the Administrative Agent, such Arranger, such Lender, such L/C Issuer, such Alternative L/C Issuer or any of their respective Affiliates to be bound by confidentiality obligations to any Loan Party); (h) to any rating agency when required by it on a customary basis and after consultation with the Company (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to Loan Parties and their Subsidiaries received by it from such Lender); (i) in connection with the exercise of any remedies hereunder, under any other Loan Document or the enforcement of its rights hereunder or thereunder; or (j) to the extent such Information is independently developed by such Person or its Affiliates so long as not based on Information obtained in a manner that would otherwise violate this Section 10.08.

For purposes of this Section, “**Information**” means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary thereof or their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof other than as a result of a breach of this Section 10.08; *provided* that all information received after the Amendment Effective Date from the Company or any of its Subsidiaries shall be deemed confidential unless such information is clearly identified at the time of delivery as not being confidential.

Each of the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Company or any of its Subsidiaries, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

Section 10.09. Setoff.

In addition to any rights and remedies of the Lenders provided by Law, upon the occurrence and during the continuance of any Event of Default, each Lender and its Affiliates (and the Administrative Agent, in respect of any unpaid fees, costs and expenses payable hereunder) is authorized at any time and from time to time, without prior notice to the Company, any such notice being waived by each Borrower (on its own behalf and on behalf of each Loan Party and each of its Subsidiaries) to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held by, and other Indebtedness at any time owing by, such Lender and its Affiliates or the Administrative Agent to or for the credit or the account of the respective Loan Parties and their Subsidiaries against any and all Obligations (other than, with respect to any Guarantor, Excluded Swap Obligations of such Guarantor) owing to such Lender and its Affiliates or the Administrative Agent hereunder or under any other Loan Document, now or hereafter existing, irrespective of whether or not such Agent or such Lender or Affiliate shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or denominated in a currency different from that of the applicable deposit or Indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. 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 setoff and application. The rights of the Administrative Agent and each Lender under this Section 10.09 are in addition to other rights and remedies (including other rights of setoff) that the Administrative Agent and such Lender may have at Law. This Section 10.09 is subject in all respects to Section 4.04.

Section 10.10. Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the “**Maximum Rate**”). If the Administrative Agent, an Arranger or a Bookrunner or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the relevant Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or such Arranger, Bookrunner or Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 10.11. Counterparts; Electronic Execution of Assignments and Certain Other Documents.

This Agreement and each other Loan Document may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery

by telecopier, .pdf or other electronic imaging means of an executed counterpart of a signature page to this Agreement and each other Loan Document shall be effective as delivery of an original executed counterpart of this Agreement and such other Loan Document. The Administrative Agent may also require that any such documents and signatures delivered by telecopier, .pdf or other electronic imaging means be confirmed by a manually signed original thereof; *provided* that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by telecopier, .pdf or other electronic imaging means.

The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.12. Integration; Termination.

This Agreement, together with the other Loan Documents and the Fee Letter, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; *provided* that the inclusion of supplemental rights or remedies in favor of the Administrative Agent or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

Section 10.13. Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied (other than Obligations under Secured Hedge Agreements, Treasury Services Agreements or contingent indemnification obligations, in any such case, not then due and payable) or any Letter of Credit or Alternative Letter of Credit shall remain outstanding (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or Alternative L/C Issuer such Letter of Credit or Alternative Letter of Credit has been deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer or Alternative L/C Issuer).

Section 10.14. Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.14, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.15. GOVERNING LAW; FORUM; PROCESS AGENT.

(a) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT (OTHER THAN AS SET FORTH IN THE OTHER LOAN DOCUMENTS) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) ANY LEGAL ACTION OR PROCEEDING ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY (BOROUGH OF MANHATTAN) OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE AND ANY APPELLATE COURTS FROM ANY THEREOF, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH LOAN PARTY, EACH AGENT AND EACH LENDER CONSENTS, IRREVOCABLY AND UNCONDITIONALLY, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND AGREES THAT IT WILL NOT COMMENCE OR SUPPORT ANY SUCH ACTION OR PROCEEDING IN ANOTHER JURISDICTION. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED HEREIN OR IN ANY OTHER LOAN DOCUMENT WILL PREVENT ANY LENDER OR THE ADMINISTRATIVE AGENT FROM BRINGING ANY ACTION TO ENFORCE ANY AWARD OR JUDGMENT OR EXERCISE ANY RIGHT UNDER THE SECURITY DOCUMENTS OR AGAINST ANY COLLATERAL OR ANY OTHER PROPERTY OF ANY LOAN PARTY IN ANY OTHER FORUM IN WHICH JURISDICTION CAN BE ESTABLISHED. EACH LOAN PARTY, EACH AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN TELECOPIER) IN SECTION 10.02. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(c) EACH LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY (I) AGREES THAT SERVICE OF ALL WRITS, PROCESS AND SUMMONSES IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN THE STATE OF NEW YORK MAY BE MADE UPON THE ORIGINAL CO-BORROWER (IN SUCH CAPACITY, THE “PROCESS AGENT”) AND EACH OTHER LOAN PARTY HEREBY CONFIRMS AND AGREES THAT THE PROCESS AGENT HAS BEEN DULY AND IRREVOCABLY APPOINTED AS ITS RESPECTIVE AGENT TO ACCEPT SUCH SERVICE OF ANY AND ALL SUCH WRITS, PROCESSES AND SUMMONSES, AND AGREES THAT THE FAILURE OF THE PROCESS AGENT TO GIVE ANY NOTICE OF ANY SUCH SERVICE OF PROCESS TO THE OTHER BORROWERS OR ANY OTHER LOAN PARTY SHALL NOT IMPAIR OR AFFECT THE VALIDITY OF SUCH SERVICE OR OF ANY JUDGMENT BASED THEREON. IF THE PROCESS AGENT SHALL CEASE TO SERVE AS AGENT FOR THE OTHER BORROWERS OR ANY OTHER LOAN PARTY TO RECEIVE SERVICE OF PROCESS HEREUNDER, EACH OF THE BORROWERS AND THE OTHER LOAN PARTIES, AS APPLICABLE, SHALL PROMPTLY APPOINT A SUCCESSOR AGENT SATISFACTORY TO THE ADMINISTRATIVE AGENT. EACH OF THE OTHER BORROWERS AND EACH OTHER LOAN PARTY HEREBY FURTHER CONSENTS TO THE SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING BY THE MAILING THEREOF BY THE ADMINISTRATIVE AGENT OR ANY LENDER BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT ITS NOTICE ADDRESS SET FORTH IN THIS AGREEMENT, AND (II) 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.

Section 10.16. WAIVER OF RIGHT TO TRIAL BY JURY.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY

HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.17. Binding Effect.

This Agreement shall become effective when (i) it shall have been executed by the Loan Parties and the Administrative Agent and (ii) the Administrative Agent shall have been notified by each Lender, Swing Line Lender, L/C Issuer and Alternative L/C Issuer that each such Lender, Swing Line Lender, L/C Issuer and Alternative L/C Issuer has executed it and thereafter shall be binding upon and inure to the benefit of the Loan Parties, each Agent and each Lender and their respective successors and assigns, in each case in accordance with Section 10.07 (if applicable) and except that no Loan Party shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

Section 10.18. USA Patriot Act.

Each Lender that is subject to the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name, address and tax identification number of such Loan Party and other information regarding such Loan Party that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA Patriot Act. This notice is given in accordance with the requirements of the USA Patriot Act and is effective as to the Lenders and the Administrative Agent.

Section 10.19. No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the other Arrangers are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Administrative Agent, the other Arrangers and the Lenders, on the other hand, (B) each Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, each other Arranger and each Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for each Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, any other Arranger nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the other Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither the Administrative Agent nor any other Arranger nor any Lender has any obligation to disclose any of such interests to the Loan Parties or any of their respective Affiliates. To the fullest extent permitted by law, each Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the other Arrangers and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.20. INTERCREDITOR AGREEMENTS.

(a) PURSUANT TO THE EXPRESS TERMS OF EACH INTERCREDITOR AGREEMENT, IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE TERMS OF THE RELEVANT INTERCREDITOR AGREEMENT AND ANY OF THE LOAN DOCUMENTS, THE PROVISIONS OF THE RELEVANT INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL, PROVIDED, HOWEVER

THAT, TO THE EXTENT THAT THE RELEVANT CONFLICTING OR INCONSISTENT PROVISION IS SECTION 4.04, THEN SECTION 4.04 SHALL PREVAIL.

(b) EACH LENDER AUTHORIZES AND INSTRUCTS THE ADMINISTRATIVE AGENT TO ENTER INTO THE RELEVANT INTERCREDITOR AGREEMENT ON BEHALF OF SUCH LENDER, AND, SUBJECT TO SECTION 4.04, TO TAKE ALL ACTIONS (AND EXECUTE ALL DOCUMENTS) REQUIRED (OR DEEMED ADVISABLE) BY IT IN ACCORDANCE WITH THE TERMS OF SUCH INTERCREDITOR AGREEMENT(S). EACH LENDER AGREES TO BE BOUND BY AND WILL TAKE NO ACTIONS CONTRARY TO THE PROVISIONS OF THE RELEVANT INTERCREDITOR AGREEMENT.

(c) THE PROVISIONS OF THIS SECTION 10.20 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF THE RELEVANT INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO THE RELEVANT INTERCREDITOR AGREEMENT ITSELF TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE RELEVANT INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NO AGENT (AND NONE OF ITS AFFILIATES) MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE RELEVANT INTERCREDITOR AGREEMENT.

(d) THE PROVISIONS OF THIS SECTION 10.20 SHALL APPLY WITH EQUAL FORCE, MUTATIS MUTANDIS, TO EACH INTERCREDITOR AGREEMENT, ANY SUBORDINATION AGREEMENT AND ANY OTHER INTERCREDITOR AGREEMENT OR ARRANGEMENT PERMITTED BY THIS AGREEMENT.

Section 10.21. Additional Parties.

(a) *Permitted Affiliate Group Designation.* The Company may at any time provide the Administrative Agent with notice that it wishes to include any Affiliate of the Company (the “**Permitted Affiliate Parent**”) and the Subsidiaries of any such Permitted Affiliate Parent as members of the Restricted Group for the purposes of this Agreement. Such Affiliate shall become a Permitted Affiliate Parent (a “**Permitted Affiliate Parent Accession**”) and such Subsidiaries shall become Restricted Subsidiaries or Unrestricted Subsidiaries (to the extent designated as such in accordance with this Agreement) for the purposes of this Agreement upon confirmation from the Administrative Agent to the Company that:

(i) such Affiliate and the Company have complied with the requirements of:

(A) Section 10.21(b) and such Affiliate shall have become a Borrower by executing a joinder to this Agreement in form and substance reasonably satisfactory to the Administrative Agent; or

(B) Section 10.21(c) and such Affiliate has acceded to this Agreement as a Guarantor;

provided that, prior to or immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(ii) concurrently with a Permitted Affiliate Parent Accession, the immediate Holding Company of a Permitted Affiliate Parent will grant a Lien pursuant to a Collateral Document over all the issued capital stock or share capital of such Permitted Affiliate Parent as security for the Obligations in favour of the Security Trustee and in form and substance satisfactory to the Security Trustee (acting reasonably); and

(iii) the Company has given written notice to the Administrative Agent identifying a person that is a Holding Company of the Company and each Permitted Affiliate Parent as the Common Holding Company for the purposes of this Agreement (“**Common Holding Company**”).

(b) *Additional Borrowers.*

(i) Subject to paragraph (ii) below, the Company may, upon not less than 5 Business Days prior written notice to the Administrative Agent, request that it or any Permitted Affiliate Parent or any member of the Restricted Group which is a direct or indirect wholly owned Subsidiary of the Company or any Permitted Affiliate Parent becomes an Additional Borrower under this Agreement.

(ii) Such member of the Restricted Group or any Permitted Affiliate Parent may become an Additional Borrower to a Facility if:

(A) it is incorporated or organized under the laws of an Approved Key Jurisdiction for that Facility (*provided* that, where such Additional Borrower is incorporated in Barbados, such entity shall only be deemed to satisfy this requirement if it is established as a body corporate which is licensed under the International Business Companies Act or any other regime which provides the same or substantially similar benefits thereto in Barbados) or the Required Lenders have approved the addition of that member of the Restricted Group or any Permitted Affiliate Parent as an Additional Borrower;

(B) such member of the Restricted Group or any Permitted Affiliate Parent, as applicable, and the Company deliver to the Administrative Agent a duly completed and executed joinder agreement in form and substance reasonably satisfactory to the Administrative Agent pursuant to which such member of the Restricted Group or any Permitted Affiliate Parent, as applicable, agrees to become a party to this Agreement as an Additional Borrower;

(C) the Company confirms that no Event of Default is continuing or would occur as a result of that member of the Restricted Group or any Permitted Affiliate Parent becoming an Additional Borrower;

(D) the Administrative Agent (for and on behalf of the Lenders) shall have received, at least 3 days prior to the date of accession of such member of the Restricted Group or Permitted Affiliate Parent as an Additional Borrower, all documentation and other information about such member of the Restricted Group or Permitted Affiliate Parent required under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act, and satisfactory to each Finance Party (acting reasonably), that has been requested by the Administrative Agent (for itself or on behalf of any Lender) or any Lender (through the Administrative Agent and for itself) in writing at least 10 days prior to the date of accession of such member of the Restricted Group or Permitted Affiliate Parent as an Additional Borrower;

(E) the Administrative Agent has received all of the documents and other evidence listed in Schedule 10.21 in relation to that member of the Restricted Group or any Permitted Affiliate Parent, each in form and substance reasonably satisfactory to the Administrative Agent; and

(F) such member of the Restricted Group or any Permitted Affiliate Parent shall have entered into all documentation required for it to accede to (i) this Agreement as an Additional Guarantor, (ii) prior to the New Intercreditor Effective Date, the Existing Intercreditor Agreement as an Additional Guarantor (as defined thereunder), and (iii) following the New Intercreditor Effective Date, the New Intercreditor Agreement as a Debtor (as defined thereunder).

(iii) The Administrative Agent shall notify the Company and the Lenders promptly upon being satisfied that the conditions specified in clause (ii) above (and, in the case of any Permitted Affiliate Parent, Section 10.21(a)) have been satisfied.

(c) *Additional Guarantors.*

(i) Subject to paragraph (ii) below, the Company may, upon not less than 5 Business Days prior written notice to the Administrative Agent, request that any member of the Restricted Group or any Permitted Affiliate Parent becomes an Additional Guarantor under this Agreement.

(ii) Such member of the Restricted Group or any Permitted Affiliate Parent may become an Additional Guarantor if:

(A) such member of the Restricted Group or any Permitted Affiliate Parent, as applicable, and the Company deliver to the Administrative Agent a duly completed and executed joinder agreement in form and substance reasonably satisfactory to the Administrative Agent;

(B) the Company confirms that no Event of Default is continuing or would occur as a result of that member of the Restricted Group or any Permitted Affiliate Parent becoming an Additional Guarantor;

(C) the Administrative Agent (for and on behalf of the Lenders) shall have received, at least 3 days prior to the date of accession of such member of the Restricted Group or Permitted Affiliate Parent as an Additional Guarantor, all documentation and other information about such member of the Restricted Group or Permitted Affiliate Parent required under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act, and satisfactory to each Finance Party (acting reasonably), that has been requested by the Administrative Agent (for itself or on behalf of any Lender) or any Lender (through the Administrative Agent and for itself) in writing at least 10 days prior to the date of accession of such member of the Restricted Group or Permitted Affiliate Parent as an Additional Guarantor;

(D) the Administrative Agent has received all of the documents and other evidence listed in Schedule 10.21 in relation to that member of the Restricted Group or any Permitted Affiliate Parent, each in form and substance reasonably satisfactory to the Administrative Agent; and

(E) such member of the Restricted Group or any Permitted Affiliate Parent shall have entered into all documentation required for it to accede to the applicable Intercreditor Agreement as an Additional Guarantor (as defined thereunder).

(iii) The Administrative Agent shall notify the Company and the Lenders promptly upon being satisfied that the conditions specified in clause (ii) above (and, in the case of any Permitted Affiliate Parent, Section 10.21(a)) have been satisfied.

(d) *Assumption of Rights and Obligations.* Upon satisfactory delivery of a duly executed joinder to the Administrative Agent, together with the other documents required to be delivered under Section 10.21(b) or Section 10.21(c), the relevant member of the Restricted Group or any Permitted Affiliate Parent, the Loan Parties and the Secured Parties, will assume such obligations towards one another and/or acquire such rights against each other as they would each have assumed or acquired had such member of the Restricted Group been an original party to this Agreement as a Borrower or a Guarantor as the case may be and such member of the Restricted Group or any Permitted Affiliate Parent shall become a party to this Agreement as an Additional Borrower and/or an Additional Guarantor as the case may be.

Section 10.22. Resignation of a Borrower or Guarantor.

(a) With the prior consent of the Required Lenders, an Additional Borrower or Additional Guarantor may cease to be an Additional Borrower or an Additional Guarantor by delivering to the Administrative Agent a resignation letter.

(b) The Administrative Agent shall accept a resignation letter and notify the Company and the other Finance Parties of its acceptance if:

(i) the Company has confirmed that no Event of Default is continuing or would result from the acceptance of the resignation letter; and

(ii) with respect to an Additional Borrower, such Additional Borrower is under no actual or contingent obligations as a Borrower under any Loan Documents.

(c) Upon notification by the Administrative Agent to the Company of its acceptance of the resignation of the relevant Additional Borrower, that company shall cease to be an Additional Borrower and shall have no further rights or obligations under the Loan Documents as an Additional Borrower.

Section 10.23. Judgment Currency.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan 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 Borrowers in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Loan 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).

Section 10.24. Continuing Obligations.

As of the Amendment Effective Date, this Agreement shall amend, and restate as amended, the 2016 Credit Agreement, but shall not constitute a novation thereof or in any way impair or otherwise affect the rights or obligations of the parties thereunder (including with respect to Loans and Commitments and representations and warranties made thereunder) except as such rights or obligations are amended or modified hereby. The 2016 Credit Agreement as amended and restated hereby shall be deemed to be a continuing agreement among the parties, and all documents, instruments and agreements delivered pursuant to or in connection with the 2016 Credit Agreement not amended and restated in connection with the entry of the parties into this Agreement shall remain in full force and effect, each in accordance with its terms, as of the date of delivery or such other date as contemplated by such document, instrument or agreement to the same extent as if the modifications to the 2016 Credit Agreement contained herein were set forth in an amendment to the 2016 Credit Agreement in a customary form, unless such document, instrument or agreement has otherwise been terminated or has expired in accordance with or pursuant to the terms of this Agreement, the 2016 Credit Agreement or such document, instrument or agreement or as otherwise agreed by the required parties hereto or thereto. For the avoidance of doubt, the execution of this Agreement or the Amendment and Restatement Agreement by the Administrative Agent, any Lender, any L/C Lender, any Swing Line Lender or any other Person party to the 2016 Credit Agreement immediately prior to the Amendment Effective Date shall constitute the irrevocable consent, approval and agreement of the Administrative Agent, such Lender, such L/C Lender, such Swing Line Lender and such other Person to the amendment and restatement of the 2016 Credit Agreement as provided in this Agreement and to the consummation of the transactions contemplated herein.

ARTICLE XI
GUARANTEE

Section 11.01. The Guarantee.

Each Guarantor hereby jointly and severally irrevocably with the other Guarantors guarantees, as a primary obligor and not as a surety, to each Secured Party and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code and (ii) any other Debtor Relief Laws) on the Loans made by the Lenders to, and the Notes held by each Lender of, the Borrower, and all other Obligations (excluding, with respect to any Guarantor, any Excluded Swap Obligations of such Guarantor) from time to time owing to the Secured Parties by any Loan Party under any Loan Document or any Secured Hedge Agreement or any Treasury Services Agreement, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the “**Guaranteed Obligations**”). The Guarantors hereby jointly and severally agree that if the Borrowers or other Guarantor(s) shall

fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Section 11.02. Obligations Unconditional.

The obligations of the Guarantors under Section 11.01 shall constitute a guaranty of payment and to the fullest extent permitted by applicable Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Borrowers under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for termination or release of a Guarantor's obligations hereunder in accordance with the terms of Section 11.09). Without limiting the generality of the foregoing, to the fullest extent permitted by applicable law and except for termination or release of a Guarantor's obligations hereunder in accordance with the terms of Section 11.09, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(i) at any time or from time to time, without notice to the Guarantors, to the extent permitted by Law, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or except as permitted pursuant to Section 11.09, any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, an L/C Issuer, an Alternative L/C Issuer or any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected;

(v) the release of any other Guarantor pursuant to Section 11.09; or

(vi) any of the Guaranteed Obligations shall be determined to be void or voidable (including for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including any creditor of any Guarantor).

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and, to the extent permitted by Law, all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against the Borrowers under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive, to the extent permitted by Law, any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this guarantee or acceptance of this guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this guarantee, and all dealings between the Borrowers and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this guarantee. This guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other Person at any time of any right or remedy against the Borrowers or against any other Person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against

any collateral security or guarantee therefor or right of offset with respect thereto. This guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

Section 11.03. Reinstatement.

The obligations of the Guarantors under this Article XI shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrowers or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. Each Guarantor agrees that it will indemnify the Secured Parties and each holder of the Guaranteed Obligations in connection with such rescission or restoration including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under Debtor Relief Law.

Section 11.04. Subrogation; Subordination.

Each Guarantor hereby agrees that until the irrevocable payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 11.01, whether by subrogation or otherwise, against the Borrowers or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

Section 11.05. Remedies.

The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrowers under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.02) for purposes of Section 11.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 11.01.

Section 11.06. Instrument for the Payment of Money.

Each Guarantor hereby acknowledges that the guarantee in this Article XI constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

Section 11.07. Continuing Guarantee.

The guarantee in this Article XI is a continuing guarantee of payment and not of collection, and shall apply to all Guaranteed Obligations whenever arising.

Section 11.08. General Limitation on Guarantee Obligations.

In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 11.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 11.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Loan Party or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the right of contribution established in Section 11.10) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 11.09. Release of Guarantors.

(a) If, in compliance with the terms and provisions of the Loan Documents (and subject to the terms of any applicable Intercreditor Agreement, (i) any Guarantor ceases to be a Restricted Subsidiary pursuant to a transaction or designation permitted by this Agreement (including, without limitation, the Group Refinancing Transactions) or (ii) all or substantially all of the Equity Interests or property of any Guarantor are sold or otherwise transferred to a Person or Persons, none of which is a Loan Party, in an Enforcement Sale or otherwise (any such Guarantor in (i) or (ii) above, a “**Transferred Guarantor**”), such Transferred Guarantor and (in the case of a sale of all of the Equity Interests of the Transferred Guarantor) its Restricted Subsidiaries shall, upon the consummation of such sale or transfer or other transaction, be automatically released from its obligations under this Agreement (including under Section 10.05 hereof) and its obligations to pledge and grant any Collateral owned by it pursuant to any Collateral Document and, in the case of a sale of all or substantially all of the Equity Interests of the Transferred Guarantor, the pledge of or security interest in such Equity Interests to the Administrative Agent pursuant to the Collateral Documents shall be automatically released, and, so long as the Borrowers shall have provided the Administrative Agent such certifications or documents as the Administrative Agent shall reasonably request, the Administrative Agent shall take such actions as are necessary to effect each release described in this Section 11.09 in accordance with the relevant provisions of the Collateral Documents.

(b) If a Guaranty has been provided by an Additional Guarantor as required under Section 4.15 of Annex II as a result of its guarantee of other Indebtedness of the Restricted Group, then such Guaranty shall be automatically released (subject to the terms of the applicable Intercreditor Agreement) upon the release or discharge of such Additional Guarantor from such guarantee of other Indebtedness so long as no other Indebtedness that would give rise to the obligation to provide such Guaranty is at the time guaranteed by such Additional Guarantor. In addition, if an Additional Guarantor resigns in accordance with Section 10.22, then the Guaranty of such Additional Guarantor shall be automatically released.

(c) Subject to clauses (a) and (b) of this Section 11.09, the guarantees made herein shall remain in full force and effect so long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than (i) contingent indemnification obligations as to which no claim has been asserted and (ii) obligations under Treasury Services Agreements or obligations under Secured Hedge Agreements as to which arrangements reasonably satisfactory to the applicable Hedge Bank have been made) hereunder which is accrued and payable shall remain unpaid or unsatisfied, or any Letter of Credit or Alternative Letter of Credit shall remain outstanding (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized or back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or Alternative L/C Issuer, as applicable, or such Letter of Credit or Alternative Letter of Credit has been deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer or Alternative L/C Issuer, as applicable).

(d) In connection with, and upon the consummation of, the Group Refinancing Transactions, any Guaranty of Cable & Wireless Limited and C&W Communications shall automatically be released.

(e) In the event of a Post-Closing Reorganization, any Guaranty of a Parent that ceases to be a Parent of the Company, shall be automatically released (subject to the terms of the applicable Intercreditor Agreement).

Section 11.10. Right of Contribution.

Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 11.04. The provisions of this Section 11.10 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers, the Swing Line Lender and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the L/C Issuers, the Alternative L/C Issuers, the Swing Line Lender and the Lenders for the full amount guaranteed by such Guarantor hereunder.

Section 11.11. 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 Loan Party

to honor all of its obligations under this Guaranty in respect of any Swap Obligation (*provided, however*, that each Qualified ECP Guarantor shall only be liable under this Section 11.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 11.11, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 11.11 shall remain in full force and effect until the payment in full and discharge of the Guaranteed Obligations. Each Qualified ECP Guarantor intends that this Section 11.11 constitute, and this Section 11.11 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.

Section 11.12. No Marshaling.

Except to the extent required by applicable law, neither the Administrative Agent nor any other Secured Party will be required to marshal any collateral securing, or any guaranties of, the Guaranteed Obligations, or to resort to any item of collateral or any guaranty in any particular order, and the Secured Parties’ rights with respect to any collateral and guaranties will be cumulative and in addition to all other rights, however existing or arising. To the extent permitted by applicable law, the Guarantor irrevocably waives, and agrees that it will not invoke or assert, any law requiring or relating to the marshaling of collateral or guaranties or any other law which might cause a delay in or impede the enforcement of the Secured Parties’ rights under this guarantee or any other agreement.

Section 11.13. Election of Remedies.

Each Guarantor understands that the exercise by the Administrative Agent and the other Secured Parties of certain rights and remedies contained in the Loan Documents may affect or eliminate the Guarantor’s right of subrogation and reimbursement against the Loan Parties and that the Guarantor may therefore incur a partially or totally nonreimbursable liability under this guarantee. The Guarantors expressly authorize the Administrative Agent and the other Secured Parties to pursue their rights and remedies with respect to the Guaranteed Obligations in any order or fashion they deem appropriate, in their sole and absolute discretion, and waives any defense arising out of the absence, impairment, or loss of any or all rights of recourse, reimbursement, contribution, exoneration or subrogation or any other rights or remedies of the Guarantors against the Borrower, any other person or any security, whether resulting from any election of rights or remedies by the Administrative Agent or the other Secured Parties, or otherwise.

Section 11.14. Agent’s Duties.

The grant to the Agent under this guarantee of any right or power does not impose upon the Administrative Agent any duty to exercise that right or power.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CABLE & WIRELESS LIMITED,
as the Company and a Guarantor

By:

Name:

Title:

SABLE INTERNATIONAL FINANCE LIMITED,
as the Original Borrower

By:

Name:

Title:

CORAL-US CO-BORROWER,
as the Original Co-Borrower

By:

Name:

Title:

THE BANK OF NOVA SCOTIA,
as Administrative Agent

By:

Name:

Title:

THE BANK OF NOVA SCOTIA,
as a Lender

By:

Name:

Title:

BANK OF AMERICA N.A.,
as a Revolving Credit Lender

By:

Name:

Title:

BARCLAYS BANK PLC,
as a Revolving Credit Lender

By:

[Signature Page to Amended and Restated Credit Agreement]

Name:

Title:

BNP PARIBAS FORTIS SA/NV,
as a Revolving Credit Lender

By:

Name:

Title:

CITIBANK N.A., LONDON BRANCH,
as a Revolving Credit Lender

By:

Name:

Title:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as a Revolving Credit Lender

By:

Name:

Title:

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED,
as a Revolving Credit Lender

By:

Name:

Title:

GOLDMAN SACHS BANK USA,
as a Revolving Credit Lender

[Signature Page to Amended and Restated Credit Agreement]

By:

Name:

Title:

ING CAPITAL LLC,
as a Revolving Credit Lender

By:

Name:

Title:

JPMORGAN CHASE BANK, N.A. – LONDON BRANCH,
as a Revolving Credit Lender

By:

Name:

Title:

ROYAL BANK OF CANADA,
as a Revolving Credit Lender

By:

Name:

Title:

SOCIÉTÉ GÉNÉRALE, LONDON BRANCH,
as a Revolving Credit Lender

By:

Name:

Title:

THE BANK OF NOVA SCOTIA,
as a Revolving Credit Lender

[Signature Page to Amended and Restated Credit Agreement]

By:

Name:

Title:

THE BANK OF NOVA SCOTIA,
as L/C Issuer

By:

Name:

Title:

THE BANK OF NOVA SCOTIA,
as Swing Line Lender

By:

Name:

Title:

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED,
as Alternative L/C Issuer

By:

Name:

Title:

BNP PARIBAS FORTIS SA/NV,
as Alternative L/C Issuer

By:

Name:

Title:

ROYAL BANK OF CANADA,

[Signature Page to Amended and Restated Credit Agreement]

as Alternative L/C Issuer

By:

Name:

Title:

THE BANK OF NOVA SCOTIA,
as Alternative L/C Issuer

By:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement]

List of Omitted Exhibits

The following exhibits and schedules to the Amended and Restated Credit Agreement, originally dated as of May 16, 2016, and as amended and restated as of May 26, 2017, among, among others, Cable & Wireless Limited, Sable International Finance Limited, Coral-US Co-Borrower LLC and The Bank of Nova Scotia, as Administrative Agent have not been provided herein:

EXHIBITS

- A Committed Loan Notice
- B Swing Line Loan Notice
- C 1 Term B-3 Note
- C-2 Revolving Credit Note
- C-3 Swing Line Note
- D Compliance Certificate
- E-1 Assignment and Assumption
- E-2 Affiliated Lender Notice
- F Pledge Agreement
- G New Intercreditor Agreement
- H United States Tax Compliance Certificate
- I Affiliated Lender Assignment and Assumption
- J Letter of Credit Report
- K Additional Facility Joinder Agreement
- L Increase Confirmation
- M Discount Range Prepayment Notice
- N Discount Range Prepayment Offer
- O Solicited Discounted Prepayment Notice
- P Acceptance and Prepayment Notice
- Q Specified Discount Prepayment Notice
- R Solicited Discounted Prepayment Offer
- S Specified Discount Prepayment Response

The undersigned registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.

ANNEX I

ADDITIONAL DEFINITIONS

Unless otherwise specified herein, (1) references in this Annex I to sections of Articles 4 or 5 are to those sections of Annex II and (2) defined terms used in this Annex I shall bear the meanings given to them in this Annex I or as otherwise given to them in Section 1.01 of this Agreement.

“2016 Liberty Acquisition” means the acquisition by Liberty Global, directly or indirectly, of Cable & Wireless Communications plc.

“2015 Columbus Acquisition” refers to the acquisition on March 31, 2015 of the Columbus Group by C&W Communications and its subsidiaries.

“2015 Columbus Carve-Out” means the transfer of the Columbus Carve-Out Entities and the Columbus Carve-Out Receivable from Columbus Networks Limited to the Columbus SPV Transferee pending receipt of the regulatory approval from the FCC, in connection with the 2015 Columbus Acquisition.

“2016 Transactions” means (1) the 2016 Liberty Acquisition, (2) a cross-border merger between Cable & Wireless Communications Limited with LG Coral Mergerco Limited and LGE Coral Mergerco B.V., subsidiaries of the Ultimate Parent and the formation of C&W Communications, a new company under the Companies (Cross-Border Mergers) Regulations 2007 (UK), in each case, in connection with the 2016 Liberty Acquisition, (3) the payment of the Special Dividend and/or the making of any intercompany loans, distributions or contributions by LGE Coral Holdco Limited (or another subsidiary of the Ultimate Parent) to C&W Communications to the fund the payment of the Special Dividend, (4) the making of any dividend, loan or other investment to a Parent in an aggregate principal amount necessary to prepay any borrowings under the interim credit agreement dated as of November 16, 2015 by and among LGE Coral Holdco Limited and the lenders party thereto (as amended from time to time), (5) any transaction required pursuant to, or in connection with, clauses (1), (2), (3) or (4) above (including, without limitation, any transaction taken pursuant to the C&W Co-operation Agreement or pursuant to any agreement with or condition set by any antitrust or regulatory authority) and (6) the payment of fees, costs, expenses in connection with the above.

“2019 Sterling Bonds” means Cable & Wireless International Finance B.V.’s 8% guaranteed bonds due 2019 issued pursuant to the 2019 Sterling Bonds Trust Deed.

“2019 Sterling Bonds Refinancing Date” means the date that the 2019 Sterling Bonds have been refinanced in full in accordance with this Agreement or otherwise redeemed and repaid in full in accordance with the 2019 Sterling Bonds Trust Deed.

“2019 Sterling Bonds Trust Deed” means the principal trust deed dated March 27, 1992, between, among others, Cable and Wireless International Finance B.V., as issuer, and the Royal Exchange Trust Company Limited, as trustee, as amended, supplemented or otherwise modified from time to time.

“Acquired Indebtedness” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets.

“Additional Intercreditor Agreement” has the meaning set forth in Section 4.23(b).

“Affiliate” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Affiliate Subsidiary*” refers to any Subsidiary of the Ultimate Parent (other than a Subsidiary of the Company or a Permitted Affiliate Parent) that provides a guarantee of the Facilities following the Amendment Effective Date.

“*Approved Jurisdiction*” means any of the following: any member state of the European Union that is a member of the European Union on the Amendment Effective Date, Barbados, Bermuda, the Cayman Islands, England and Wales, the Netherlands, the United States of America, any State of the United States of America or the District of Columbia.

“*Approved Key Jurisdiction*” means any of the following: Barbados, Belgium, Bermuda, the Cayman Islands, England and Wales, Ireland, Luxembourg, the Netherlands, the United States of America, any State of the United States of America or the District of Columbia.

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than an operating lease entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary), property or other assets (each referred to for the purposes of this definition as a “*disposition*”) by the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Company or a Permitted Affiliate Parent or by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (other than a Receivables Entity) to a Restricted Subsidiary;
- (2) the sale or disposition of cash, Cash Equivalents or Investment Grade Securities in the ordinary course of business;
- (3) a disposition of inventory, equipment, trading stock, communications capacity or other assets in the ordinary course of business;
- (4) a sale, lease, transfer or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of obsolete, surplus or worn out equipment or other equipment and assets that are no longer useful in the conduct of the business of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries
- (5) transactions permitted under Section 5.01 or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock or other securities by a Restricted Subsidiary to the Company, a Permitted Affiliate Parent or to another Restricted Subsidiary;
- (7) (a) for purposes of Section 4.10 only, the making of a Permitted Investment or a disposition subject to Section 4.07, or (b) solely for the purpose of Section 4.10(a)(3), a disposition, the proceeds of which are used to make Restricted Payments permitted to be made under Section 4.07 or Permitted Investments;
- (8) dispositions of assets of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary, or the issuance or sale of Capital Stock of any Restricted Subsidiary in a single transaction or series of related transactions with an aggregate fair market value in any calendar year of less than the greater of \$200.0 million and 3.0% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of \$200.0 million and 3.0% of Total Assets of carried over amounts for any calendar year);
- (9) dispositions in connection with Permitted Liens;

- (10) dispositions of receivables or related assets in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) the assignment, licensing or sublicensing of intellectual property or other general intangibles and assignments, licenses, sublicenses, leases or subleases of spectrum or other property;
- (12) foreclosure, condemnation or similar action with respect to any property, securities, or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of receivables arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “Qualified Receivables Transaction” to a Receivables Entity, and Investments in a Receivables Entity consisting of cash or Securitization Obligations;
- (15) a transfer of Receivables and related assets of the type specified in the definition of “Qualified Receivables Transaction” (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction;
- (16) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (17) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (18) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (19) (a) disposals of assets, rights or revenue not constituting part of the Distribution Business of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, and (b) other disposals of non-core assets acquired in connection with any acquisition permitted under this Agreement;
- (20) any disposition or expropriation of assets or Capital Stock which the Company, a Permitted Affiliate Parent or any Restricted Subsidiary is required by, or made in response to concerns raised by, a regulatory authority or court of competent jurisdiction including, for the avoidance of doubt, any such disposition or expropriation of Capital Stock or assets of Telecommunications Services of Trinidad and Tobago or TSTT HoldCo required by, or made in response to, concerns raised by any such regulatory authority in connection with the 2015 Columbus Acquisition or the 2016 Transactions;
- (21) any disposition of other interests in other entities in an amount not to exceed \$10.0 million;
- (22) any disposition of real property, *provided* that the fair market value of the real property disposed of in any calendar year does not exceed the greater of \$200.0 million and 3.0% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year, subject to a maximum of the greater of \$200.0 million and 3.0% of Total Assets of carried over amounts for any calendar year);
- (23) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary to such Person;

- (24) any disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such disposition is applied in accordance with Section 2.05(b)(i) of this Agreement;
- (25) any sale or disposition with respect to property built, repaired, improved, owned or otherwise acquired by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by this Agreement;
- (26) any disposition of Capital Stock or assets of Telecommunications Services of Trinidad and Tobago or TSTT HoldCo;
- (27) contractual arrangements under long-term contracts with customers entered into by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary in the ordinary course of business which are treated as sales for accounting purposes; *provided* that there is no transfer of title in connection with such contractual arrangement;
- (28) [Reserved];
- (29) the sale or disposition of the Towers Assets;
- (30) any dispositions constituting the surrender of tax losses by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (A) to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary; (B) to the Ultimate Parent or any of its Subsidiaries (other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary); or (C) in order to eliminate, satisfy or discharge any tax liability of any Person that was formerly a Subsidiary of the Ultimate Parent which has been disposed of pursuant to which a disposal permitted by the terms of this Agreement, to the extent that the Company, a Permitted Affiliate Parent or a Restricted Subsidiary would have a liability (in the form of an indemnification obligation or otherwise) to one or more Persons in relation to such tax liability if not so eliminated, satisfied or discharged;
- (31) any disposition reasonably required in connection with the Group Refinancing Transactions; and
- (32) any other disposition of assets comprising in aggregate percentage value of 10.0% or less of Total Assets.

In the event that a transaction (or any portion thereof) meets the criteria of a disposition permitted under clauses (1) through (32) above and would also be a Restricted Payment permitted to be made under Section 4.07 or a Permitted Investment, the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as a disposition permitted under clauses (1) through (32) above and/or one or more of the types of Restricted Payments permitted to be made under Section 4.07 or Permitted Investments.

“*Bank Products*” means (i) any facilities or services related to cash management, cash pooling, treasury, depository, overdraft, commodity trading or brokerage accounts, credit or debit card, p-cards (including purchasing cards or commercial cards), electronic funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade financial services or other cash management and cash pooling arrangements and (ii) daylight exposures of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in respect of banking and treasury arrangements entered into in the ordinary course of business.

“*beneficial owner*” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “beneficially owns” and “beneficially owned” have a corresponding meaning.

“*Board of Directors*” means, as to any Person, the board of directors of such Person or any duly authorized committee thereof; *provided*, that (i) if and for so long as the Company or a Permitted Affiliate Parent is a Subsidiary of the Ultimate Parent, any action required to be taken under this Agreement by the Board of Directors of the Company or a Permitted Affiliate Parent can, in the alternative, at the option of the Company or such Permitted Affiliate Parent, be taken by the Board of Directors of the Ultimate Parent and (ii) following consummation of a Spin-Off, any action required to be taken under this Agreement by the Board of Directors of the Company or a Permitted Affiliate Parent can, in the alternative, at the option of the Company or such Permitted Affiliate Parent, be taken by the Board of Directors of the Spin Parent.

“*Business Division Transaction*” means any creation or participation in any joint venture with respect to any assets, undertakings and/or businesses of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries which comprise all or part of the Company’s or any Permitted Affiliate Parent’s business solutions division (or its predecessor or successors), to or with any other entity or person whether or not the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries, excluding the contribution to (but not the use by) any joint venture of the backbone assets utilized by the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries and excluding any Subsidiary included in or owned by the Company’s or a Permitted Affiliate Parent’s business solutions division but not engaged in the business of that division.

“*C&W Communications*” means Cable & Wireless Communications Limited (successor by merger to Cable & Wireless Communications plc) and any and all successors thereto.

“*C&W Co-operation Agreement*” means the cooperation agreement dated November 16, 2015 between Liberty Global and C&W Communications.

“*C&W Parent*” means C&W Communications; *provided, however*, that (1) upon consummation of the Group Refinancing Transactions, “C&W Parent” will mean Cable & Wireless Limited, (2) following the Permitted Affiliate Group Designation Date, “C&W Parent” will mean the Common Holding Company and its successors, (3) upon consummation of the Post-Closing Reorganization, “C&W Parent” will mean New Holdco and its successors, and (4) upon consummation of a Spin-Off, “C&W Parent” will mean the Spin Parent and its successors.

“*Cable & Wireless Supplemental Pension Scheme*” means the scheme established under and in accordance with the trust deed and rules dated June 8, 2001 to which Cable & Wireless Limited and the Law Debenture Trust Corporation PLC were parties, as amended, amended and restated, modified or replaced from time to time, including, for the avoidance of doubt, by way of a side letter.

“*Capital Stock*” of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“*Capitalized Lease Obligation*” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“*Cash Equivalents*” means:

- (1) securities or obligations issued, insured or unconditionally guaranteed by the United States government, the government of the United Kingdom, the relevant member state of the European Union as of January 1, 2004 (each, a “*Qualified Country*”) or any agency or instrumentality thereof, in each case having maturities of not more than 24 months from the date of acquisition thereof;
- (2) securities or obligations issued by any Qualified Country, or any political subdivision of any such Qualified Country, 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 in any Qualified Country);

- (3) commercial paper issued by any lender party to a Credit Facility or any bank holding company owning any lender party to a Credit Facility;
- (4) commercial paper maturing no more than 12 months after the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 or P-2 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 in any Qualified Country);
- (5) time deposits, eurodollar time deposits, bank deposits, certificates of deposit or bankers' acceptances maturing no more than two years after the date of acquisition thereof issued by any lender party to a Credit Facility or any other bank or trust company (x) having combined capital and surplus of not less than \$250.0 million in the case of U.S. banks and \$100.0 million (or the U.S. Dollar equivalent thereof) in the case of non-U.S. banks or (y) the long-term debt of which is rated at the time of acquisition thereof at least "A-" or the equivalent thereof by Standard & Poor's Ratings Services, or "A-" or the equivalent thereof by Moody's Investors Service, Inc. (or if at the time neither is issuing comparable ratings, then a comparable rating of another nationally recognized rating agency in any Qualified Country);
- (6) auction rate securities rated at least Aa3 by Moody's and AA- by S&P (or, if at any time either S&P or Moody's shall not be rating such obligations, an equivalent rating from another nationally recognized rating service);
- (7) repurchase agreements or obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1), (2) and (5) above entered into with any bank meeting the qualifications specified in clause (5) above or securities dealers of recognized national standing;
- (8) marketable short-term money market and similar funds (x) either having assets in excess of \$250.0 million (or U.S. Dollar equivalent thereof) or (y) having a rating of at least A-2 or P-2 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 in any Qualified Country);
- (9) interests in investment companies or money market funds, 95% the investments of which are one or more of the types of assets or instruments described in clauses (1) through (8) above;
- (10) any other investments used by the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries as temporary investments permitted by the Administrative Agent in writing in its sole discretion; and
- (11) in the case of investments by the Company, any Permitted Affiliate Parent or any Restricted Subsidiary organized or located in a jurisdiction other than the United States or a member state of the European Union (or any political subdivision or territory thereof), or in the case of investments made in a country outside the United States, other customarily utilized high-quality investments in the country where such Restricted Subsidiary is organized or located or in which such Investment is made, all as conclusively determined in good faith by the Company or a Permitted Affiliate Parent;

provided that bank deposits and short term investments in local currency of any Restricted Subsidiary shall qualify as Cash Equivalents as long as the aggregate amount thereof does not exceed the amount reasonably estimated by such Restricted Subsidiary as being necessary to finance the operations, including capital expenditures, of such Restricted Subsidiary for the succeeding 90 days.

"CFA" means the Contingent Funding Agreement dated February 3, 2010 among the Company, the Original Borrower and Cable & Wireless Pension Trustee Limited, as amended, amended and restated, modified or replaced from time to time, including, for the avoidance of doubt, by way of a side letter.

“Change of Control” means:

- (1) C&W Parent (a) ceases to be the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent and (b) ceases, by virtue of any powers conferred by the articles of association or other documents regulating the Company, or after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent to, directly or indirectly, direct or cause the direction of management and policies of the Company or, after a Permitted Affiliate Group Designation Date, a Permitted Affiliate Parent, as applicable; or
- (2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of the Company, any Permitted Affiliate Parent (after a Permitted Affiliate Group Designation Date) and the Restricted Subsidiaries taken as a whole to any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than a Permitted Holder; or
- (3) any Borrower ceases to be a Wholly-Owned Subsidiary of the Company; or
- (4) prior the Group Refinancing Effective Date, Sable Holding ceases to be a Wholly-Owned Subsidiary of the Company; or
- (5) following the Group Refinancing Effective Date, the New Intermediate Holdco ceases to be a Wholly-Owned Subsidiary of the direct Holding Company of the New Intermediate Holdco; or
- (6) the adoption by the stockholders of the Company or a Permitted Affiliate Parent of a plan or proposal for the liquidation or dissolution of the Company or a Permitted Affiliate Parent, other than a transaction complying with Section 5.01;

provided, however, that a Change of Control shall not be deemed to have occurred pursuant to clause (1) of this definition upon the consummation of the Post-Closing Reorganization, a Spin-Off, or the Group Refinancing Transactions.

“Columbus Carve-Out Entities” refers, collectively, to ARCOS-1 USA, Inc., Columbus Networks Puerto Rico, Inc., Columbus Networks USA, Inc., A. SUR Net, Inc., and Columbus Networks Telecommunications Services USA, Inc.

“Columbus Carve-Out Receivable” means the intra-group debt owned by ARCOS-1 USA, Inc. to Columbus Networks Limited.

“Columbus Group” means Columbus International and all of its Subsidiaries.

“Columbus Principal Vendors” refers collectively to CVBI Holdings (Barbados) Inc., Clearwater Holdings (Barbados) Limited, Brendan Paddick, and Columbus Holdings LLC.

“Columbus Senior Notes” means Columbus International’s 7.375% Senior Notes due 2021 issued pursuant to the Columbus Senior Notes Indenture.

“Columbus Senior Notes Indenture” means the indenture dated as of March 31, 2014, between, among others, Columbus International, as issuer, and The Bank of New York Mellon (Luxembourg) S.A. as trustee, as amended, supplemented or otherwise modified from time to time.

“Columbus SPV Transferee” means the special purpose vehicle indirectly wholly owned by certain of the Columbus Principal Vendors.

“Commodity Agreements” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

“*Common Holding Company*” has the meaning given to such term in Section 10.21(a)(iii) of this Agreement.

“*Common Stock*” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person’s common stock whether or not outstanding on the Amendment Effective Date, and includes, without limitation, all series and classes of such common stock.

“*Consolidated EBITDA*” means, for any period, operating income (loss) determined on the basis of IFRS of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis, plus, at the option of the Company or a Permitted Affiliate Parent (except with respect to clauses (1) and (2) below), the following (to the extent deducted or taken into account, as the case may be, for the purposes of determining operating income (loss)):

- (1) Consolidated depreciation expense;
- (2) Consolidated amortization expense;
- (3) stock based compensation expense;
- (4) other non-cash charges reducing operating income (*provided that* if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating income to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period) less other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (i) a receipt of cash payments in any future period, (ii) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (iii) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);
- (5) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood, hurricane and storm and related events);
- (6) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person’s Consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;
- (7) any net gain (or loss) realized upon the sale, held for sale or other disposition of any asset or disposed operations of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary which is not sold or otherwise disposed of in the ordinary course of business (as determined conclusively in good faith by the Board of Directors, senior management or an Officer of the Company or a Permitted Affiliate Parent);
- (8) the amount of Management Fees and other fees and related expenses (including Intra-Group Services) paid in such period to the Permitted Holders to the extent permitted by Section 4.11;
- (9) any reasonable expenses, charges or other costs to effect or consummate the 2016 Transactions, the Group Refinancing Transactions, the Post-Closing Reorganization, a Spin-Off, a Permitted

Joint Venture, any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of any Indebtedness permitted by this Agreement, in each case, as determined conclusively in good faith by the Board of Directors, senior management or an Officer of the Company or a Permitted Affiliate Parent;

- (10) any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (11) (i) the amount of loss on the sale or transfer of any assets in connection with an asset securitization programme, receivables factoring transaction or other receivables transaction (including, without limitation, a Qualified Receivables Transaction) and/or (ii) any gross margin (revenue minus cost of goods sold) recognized by any Affiliate of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary in relation to the sale of goods and services relating to the business of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary;
- (12) Specified Legal Expenses;
- (13) an amount equal to 100% of the up-front installation fees associated with commercial contract installations completed during the applicable reporting period, less any portion of such fees included in operating income for such period, *provided that* the amount of such fees, to the extent amortized over the life of the underlying service contract, shall not be included in operating income in any future period;
- (14) any fees or other amounts charged or credited to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary related to Intra-Group Services may be excluded from the calculation of Consolidated EBITDA;
- (15) any charges or costs in relation to any long-term incentive plan and any interest component of pension or postretirement benefits schemes;
- (16) after reversing net other operating income or expense;
- (17) Receivables Fees;
- (18) any costs, charges, fees and related expenses in connection with programming rights that would be accounted for as intangible assets under IFRS; and
- (19) any taxes, assessments, levies or other governmental charges that are based, in whole or in part, on income measures.

For the purposes of determining the amount of Consolidated EBITDA of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries under this definition which is denominated in a foreign currency, the Company or a Permitted Affiliate Parent may, at its option, calculate the U.S. Dollar equivalent amount of such Consolidated EBITDA based on either (i) the weighted average exchange rates for the relevant period used in the Consolidated financial statements of the Reporting Entity for such relevant period or (ii) the relevant currency exchange rate in effect on November 16, 2015.

“*Consolidated Interest Expense*” means, for any period, the net interest income/expense of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis (in each case, determined on the basis of IFRS), whether paid or accrued, including any such interest and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) non-cash interest expense;
- (3) dividends or other distributions in respect of all Disqualified Stock of the Company or a Permitted Affiliate Parent and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons

other than the Company, a Permitted Affiliate Parent or a Subsidiary of the Company or a Permitted Affiliate Parent;

(4) the Consolidated interest expense that was capitalized during such period; and

(5) interest actually paid by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, under any guarantee of Indebtedness or other obligation of any other Person.

Notwithstanding the foregoing, Consolidated Interest Expense shall not include (a) any interest accrued, capitalized or paid in respect of Subordinated Shareholder Loans, (b) any commissions, discounts, yield and other fees and charges related to Qualified Receivables Transactions, (c) any payments on any operating leases, including without limitation any payments on any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under IFRS, (d) any foreign currency gains or losses, (e) any pension liability cost, (f) any amortization of debt discount, debt issuance cost, charges and premium, (g) costs and charges associated with Hedging Obligations, and (h) any interest, costs and charges contained in clause (3) of this definition.

“*Consolidated Net Leverage Ratio*,” as of any date of determination, means the ratio of:

(1) (a) the outstanding Indebtedness of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis, other than:

- (i) Indebtedness up to a maximum amount equal to the Credit Facility Excluded Amount (or its equivalent in other currencies) at the date of determination Incurred under any Permitted Credit Facility;
- (ii) any Subordinated Shareholder Loans;
- (iii) any Indebtedness Incurred pursuant to Section 4.09(b)(25);
- (iv) any Indebtedness arising under the Production Facilities to the extent that it is limited recourse to the assets funded by such Production Facilities;
- (v) any Indebtedness which is a contingent obligation of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary; *provided* that, any guarantee by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary of Indebtedness of any Parent shall be included for the purposes of calculating the Consolidated Net Leverage Ratio under Section 4.09(a)(1) and Section 4.09(6)(A) and (B); and
- (vi) prior to the 2019 Sterling Bonds Refinancing Date, the 2019 Sterling Bonds;

less

(b) the aggregate amount of cash and Cash Equivalents of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis, to

(2) the Pro forma EBITDA for the Test Period,

provided, however, that the pro forma calculation of the Consolidated Net Leverage Ratio shall not give effect to (a) any Indebtedness Incurred on the date of determination pursuant to Section 4.09(b) or (b) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to Section 4.09(b).

For the avoidance of doubt, in determining the Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Indebtedness in respect of which the calculation of the Consolidated Net Leverage Ratio is to be made.

“*Consolidated Senior Secured Net Leverage Ratio*,” as of any date of determination, means the ratio of:

(1)(a) the outstanding Senior Secured Indebtedness of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis, other than:

- (i) Senior Secured Indebtedness up to a maximum amount equal to the Credit Facility Excluded Amount (or its equivalent in other currencies) at the date of determination Incurred under any Permitted Credit Facility;
- (ii) Senior Secured Indebtedness Incurred pursuant to Section 4.09(b)(25); and
- (iii) any Senior Secured Indebtedness which is a contingent obligation of the Company, any Permitted Affiliate Parent or a Restricted Subsidiary;

less

(b) the aggregate amount of cash and Cash Equivalents of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis, to

(2) the Pro forma EBITDA for the Test Period,

provided, however, that the pro forma calculation of the Consolidated Senior Secured Net Leverage Ratio shall not give effect to (a) any Indebtedness Incurred on the date of determination pursuant to Section 4.09(b) or (b) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to Section 4.09(b).

For the avoidance of doubt, in determining Consolidated Senior Secured Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Indebtedness in respect of which the calculation of the Consolidated Senior Secured Net Leverage Ratio is to be made.

“*Consolidation*” means the consolidation or combination of the accounts of each of the Company’s Restricted Subsidiaries (excluding the Affiliate Subsidiaries) with those of the Company and each of a Permitted Affiliate Parent’s Restricted Subsidiaries (excluding the Affiliate Subsidiaries) with those of such Permitted Affiliate Parent, in each case, in accordance with IFRS consistently applied and together with the accounts of the Affiliate Subsidiaries on a combined basis (including eliminations of intercompany transactions and balances, as appropriate); *provided that*, for the purposes of making any determination or calculation under this Agreement (other than with respect to any determination or calculation of Total Assets) that refers to “Consolidated” or “Consolidation”, the relevant measures being consolidated or combined shall (without duplication) (a) be reduced proportionately to reflect any Non-Controlling Interests, and to the extent that, since the beginning of the relevant period, the Company’s or a Permitted Affiliate Parent’s proportionate interest in any direct or indirect Restricted Subsidiary has decreased as at the date of determination or calculation, such measures shall be reduced by an amount proportionate to such reduction as if such reduction occurred on the first day of such period (and in the event of an increase, shall be increased by an amount proportionate to such increase) and (b) be deemed to include the relevant measures of any Minority Investments to the extent of the Company’s or Permitted Affiliate Parent’s proportionate interest in such Person, and to the extent that, since the beginning of the relevant period, the Company’s or a Permitted Affiliate Parent’s proportionate interest in any such Person has decreased as at the date of determination or calculation, such measures shall be reduced by an amount proportionate to such reduction as if such reduction occurred on the first day of such period (and in the event of an increase, shall be increased by an amount proportionate to such increase); *provided, further, that* “Consolidation” will not include (i) consolidation or combination of the accounts of any Unrestricted Subsidiary, but the interest of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment, (ii) at the Company’s or a Permitted Affiliate Parent’s election, any Receivables Entities, and (iii) at the Company’s or a Permitted Affiliate Parent’s election, any Minority Investment, any Restricted Subsidiary or other assets in any Person held for sale in accordance with IFRS. The term “Consolidated” has a correlative meaning.

“*Content*” means any rights to broadcast, transmit, distribute or otherwise make available for viewing, exhibition or reception (whether in analogue or digital format and whether as a channel or an internet service, a teletext-type service, an interactive service, or an enhanced television service or any part of any of the foregoing, or on a pay-per-view basis, or near video-on-demand, or video-on-demand basis or otherwise) any one or more of audio and/or visual images, audio content, or interactive content (including hyperlinks, re-purposed web-site

content, database content plus associated templates, formatting information and other data including any interactive applications or functionality), text, data, graphics, or other content, by means of any means of distribution, transmission or delivery system or technology (whether now known or herein after invented).

“*Credit Facility*” means, one or more debt facilities, arrangements, instruments, trust deeds, note purchase agreements, indentures, commercial paper facilities or overdraft facilities (including, without limitation, the Facilities, any Permitted Credit Facility or any Production Facility) with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, notes, bonds, debentures or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions or investors and whether provided under this Agreement, a Permitted Credit Facility, a Production Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“*Credit Facility Excluded Amount*” means the greater of (1) \$175 million (or its equivalent in other currencies) and (2) 0.25 multiplied by the Pro forma EBITDA of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis for the Test Period.

“*Currency Agreement*” means, in respect of a Person, any foreign exchange contract, currency swap agreement, futures contract, option contract, derivative or other similar agreement as to which such Person is a party or a beneficiary.

“*CWC Group*” means C&W Communications and its Subsidiaries.

“*Designated Non-Cash Consideration*” means the fair market value (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent) of non-cash consideration received by the Company, any Permitted Affiliate Parent or one of the Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 4.10.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of the date (a) of the Latest Maturity Date of the Facilities or (b) on which there are no Loans outstanding, *provided* that only the portion of Capital Stock which so matures or is

mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further* that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company or a Permitted Affiliate Parent to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in this Agreement) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Company or such Permitted Affiliate Parent may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Company or such Permitted Affiliate Parent with Section 4.10, and such repurchase or redemption complies with Section 4.07.

“Distribution Business” means:

(1) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephone and internet and/or data services to the residential markets; or

(2) any business which is incidental to or related to such business.

“Dollar Equivalent” means, (1) with respect to any monetary amount in U.S. dollars, such amount and (2) with respect to any monetary amount in a currency other than U.S. dollars, at any time of determination thereof by the Company, a Permitted Affiliate Parent or the Administrative Agent, as the case may be, the amount of U.S. dollars obtained by converting such currency other than U.S. dollars involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable currency other than U.S. dollars as published in The Financial Times in the “Currencies” section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent) on the date of such determination.

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Parent in connection with any Spin-Off, or (2) a sale of (a) Capital Stock of the Company or a Permitted Affiliate Parent (other than Disqualified Stock), (b) Capital Stock the proceeds of which are contributed as equity share capital to the Company or a Permitted Affiliate Parent or as Subordinated Shareholder Loans or (c) Subordinated Shareholder Loans.

“Escrowed Proceeds” means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“European Union” means the European Union, including member states as of May 1, 2004 but excluding any country which became or becomes a member of the European Union after May 1, 2004.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Company or a Permitted Affiliate Parent as capital contributions or Subordinated Shareholder Loans to the Company or a Permitted Affiliate Parent after April 1, 2015 or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Company or a Permitted Affiliate Parent (other than Net Cash Proceeds, or other property or assets, if any, received by the Company as capital contributions or Subordinated Shareholder Loans that were subsequently used to fund the Special Dividend), in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Company or a Permitted Affiliate Parent.

“Existing Senior Notes” means the Original Borrower’s 6.875% senior notes due 2022 issued pursuant to the Existing Senior Notes Indenture.

“*Existing Senior Notes Indenture*” means the indenture dated as of August 5, 2015, between, among others, the Original Borrower, as issuer, and Deutsche Bank Trust Company Americas, as trustee, as amended, supplemented or otherwise modified from time to time.

“*fair market value*” unless otherwise specified, wherever such term is used in this Agreement (except as otherwise specifically provided for in this Agreement), may be conclusively by such Officer or such Board of Directors in good faith.

“*FCC*” refers to the U.S. Federal Communications Commission.

“*First-Priority Lien*” means any Lien on some or all of the Collateral that ranks or is intended to rank pari passu with the Liens on the Obligations, including any Lien that ranks pari passu by virtue of the Existing Intercreditor Agreement, the New Intercreditor Agreement, any Additional Intercreditor Agreement or any other agreement or instrument; *provided further* that Liens that rank pari passu with the Liens on the Collateral securing the Obligations but secure Indebtedness that is junior to the Obligations with respect to the distributions of proceeds of enforcement of Collateral shall not be First-Priority Liens.

“*Grantor*” means any Loan Party and any other person that has pledged Collateral to secure the Obligations and the Guaranty.

“*Group Refinancing Effective Date*” means the date as notified in writing by the Company or a Permitted Affiliate Parent to the Administrative Agent that the all actions implementing the Group Refinancing Transactions have been or are to be consummated.

“*Group Refinancing Transactions*” means a series of transactions that may, in the sole discretion of the Company, be undertaken in respect of the Restricted Group consisting of: (1) the formation of a wholly owned direct or indirect subsidiary of Cable & Wireless Limited organized under the laws of an Approved Jurisdiction (the “*New Senior Notes Issuer*”); (2) the formation of a wholly owned subsidiary of the New Senior Notes Issuer organized under the laws of an Approved Key Jurisdiction (the “*New Intermediate Holdco*”); (3) the contribution (or other transfer) by Cable & Wireless Limited of Sable Holding Limited and, at the Company’s sole discretion, certain other Subsidiaries of Cable & Wireless Limited (collectively, the “*Transferred Entities*”) to either, at the Company’s sole discretion (a) the New Senior Notes Issuer, and the further contribution (or other transfer) by the New Senior Notes Issuer of the Transferred Entities to the New Intermediate Holdco or (b) the New Intermediate Holdco; (4) the issuance of the New Senior Notes by either, at the Company’s sole discretion (a) the Original Borrower (the proceeds of which may be used to refinance the Columbus Senior Notes and/or the Existing Senior Notes), and the subsequent assumption, assignment or other transfer of the obligations of the Original Borrower under the New Senior Notes from the Original Borrower to the New Senior Notes Issuer or (b) the New Senior Notes Issuer; and (5) any transactions (including, but not limited to, related Restricted Payments and Indebtedness with the New Senior Notes Issuer and its Subsidiaries or any of their respective Affiliates arising from the transactions contemplated hereunder) entered into in order to effect, or otherwise reasonably related to, the transactions contemplated hereunder. At the Company’s sole discretion, in addition to the transactions contemplated by clauses (1), (2), (3) and (4) above, the Company may elect to incorporate or otherwise establish one or more wholly owned Subsidiaries of the New Senior Notes Issuer organized under the laws of an Approved Jurisdiction (each, a “*New Intermediate Parent Holdco*”) and contribute (or otherwise transfer) the New Intermediate Holdco (together with the Transferred Entities) to such New Intermediate Parent Holdco, so that such New Intermediate Parent Holdco becomes the direct or indirect Holding Company of the New Intermediate Holdco.

“*guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning. The term “guarantor” means the obligor under a guarantee.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodity Agreement or Currency Agreement.

“*Holding Company*” means, in relation to a Person, an entity of which that Person is a Subsidiary.

“*Incur*” means issue, create, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing.

“*Indebtedness*” means, with respect to any Person (and with respect to the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, on a Consolidated basis) on any date of determination (without duplication):

- (1) money borrowed or raised and debit balances at banks;
- (2) any bond, note, loan stock, debenture or similar debt instrument;
- (3) acceptance or documentary credit facilities; and
- (4) the principal component of Indebtedness of other Persons to the extent guaranteed by such Person to the extent not otherwise included in the Indebtedness of such Person,

provided that Indebtedness which has been cash-collateralized shall not be included in any calculation of Indebtedness to the extent so cash-collateralized.

Notwithstanding the foregoing, “Indebtedness” shall not include (a) any deposits or prepayments received by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary from a customer or subscriber for its service and any other deferred or prepaid revenue, (b) any obligations to make payments in relation to earn outs, (c) Indebtedness which is in the nature of equity (other than redeemable shares) or equity derivatives; (d) Capitalized Lease Obligations, (e) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt, any indebtedness in respect of Qualified Receivables Transactions, including, without limitation, guarantees by a Receivables Entity of the obligations of another Receivables Entity and any indebtedness in respect of Limited Recourse, (f) pension obligations or any obligation under employee plans or employment agreements, (g) any “parallel debt” obligations to the extent that such obligations mirror other Indebtedness, (h) any payments or liability for assets acquired or services supplied deferred (including Trade Payables) in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied (including, without limitation, any liability under an IRU Contract), (i) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, and Preferred Stock (including, in each case, any accrued dividends), (j) any Hedging Obligations, and (k) any Non-Recourse Indebtedness. The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

“*Independent Financial Advisor*” means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the good faith judgment of the Board of Directors or senior management of the Company or a Permitted Affiliate Parent, qualified to perform the task for which it has been engaged.

“*Interest Rate Agreement*” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

“*Initial Public Offering*” means an Equity Offering of common stock or other common equity interests of the Company, a Permitted Affiliate Parent, the Spin Parent or any direct or indirect parent company of the Company or a Permitted Affiliate Parent (the “*IPO Entity*”) following which there is a Public Market and, as a result of which, the shares of the common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market (including, for the avoidance of doubt, any such Equity Offering of common stock or other common equity interest of the Spin Parent in connection with any Spin-Off).

“*Intra-Group Services*” means any of the following (*provided* that the terms of each such transaction are not materially less favorable, taken as a whole, to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction in arm’s length dealings with a Person that is not an Affiliate) or, in the event that there are no comparable transactions to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Company or a Permitted Affiliate Parent has conclusively determined in good faith to be fair to the Company or a Permitted Affiliate Parent or such Restricted Subsidiary:

- (1) the sale of programming or other content by the Ultimate Parent, Liberty Global plc, the Spin Parent or any of their respective Subsidiaries to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;
- (2) the lease or sublease of office space, other premises or equipment by the Company, a Permitted Affiliate Parent or the Restricted Subsidiaries to the Ultimate Parent, Liberty Global plc, the Spin Parent or any of their respective Subsidiaries or by the Ultimate Parent, the Spin Parent or any of their respective Subsidiaries to the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries;
- (3) the provision or receipt of other goods, services, facilities or other arrangements (in each case not constituting Indebtedness) in the ordinary course of business, by the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries to or from the Ultimate Parent, Liberty Global plc, the Spin Parent or any of their respective Subsidiaries, including, without limitation, (a) the employment of personnel, (b) provision of employee healthcare or other benefits, including stock and other incentive plans, (c) acting as agent to buy or develop equipment, other assets or services or to trade with residential or business customers, and (d) the provision of treasury, audit, accounting, banking, strategy, IT, branding, marketing, network, technology, research and development, telephony, office, administrative, compliance, payroll or other similar services; and
- (4) the extension by or to the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries to or by the Ultimate Parent, Liberty Global plc, the Spin Parent or any of their respective Subsidiaries of trade credit not constituting Indebtedness in relation to the provision or receipt of Intra-Group Services referred to in paragraphs (1), (2) or (3) of this definition of Intra-Group Services.

“*Investment*” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan (other than advances or extensions of credit to customers in the ordinary course of business) or other extensions of credit (including by way of guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS; *provided* that none of the following will be deemed to be an Investment:

- (1) Hedging Obligations entered into in the ordinary course of business;
- (2) endorsements of negotiable instruments and documents in the ordinary course of business; and

- (3)an acquisition of assets, Capital Stock or other securities by the Company, a Permitted Affiliate Parent or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Company, a Permitted Affiliate Parent or a Parent.

For purposes of the definition of “Unrestricted Subsidiary” and Section 4.07:

- (1)“Investment” will include the portion (proportionate to the Company’s or a Permitted Affiliate Parent’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company or such Permitted Affiliate Parent will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s or such Permitted Affiliate Parent’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s or such Permitted Affiliate Parent’s equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors or senior management of the Company or such Permitted Affiliate Parent in good faith) of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary; and
- (2)any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer,

in each case, as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent.

If the Company, a Permitted Affiliate Parent or a Restricted Subsidiary transfers, conveys, sells, leases or otherwise disposes of Voting Stock of a Restricted Subsidiary such that such Subsidiary is no longer a Restricted Subsidiary, then the Investment of the Company or a Permitted Affiliate Parent in such Person shall be deemed to have been made as of the date of such transfer or other disposition in an amount equal to the fair market value (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent).

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company or a Permitted Affiliate Parent’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

“*Investment Grade Securities*” means:

- (1)securities issued by the U.S. government or by any agency or instrumentality thereof (other than Cash Equivalents) or directly and fully guaranteed or insured by the U.S. government and in each case with maturities not exceeding two years from the date of the acquisition;
- (2)securities issued by or a member of the European Union as of January 1, 2004, or any agency or instrumentality thereof (other than Cash Equivalents) or directly and fully guaranteed or insured by a member of the European Union as of January 1, 2004, and in each case with maturities not exceeding two years from the date of the acquisition;
- (3)debt securities or debt instruments with a rating of A or higher by Standard & Poor’s Ratings Services or A-2 or higher by Moody’s Investors Service, Inc. or the equivalent of such rating by such rating organization, or if no rating of Standard & Poor’s Ratings Services or Moody’s Investors Service, Inc. then exists, the equivalent of such rating by any other nationally recognized securities ratings agency, by excluding any debt securities or instruments constituting loans or advances among the Company, a Permitted Affiliate Parent and their Subsidiaries;
- (4)investments in any fund that invests exclusively in investments of the type described in clauses (1) through (3) which fund may also hold immaterial amounts of cash and Cash Equivalents pending investment and/or distribution; and

(5)corresponding instruments in countries other than those identified in clauses (1) and (2) above customarily utilized for high quality investments and, in each case, with maturities not exceeding two years from the date of the acquisition.

“Investment Grade Status” shall occur when the Facilities receive any two of the following:

- (1) a rating of “Baa3” (or the equivalent) or higher from Moody’s Investors Service, Inc. or any of its successors or assigns;
- (2) a rating of “BBB-” (or the equivalent) or higher from Standard & Poor’s Ratings Services, or any of its successors or assigns; and
- (3) a rating of “BBB-“ (or the equivalent) or higher from Fitch Ratings Inc. or any of its successors or assigns,

in each case, with a “stable outlook” from such rating agency.

“IPO Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold or distributed in such Initial Public Offering.

“IRU Contract” means a contract entered into by C&W Communications, the Company, a Permitted Affiliate Parent or a Restricted Subsidiary in the ordinary course of business in relation to the right to use capacity on a telecommunications cable system (including the right to lease such capacity to another person).

“Joint Venture Parent” means the joint venture entity formed in a Parent Joint Venture Transaction.

“Lien” means any assignment, mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“Limited Condition Transaction” means (i) any Investment or acquisition, in each case, by one or more of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries of any assets, business or Person, the consummation of which 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.

“Limited Recourse” means a letter of credit, revolving loan commitment, cash collateral account, guarantee or other credit enhancement issued by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (other than a Receivables Entity) in connection with the incurrence of Indebtedness by a Receivables Entity under a Qualified Receivables Transaction; *provided* that, the aggregate amount of such letter of credit reimbursement obligations and the aggregate available amount of such revolving loan commitments, cash collateral accounts, guarantees or other such credit enhancements of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries (other than a Receivables Entity) shall not exceed 25% of the principal amount of such Indebtedness at any time.

“Management Fees” means any management, consultancy, stewardship or other similar fees payable by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, including any fees, charges and related expenses incurred by any Parent on behalf of and/or charged to the Company, any Permitted Affiliate Parent or any Restricted Subsidiary.

“Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity on the date of the declaration of the relevant dividend, multiplied by (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

“Minority Investment” means any Person in which the Company or a Permitted Affiliate Parent owns a minority interest that is not a Subsidiary of the Company or a Permitted Affiliate Parent that has been designated

as a “Minority Investment” by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent. The Board of Directors or senior management of the Company or a Permitted Affiliate Parent may subsequently elect to remove any such designation. Any such designation or election shall be evidenced to the Administrative Agent by promptly filing with the Administrative Agent an Officer’s Certificate certifying such designation or election by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary after such Asset Disposition.

“*Net Cash Proceeds*” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans or other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“*New Holdco*” means the direct or indirect Subsidiary of the Ultimate Parent following the Post-Closing Reorganizations.

“*New Senior Notes*” means any senior notes issued by, at the Company’s sole discretion, the Original Borrower (and subsequently assumed or otherwise acquired by the New Senior Notes Issuer) or the New Senior Notes Issuer, in connection with the Group Refinancing Transactions.

“*Non-Controlling Interest*” means any minority interest in a Restricted Subsidiary held by a Person other than the Company, a Permitted Affiliate Parent or any Restricted Subsidiary.

“*Non-Recourse Indebtedness*” means any indebtedness of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (and not of any other Person), in respect of which the Person or Persons to whom such indebtedness is or may be owed has or have no recourse whatsoever to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary for any payment or repayment in respect thereof:

- (1) other than recourse to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary which is limited solely to the amount of any recoveries made on the enforcement of any collateral securing such indebtedness or in respect of any other disposition or realization of the assets underlying such indebtedness;

(2) *provided that* such Person or Persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up, dissolution or administration of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (or proceedings having an equivalent effect) or to appoint or cause the appointment of any receiver, trustee or similar person or officer in respect of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or any of its assets until after the Facilities have been repaid in full; and

(3) *provided further that* the principal amount of all indebtedness Incurred and outstanding pursuant to this definition does not exceed the greater of (i) \$250.0 million and (ii) 5.0% of Total Assets.

“*Officer*” of any Person means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, Deputy Chief Financial Officer, the President, any Vice President, any Managing Director, any Director, any Board Member, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary, or any authorized signatory of such Person.

“*Officer’s Certificate*” means a certificate signed by an Officer.

“*Opinion of Counsel*” means a written opinion from legal counsel who is reasonably acceptable to the Administrative Agent. The counsel may be an employee of or counsel to the Company, a Permitted Affiliate Parent or the Administrative Agent.

“*ordinary course of business*” means the ordinary course of business of C&W Communications and its Subsidiaries and/or the Ultimate Parent and its Subsidiaries.

“*Parent*” means (i) the Ultimate Parent, (ii) any Subsidiary of the Ultimate Parent of which the Company or a Permitted Affiliate Parent is a Subsidiary on the Amendment Effective Date, (iii) any other Person of which the Company or a Permitted Affiliate Parent at any time is or becomes a Subsidiary after the Amendment Effective Date (including, for the avoidance of doubt, the Spin Parent and any Subsidiary of the Spin Parent following any Spin-Off), and (iv) any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders following any Parent Joint Venture Transaction.

“*Parent Expenses*” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent or any Subsidiary of a Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, applicable rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Loan Documents or any other agreement or instrument relating to Indebtedness of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;
- (2) indemnification obligations of any Parent or any Subsidiary of a Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person with respect to its ownership of the Company or a Permitted Affiliate Parent or the conduct of the business of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries;
- (3) obligations of any Parent or any Subsidiary of a Parent in respect of director and officer insurance (including premiums therefor) with respect to its ownership of the Company or a Permitted Affiliate Parent or the conduct of the business of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries;
- (4) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent or Subsidiary of a Parent related to the ownership, stewardship or operation of the business (including, but not limited to, Intra-Group Services) of the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries, including acquisitions or dispositions or treasury transactions by the Company, a Permitted Affiliate Parent or the Subsidiaries permitted hereunder (whether or not successful), in each case, to the extent such costs, obligations and/or expenses are not paid by another Subsidiary of such Parent; and

(5) fees and expenses payable by any Parent in connection with any 2016 Transaction, Group Refinancing Transaction, or a Post-Closing Reorganization.

“Parent Joint Venture Holders” means the holders of the share capital of the Joint Venture Parent.

“Parent Joint Venture Transaction” means a transaction pursuant to which a joint venture is formed by the contribution of some or all of the assets of a Parent or issuance or sale of shares of a Parent to one or more entities which are not Affiliates of the Ultimate Parent.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of related business assets (including, without limitation, securities of a Related Business) or a combination of such assets, cash and Cash Equivalents between the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries and another Person.

“Permitted Business” means any business:

- (1) engaged in by any Parent, any Subsidiary of any Parent, the Company, a Permitted Affiliate Parent or any Restricted Subsidiary on the Amendment Effective Date;
- (2) that consists of the upgrade, construction, creation, development, marketing, acquisition (to the extent permitted under this Agreement), operation, utilization and maintenance of networks that use existing or future technology for the transmission, reception and delivery of voice, video and/or other data (including networks that transmit, receive and/or deliver services such as multi-channel television and radio, programming, telephony (including for the avoidance of doubt, mobile telephony), Internet services and content, high speed data transmission, video, multi-media and related activities);
- (3) or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which any Parent, any Subsidiary of any Parent, the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries are engaged on the Amendment Effective Date, including, without limitation, all forms of television, telephony (including, for the avoidance of doubt, mobile telephony) and internet services and any services relating to carriers, networks, broadcast or communications services, or Content; or
- (4) that comprises being a Holding Company of one or more Persons engaged in any such business.

“Permitted Collateral Liens” means:

(1) Liens on the Collateral that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11) and (12) of the definition of “Permitted Liens” and that, in each case, would not materially interfere with the ability of the Security Trustee to enforce the Lien in the Collateral granted under the Collateral Documents; and

(2) Liens on the Collateral to secure:

(a) the Obligations (other than in respect of any Additional Facility that is unsecured);

(b) Indebtedness of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries and, in the case of Section 4.09(b)(7), the Company, any Permitted Affiliate Parent, the Restricted Subsidiaries, C&W Communications and its Subsidiaries and, following a Permitted Affiliate Group Designation Date, the Common Holding Company and its Subsidiaries, that is permitted to be Incurred under Section 4.09(a)(2), Section 4.09(b)(1), Section 4.09(b)(3)(A), Section 4.09(b)(4) (in the case of Section 4.09(b)(4), to the extent such Indebtedness is secured by a Lien on the Collateral that is existing on, or provided for, under written arrangements existing on the Amendment Effective Date), Section 4.09(b)(7), Section 4.09(b)(13) (in the case of

4.09(b)(13), to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in clause (2) of this definition of Permitted Collateral Liens), Section 4.09(b)(14), Section 4.09(b)(18), Section 4.09(b)(21) or Section 4.09(b)(25);

(c) Indebtedness that is permitted to be Incurred under clause Section 4.09(b)(6) and guarantees thereof; *provided* that, at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred and after giving effect to the Incurrence of such Indebtedness on a pro forma basis, (i) the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries would have been able to incur \$1.00 of additional Indebtedness pursuant to Section 4.09(a)(2) or (ii) the Consolidated Senior Secured Net Leverage Ratio would not be greater than it was immediately prior to giving pro forma effect to such acquisition or other transaction and to the Incurrence of such Indebtedness);

(d) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (a);

provided, however, that (i) such Lien ranks equal or junior to all other Liens on the Collateral securing Senior Indebtedness of the Loan Parties and (ii) holders of Indebtedness referred to in this clause (2) (or their duly authorized Representative) shall accede to (prior to the New Intercreditor Effective Date) the Existing Intercreditor Agreement or (following the New Intercreditor Effective Date) the New Intercreditor Agreement, or enter into an Additional Intercreditor Agreement as permitted under Section 4.23; and

(3) Liens on the Collateral to secure:

(a) Indebtedness that is permitted to be Incurred under Section 4.09(a)(1), Section 4.09(b)(1), Section 4.09(b)(4) (in the case of Section 4.09(b)(4), to the extent such Indebtedness is secured by a Lien on the Collateral that is existing on, or provided for, under written arrangements existing on the Amendment Effective Date), Section 4.09(b)(6), Section 4.09(b)(13) (in the case of 4.09(b)(13), to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in clause (3) of this definition of Permitted Collateral Liens), Section 4.09(b)(14), Section 4.09(b)(18), Section 4.09(b)(21) or Section 4.09(b)(25);

(b) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (a) and (b);

provided, however, that (i) such Lien ranks junior to all other Liens on the Collateral securing the Senior Indebtedness of the Loan Parties and (ii) holders of Indebtedness referred to in this clause (3) (or their duly authorized Representative) shall accede to (prior to the New Intercreditor Effective Date) the Existing Intercreditor Agreement or (following the New Intercreditor Effective Date) the New Intercreditor Agreement, or enter into an Additional Intercreditor Agreement as permitted under Section 4.23.

“*Permitted Credit Facility*” means, one or more debt facilities or arrangements (including, without limitation, this Agreement) that may be entered into by the Company, a Permitted Affiliate Parent and the Restricted Subsidiaries providing for credit loans, letters of credit or other Indebtedness or other advances, in each case, Incurred in compliance with Section 4.09.

“*Permitted Financing Action*” means, to the extent that any incurrence of Indebtedness or Refinancing Indebtedness is permitted pursuant to Section 4.09, any transaction to facilitate or otherwise in connection with a cashless rollover of one or more lenders’ or investors’ commitments or funded Indebtedness in relation to the incurrence of that Indebtedness or Refinancing Indebtedness.

“*Permitted Holders*” means, collectively, (1) the Ultimate Parent, (2) in the event of a Spin-Off, the Spin Parent and any Subsidiary of the Spin Parent, (3) any Affiliate or Related Person of a Permitted Holder described

in clauses (1) or (2) above, and any successor to such Permitted Holder, Affiliate, or Related Person, (4) any Person who is acting as an underwriter in connection with any public or private offering of Capital Stock of the Company or a Permitted Affiliate Parent, acting in such capacity and (5) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) whose acquisition of “beneficial ownership” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of Voting Stock or of all or substantially all of the assets of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries (taken as a whole) constitutes a Change of Control in respect of which the Company has notified the Administrative Agent of such Change of Control and the Required Lenders have not required a prepayment and cancellation of the Facilities under Section 2.05(b)(ix) of this Agreement.

“*Permitted Investment*” means an Investment by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in:

- (1) the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (other than a Receivables Entity) or a Person which will, upon the making of such Investment, become a Restricted Subsidiary (other than a Receivables Entity);
- (2) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (other than a Receivables Entity);
- (3) cash and Cash Equivalents or Investment Grade Securities;
- (4) receivables owing to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary trade terms as the Company, a Permitted Affiliate Parent or any such Restricted Subsidiary deems reasonable under the circumstances;
- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company, a Permitted Affiliate Parent or such Restricted Subsidiary;
- (7) Capital Stock, obligations, accounts receivables, or securities received in settlement of debts created in the ordinary course of business and owing to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization, workout, recapitalization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including without limitation an Asset Disposition, in each case, that was made in compliance with Section 4.10 and other Investments resulting from the disposition of assets in transactions excluded from the definition of “Asset Disposition” pursuant to the exclusions from such definition;
- (9) any Investment existing on the Amendment Effective Date or made pursuant to binding commitments in effect on the Amendment Effective Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Amendment Effective Date or made in compliance with Section 4.07; *provided* that the amount of any such Investment or binding commitment may be increased (a) as required by the terms of such Investment or binding commitment as in existence on the Amendment Effective Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under this Agreement;

- (10) Currency Agreements, Commodity Agreements and Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 4.09;
- (11) Investments by the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries, together with all other Investments pursuant to this clause (11), in an aggregate amount at the time of such Investment not to exceed the greater of \$250.0 million and 5.0% of Total Assets at any one time, *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 4.07, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) Investments by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary in a Receivables Entity or any Investment by a Receivables Entity in any other Person, in each case, in connection with a Qualified Receivables Transaction, *provided, however*, that any Investment in any such Person is in the form of a Purchase Money Note, or any equity interest or interests in Receivables and related assets generated by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary and transferred to any Person in connection with a Qualified Receivables Transaction or any such Person owning such Receivables;
- (13) guarantees issued in accordance with Section 4.09 and other guarantees (and similar arrangements) of obligations not constituting Indebtedness;
- (14) pledges or deposits (a) with respect to leases or utilities provided to third parties in the ordinary course of business or (b) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under Section 4.12;
- (15) the Existing Senior Notes, the Columbus Senior Notes, the 2019 Sterling Bonds and any other Indebtedness (other than Subordinated Obligations) of the Company, any Permitted Affiliate Parent or an Restricted Subsidiary;
- (16) so long as no Default or Event of Default of the type specified in Section 8.01(a) (*Non-Payment*) of this Agreement has occurred and is continuing, (a) minority Investments in any Person engaged in a Permitted Business and (b) Investments in joint ventures that conduct a Permitted Business to the extent that, after giving pro forma effect to any such Investment, the Consolidated Senior Secured Net Leverage Ratio would not exceed 4.00 to 1.00;
- (17) any Investment to the extent made using as consideration Capital Stock of the Company or a Permitted Affiliate Parent (other than Disqualified Stock), Subordinated Shareholder Loans or Capital Stock of any Parent;
- (18) Investments acquired after the Amendment Effective Date as a result of the acquisition by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, including by way of merger, amalgamation or consolidation with or into the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in a transaction that is not prohibited by Section 5.01 after the Amendment Effective Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (19) Permitted Joint Ventures;
- (20) Investments in Securitization Obligations;
- (21) [Reserved];
- (22) any Person where such Investment was acquired by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable

held by the Company, a Permitted Affiliate Parent or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Company, a Permitted Affiliate Parent or any such Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

- (23) any transaction to the extent constituting an Investment that is permitted and made in accordance with Section 4.11(b) (except those transactions described in Section 4.11(b)(1), Section 4.11(b)(5), Section 4.11(b)(9), and Section 4.11(b)(23));
- (24) Investments in or constituting Bank Products;
- (25) the 2015 Columbus Carve-Out, or any component or the unwinding thereof, to the extent constituting an Investment;
- (26) [Reserved];
- (27) Investments consisting of purchases and acquisitions of inventory, supplies, material, services or equipment or purchases of contract rights or licenses or leases of intellectual property;
- (28) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements;
- (29) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the Company, a Permitted Affiliate Parent or the Restricted Subsidiaries;
- (30) Investments by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary in any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business; and
- (31) Investments by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary in connection with any start-up financing or seed funding of any Person, together with all other Investments pursuant to this clause (31), in an aggregate amount at the time of such Investment not to exceed the greater of (i) \$75.0 million and (ii) 1.0% of Total Assets at any one time; *provided that*, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 4.07, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause

“*Permitted Joint Ventures*” means one or more joint ventures formed (a) by the contribution of some or all of the assets of the Company’s or a Permitted Affiliate Parent’s business solutions division pursuant to a Business Division Transaction to a joint venture formed by the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries with one or more joint venturers and/or (b) for the purposes of network and/or infrastructure sharing with one or more joint venturers.

“*Permitted Liens*” means:

- (1) Liens on Receivables and related assets of the type described in the definition of “Qualified Receivables Transaction” Incurred in connection with a Qualified Receivables Transaction, and Liens on Investments in Receivables Entities;
- (2) pledges or deposits by such Person under workmen’s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or

deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

- (3) Liens imposed by law, including carriers', warehousemen's, mechanics' landlords', materialmen's, repairmen's, construction and other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;
- (5) Liens in favor of issuers of surety, bid or performance bonds or with respect to other regulatory requirements or trade or government contracts or to secure leases or permits, licenses, statutory or regulatory obligations, or letters of credit or bankers' acceptances or similar obligations issued pursuant to the request of and for the account of such Person in the ordinary course of its business;
- (6)(a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property or assets over which the Company, a Permitted Affiliate Parent or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto (including, without limitation, the right reserved to or vested in any governmental authority by the terms of any lease, license, franchise, grant or permit acquired by the Company, a Permitted Affiliate Parent or any of its Restricted Subsidiaries or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof), (b) minor survey exceptions, encumbrances, trackage rights, special assessments, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, and (c) any condemnation or eminent domain proceedings affecting any real property;
- (7) Liens securing Hedging Obligations, so long as the related Indebtedness is, and is permitted to be Incurred under the Loan Documents;
- (8) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) which do not materially interfere with the ordinary conduct of the business of the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries;
- (9) Liens arising out of judgments, decrees, orders or awards so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (10) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, Purchase Money Obligations or other payments Incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business (including Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business); *provided* that such Liens do not encumber any other assets or property of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;

- (11) Liens (i) arising solely by virtue of any statutory or common law provisions or customary business provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository institution, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, (iii) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes or (iv) deposits made in the ordinary course of business to secure liability to insurance carriers;
- (12) Liens arising from United States Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries in the ordinary course of business;
- (13) Liens securing Indebtedness to the extent Incurred in compliance with Section 4.09(b)(17), including guarantees and any Refinancing Indebtedness in respect thereof;
- (14) Liens (a) over the segregated trust accounts set up to fund productions, (b) required to be granted over productions to secure production grants granted by regional and/or national agencies promoting film production in the relevant regional and/or national jurisdiction and (c) over assets relating to a specific production funded by Production Facilities;
- (15) Liens existing on, or provided for under written arrangements existing on, the Amendment Effective Date;
- (16) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that any such Lien may not extend to any other property owned by the Company, a Permitted Affiliate Parent or any other Restricted Subsidiary (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);
- (17) Liens on property at the time the Company, a Permitted Affiliate Parent or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into any Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that any such Lien may not extend to any other property owned by the Company, a Permitted Affiliate Parent or such Restricted Subsidiary (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);
- (18) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Company, a Permitted Affiliate Parent or another Restricted Subsidiary;
- (19) Permitted Collateral Liens;
- (20) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;
- (21) Liens securing Indebtedness Incurred under any Permitted Credit Facility;
- (22) Liens on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

- (23) any interest or title of a lessor under any Capitalized Lease Obligations or operating leases;
- (24) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (25) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Indebtedness, which Liens are created to secure payment of such Indebtedness;
- (26) Liens on assets or property of a Restricted Subsidiary that is not a Loan Party securing Indebtedness of a Restricted Subsidiary that is not a Loan Party permitted by Section 4.09;
- (27) any Liens in respect of the ownership interests in, or assets owned by, any joint ventures securing obligations of such joint ventures or similar agreements;
- (28) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers or escrow agent thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;
- (29) Liens Incurred with respect to obligations that do not exceed the greater of (a) \$250.0 million and (b) 5.0% of Total Assets at any time outstanding;
- (30) Liens consisting of any right of set-off granted to any financial institution acting as a lockbox bank in connection with a Qualified Receivables Transaction;
- (31) Liens for the purpose of perfecting the ownership interests of a purchaser of Receivables and related assets pursuant to any Qualified Receivables Transaction;
- (32) Cash deposits or other Liens for the purpose of securing Limited Recourse; and
- (33) Liens arising in connection with other sales of Receivables permitted hereunder without recourse to the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries;
- (34) Liens in respect of Bank Products or to implement cash pooling arrangements or arising under the general terms and conditions of banks with whom the Company, a Permitted Affiliate Parent or any Restricted Subsidiary maintains a banking relationship or to secure cash management and other banking services, netting and set-off arrangements, and encumbrances over credit balances on bank accounts to facilitate operation of such bank accounts on a cash-pooled and net balance basis (including any ancillary facility under any Credit Facility or other accommodation comprising of more than one account) and Liens of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary under the general terms and conditions of banks and financial institutions entered into in the ordinary course of banking or other trading activities;
- (35) Liens on cash, Cash Equivalents, Investments or other property arising in connection with the defeasance, discharge or redemption of Indebtedness; *provided* that such defeasance, discharge or redemption is not prohibited hereunder;
- (36) Liens on Receivables and related assets of the type specified in the definition of “Qualified Receivables Transaction”;
- (37) Liens on cash or Cash Equivalents securing the obligations and facilities of Cable & Wireless Limited under and in respect of the Cable & Wireless Supplemental Pension Scheme and the trust deed and rules in respect thereof;

- (38) Liens on cash in support of letters of credit issued pursuant to the terms of the CFA or any cash escrow arrangements for the same purpose;
- (39) Liens on equipment of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary granted in the ordinary course of business to a client of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary at which such equipment is located;
- (40) subdivision agreements, site plan control agreements, development agreements, servicing agreements, cost sharing, reciprocal and other similar agreements with municipal and other governmental authorities affecting the development, servicing or use of a property; *provided* the same are complied with in all material respects except as such non-compliance does not interfere in any material respect as determined in good faith by the Company or a Permitted Affiliate Parent with the business of the Company, any Permitted Affiliate Parent and their Subsidiaries taken as a whole;
- (41) facility cost sharing, servicing, reciprocal or other similar agreements related to the use and/or operation a property in the ordinary course of business; *provided* the same are complied with in all material respects; and
- (42) deemed trusts created by operation of law in respect of amounts which are (i) not yet due and payable, (ii) immaterial, (iii) being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established in accordance with IFRS or (iv) unpaid due to inadvertence after exercising due diligence.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision hereof or any other entity.

“*Post-Closing Reorganization*” means the possible reorganization of the CWC Group by the Ultimate Parent, which is expected to include: (1) a distribution or other transfer of the Company and any Permitted Affiliate Parent and their respective Subsidiaries or a Parent of both the Company and any Permitted Affiliate Parent to the Ultimate Parent or another direct Subsidiary of the Ultimate Parent through one or more mergers, transfers, consolidations or other similar transactions such that the Company and any Permitted Affiliate Parent and their respective Subsidiaries or such Parent will become the direct Subsidiary of the Ultimate Parent or such other direct Subsidiary of the Ultimate Parent, and/or (2) the issuance by the Company and any Permitted Affiliate Parent of Capital Stock to the Ultimate Parent or another direct Subsidiary of the Ultimate Parent and, as consideration therefor, the assignment by the Ultimate Parent or a direct Subsidiary of the Ultimate Parent of a loan receivable to the Company or a Permitted Affiliate Parent, as the case may be, and/or (3) the insertion of a new entity as a direct Subsidiary of C&W Communications, which new entity will become a Parent of the Company.

“*Preferred Stock*,” as applied to the Capital Stock of any corporation, partnership, limited liability company or other entity, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such entity, over shares of Capital Stock of any other class of such entity.

“*Production Facilities*” means any bilateral facilities provided by a lender to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary to finance a production.

“*Pro forma EBITDA*” means, for any period, the Consolidated EBITDA of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, *provided, however*, that for the purposes of calculating Pro forma EBITDA for such period, if, as of such date of determination:

- (1) since the beginning of such period the Company, any Permitted Affiliate Parent or any Restricted Subsidiary will have made any Asset Disposition or disposed of any company, any business, any group of assets constituting an operating unit of a business or any Minority Investment (any such disposition, a “*Sale*”) or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or Pro forma Non-Controlling Interest EBITDA, as applicable, is such a Sale, Pro forma EBITDA for such period

will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

- (2) since the beginning of such period the Company, any Permitted Affiliate Parent or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, acquires any Non-Controlling Interests in a Restricted Subsidiary or otherwise acquires any company, any business, any group of assets constituting an operating unit of a business or any Minority Investment (any such Investment or acquisition, a “Purchase”) including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and
- (3) since the beginning of such period any Person (that became a Restricted Subsidiary or was merged with or into the Company, any Permitted Affiliate Parent or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company, any Permitted Affiliate Parent or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For purposes of this definition and determining compliance with any provision of the Loan Documents that requires the calculation of any financial ratio or test, (a) whenever pro forma effect is to be given to any transaction or calculation, the pro forma calculations will be as determined conclusively in good faith by a responsible financial or accounting officer of the Company (including without limitation in respect of anticipated expense and cost reductions) including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken, by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary including, without limitation, in connection with any cost reduction synergies or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (regardless of whether these cost savings and cost reduction synergies could then be reflected in pro forma financial statements to the extent prepared), (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period and (c) interest on any Indebtedness that bears interest at a floating rate and that is being given pro forma effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness).

“*Pro forma Non-Controlling Interest EBITDA*” means, for any period, an amount equal to the proportion of the Pro forma EBITDA of the Company, a Permitted Affiliate Parent and the Restricted Subsidiaries which would have been attributable to Non-Controlling Interests, on the basis that the relevant measures for calculating such Pro forma EBITDA for such period under the definition of “Pro forma EBITDA” (including “Consolidated EBITDA”) are attributed to such Non-Controlling Interests in accordance with the definition of “Consolidation”.

“*Public Debt*” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale. For the avoidance of doubt, the term “Public Debt” shall not be construed to include any Indebtedness issued to institutional investors in a direct placement of such Indebtedness that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than ten Persons *provided* that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not to be underwritten), or any Indebtedness under the Loan Documents, a Permitted Credit Facility, a Production Facility, commercial bank or similar Indebtedness, Capitalized Lease Obligation or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a “securities offering.” “*Public Market*” means any time after an Equity Offering has been consummated, shares of common stock or other common equity interests

of the IPO Entity having a market value in excess of \$75.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include any offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“Public Offering Expenses” means expenses Incurred by any Parent in connection with any public offering of Capital Stock or Indebtedness (whether or not successful):

- (1) where the net proceeds of such offering are intended to be received by or contributed or loaned to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary; or
- (2) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received, contributed or loaned; or
- (3) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company, a Permitted Affiliate Parent or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed, in each case, to the extent such expenses are not paid by another Subsidiary of such Parent.

“Purchase Money Note” means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in connection with a Qualified Receivables Transaction with a Receivables Entity, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which (a) is repayable from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables and (b) may be subordinated to the payments described in clause (a).

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries pursuant to which the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitization involving Receivables and any Hedging Obligations entered into by the Company, a Permitted Affiliate Parent or any such Restricted Subsidiary in connection with such Receivables.

“Receivable” means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account,” “chattel paper,” “payment intangible” or “instrument” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” as so defined.

“*Receivables Entity*” means a Wholly Owned Subsidiary of the Company or a Permitted Affiliate Parent (or another Person in which the Company, a Permitted Affiliate Parent or any Restricted Subsidiary makes an Investment or to which the Company, a Permitted Affiliate Parent or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent (as provided below) as a Receivables Entity:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:

- (A) is guaranteed by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);
- (B) is recourse to or obligates the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings;
- (C) subjects any property or asset of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings; or
- (D) except, in each such case, Limited Recourse and Permitted Liens as defined in clauses (30) through (34) of the definition thereof.

(2) with which neither the Company, a Permitted Affiliate Parent nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms not materially less favorable to the Company, such Permitted Affiliate Parent or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company or such Permitted Affiliate Parent, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(3) to which neither the Company, a Permitted Affiliate Parent nor any Restricted Subsidiary has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results (other than those related to or incidental to the relevant Qualified Receivables Transaction), except for Limited Recourse.

Any such designation by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent shall be evidenced to the Administrative Agent by promptly delivering to the Administrative Agent a certified copy of the resolution of the Board of Directors of the Company or a Permitted Affiliate Parent giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

“*Receivables Fees*” means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Receivables Entity in connection with, any Qualified Receivables Transaction.

“*Receivables Repurchase Obligation*” means any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, 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.

“*Refinancing Indebtedness*” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, “refinance,” “refinances,” and “refinanced” shall have a correlative meaning) any Indebtedness existing on the Amendment Effective Date or Incurred in compliance with this Agreement (including Indebtedness of the Company or a Permitted Affiliate Parent that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any

Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness, including successive refinancings, *provided, however*, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Obligations, (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Latest Maturity Date of the Facilities, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Latest Maturity Date of the Facilities, the Refinancing Indebtedness has a Stated Maturity later than the Latest Maturity Date of the Facilities;
- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced plus an amount to pay any interest, fees and expenses, premiums and defeasance costs, Incurred in connection therewith;
- (3) if the Indebtedness being refinanced constitutes Subordinated Obligations, such Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Finance Parties as those contained in the documentation governing the Indebtedness being refinanced; and
- (4) if the Existing Senior Notes or the 2019 Sterling Bonds are being refinanced by a Restricted Subsidiary that is not a Loan Party, such Refinancing Indebtedness shall be Incurred by such Restricted Subsidiary in compliance with Section 4.09(a), Section 4.09(b)(1), Section 4.09(b)(17), Section 4.09(b)(18) and/or Section 4.09(b)(25).

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of all or any part of any such Credit Facility or other Indebtedness.

“*Related Business*” means any business that is the same as or related, ancillary or complementary to, any of the businesses of the Company and the Restricted Subsidiaries on the Amendment Effective Date.

“*Related Person*” with respect to any Permitted Holder, means:

- (1) any controlling equity holder or majority (or more) owned Subsidiary of such Permitted Holder;
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

“*Related Taxes*” means:

- (1) any taxes, including but not limited to sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid by any Parent by virtue of its:
 - (A) being organized or incorporated or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than

the Company, a Permitted Affiliate Parent or any of the Company's or a Permitted Affiliate Parent's Subsidiaries), or

- (B) being a holding company parent of the Company, a Permitted Affiliate Parent or any of the Company's or a Permitted Affiliate Parent's Subsidiaries, or
- (C) receiving dividends from or other distributions in respect of the Capital Stock of the Company, a Permitted Affiliate Parent or any of the Company's or a Permitted Affiliate Parent's Subsidiaries, or
- (D) having guaranteed any obligations of the Company, a Permitted Affiliate Parent or any Subsidiary of the Company or a Permitted Affiliate Parent, or
- (E) having made any payment in respect to any of the items for which the Company or a Permitted Affiliate Parent is permitted to make payments to any Parent pursuant to Section 4.07,

in each case, to the extent such taxes are not paid by another Subsidiary or such Parent; or

- (2) any taxes measured by income for which any Parent is liable up to an amount not to exceed with respect to such taxes the amount of any such taxes that the Company, a Permitted Affiliate Parent and their respective Subsidiaries would have been required to pay on a separate company basis or on a Consolidated basis if the Company, a Permitted Affiliate Parent and their respective Subsidiaries had paid tax on a Consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company, a Permitted Affiliate Parent and their respective Subsidiaries and any taxes imposed by way of withholding on payments made by one Parent to another Parent on any financing that is provided, directly or indirectly in relation to the Company, a Permitted Affiliate Parent and their respective Subsidiaries (reduced by any taxes measured by income actually paid by the Company, a Permitted Affiliate Parent and their respective Subsidiaries).

"Representative" means any trustee, agent or representative (if any) for an issue of Senior Indebtedness or the provider of Senior Indebtedness (if provided on a bilateral basis), as the case may be.

"Reporting Entity" refers to C&W Communications, or following any election made in accordance with Section 4.03(d), the Company or such other Parent of the Company, or, following a Permitted Affiliate Group Designation Date, the Common Holding Company or a Parent of the Common Holding Company.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary of the Company or of a Permitted Affiliate Parent (including any Borrower), together with any Affiliate Subsidiaries, in each case, other than an Unrestricted Subsidiary.

"Sable Holding" means Sable Holding Limited and its successors.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Securitization Obligation" means any Indebtedness or other obligation of any Receivables Entity.

"Senior Indebtedness" means, whether outstanding on the Amendment Effective Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Loan Parties, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to each Loan Party at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided, however*, that Senior Indebtedness will not include:

- (1) any Indebtedness Incurred in violation of this Agreement;
- (2) any obligation of any Loan Party to any Restricted Subsidiary;
- (3) any liability for taxes owed or owing by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;
- (4) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities);
- (5) any Indebtedness, guarantee or obligation of a Loan Party that is expressly subordinate or junior in right of payment to any other Indebtedness, guarantee or obligation of a Loan Party, including, without limitation, any Subordinated Obligation; or
- (6) any Capital Stock.

“*Senior Secured Indebtedness*” means, with respect to any Person as of any date of determination, any Indebtedness that is (1) secured by a First Priority Lien, (2) Incurred by a Loan Party and secured by any other Lien on assets of a Loan Party or any Restricted Subsidiary (other than a Lien permitted under clauses (22), (28), or (29) of the definition of “Permitted Liens”), or (3) Incurred by a Restricted Subsidiary that is not a Loan Party (other than the 2019 Sterling Bonds and any Refinancing Indebtedness Incurred by Cable & Wireless International Finance B.V. in respect thereof), in each case, without double counting.

“*Significant Subsidiary*” means any Restricted Subsidiary which, together with the Restricted Subsidiaries of such Restricted Subsidiary, accounted for more than 10.0% of the Total Assets as of the end of the most recently completed fiscal year.

“*Solvent Liquidation*” means any voluntary liquidation, winding up or corporate reconstruction involving the business or assets of, or shares of (or other interests in) any Subsidiary of C&W Parent (other than the Borrowers); provided that, to the extent the Subsidiary of C&W Parent involved in such Solvent Liquidation is a Guarantor, the Successor Company assumes all the obligations of that Guarantor under the Loan Documents and the Intercreditor Agreement to which such Guarantor was a party prior to the Solvent Liquidation unless (i) such Successor Company is an existing Guarantor or (ii) such Successor Company would, but for the operation of this proviso, no longer be required to guarantee the Facilities or any other Senior Secured Indebtedness secured on the Collateral and accordingly any guarantee required by this proviso would become subject to automatic release in accordance with Section 11.09(b) of this Agreement.

“*Special Dividend*” means the special dividend in the amount of in the amount of £0.03 per share paid to the C&W Communications’ shareholders of record immediately prior to the consummation of the 2016 Liberty Acquisition.

“*Specified Legal Expenses*” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“*Spin-Off*” means a transaction by which all outstanding ordinary and or equity shares of the Company and any Permitted Affiliate Parent or a Parent of the Company or such Permitted Affiliate Parent directly or indirectly owned by the Ultimate Parent are distributed to (1) all of the Ultimate Parent’s shareholders or (2) all of the shareholders comprising one or more group of the Ultimate Parent’s shareholders as provided by the Ultimate Parent’s articles of association, in each case, either directly or indirectly through the distribution of shares in a Parent holding the Company’s and any Permitted Affiliate Parent’s shares or such Parent’s shares.

“*Spin Parent*” means the Person the shares of which are distributed to the shareholders of the Ultimate Parent pursuant to the Spin-Off.

“*Standard Securitization Undertakings*” means representations, warranties, covenants and indemnities entered into by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary which are reasonably customary in securitization of Receivables transactions, including, without limitation, those relating to the servicing of the assets of a Receivables Entity and Limited Recourse, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“*Stated Maturity*” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Obligation*” means, in the case of a Borrower, any Indebtedness (whether outstanding on the Amendment Effective Date or thereafter Incurred) which is expressly subordinate or junior in right of payment to the Obligations pursuant to a written agreement and, in the case of a Guarantor, any Indebtedness (whether outstanding on the Amendment Effective Date or thereafter Incurred) which is expressly subordinate or junior in right of payment to the Guaranty of such Guarantor pursuant to a written agreement.

“*Subordinated Shareholder Loans*” means Indebtedness of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (and any security into which such Indebtedness, other than Capital Stock, is convertible or for which it is exchangeable at the option of the holder) issued to and held by any Affiliate (other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary) that (either pursuant to its terms or pursuant to an agreement with respect thereto):

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Latest Maturity Date of the Facilities (other than through conversion or exchange of such Indebtedness into Capital Stock (other than Disqualified Stock) of the Company or a Permitted Affiliate Parent, as applicable, or any Indebtedness meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Latest Maturity Date of the Facilities, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions that are effective, and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment prior to the first anniversary of the Latest Maturity Date of the Facilities;
- (4) does not provide for or require any Lien or encumbrance over any asset of the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries;
- (5) is subordinated in right of payment to the prior payment in full of the Obligations in the event of (a) a total or partial liquidation, dissolution or winding up of the Company or a Permitted Affiliate Parent or such Restricted Subsidiary, as applicable, (b) a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property or a Permitted Affiliate Parent and its property or such Restricted Subsidiary and its property, as applicable, (c) an assignment for the benefit of creditors or (d) any marshalling of the Company’s assets and liabilities or a Permitted Affiliate Parent’s assets and liabilities, or such Restricted Subsidiary’s assets and liabilities, as applicable;
- (6) under which the Company or a Permitted Affiliate Parent or such Restricted Subsidiary, as applicable, may not make any payment or distribution of any kind or character with respect to any obligations on, or relating to, such Subordinated Shareholder Loans if (a) a payment Default under a Loan Document in relation to the Obligations occurs and is continuing or (b) any other Default under the Loan Documents occurs and is continuing that permits the Lenders to accelerate their outstanding Loans and the Company or a Permitted Affiliate Parent or a Restricted Subsidiary, as applicable, receives notice of such Default from the Administrative Agent, until in each case the earliest of (i) the date on which such Default is cured or waived or (ii) 180 days from the date such Default occurs (and only once such notice may be given during any 360 day period); and

(7) under which, if the holder of such Subordinated Shareholder Loans receives a payment or distribution with respect to such Subordinated Shareholder Loan (a) other than in accordance with this Agreement or as a result of a mandatory requirement of applicable law or (b) under circumstances described under clauses (5)(a) through (d) above, such holder will forthwith pay all such amounts to the Administrative Agent or the Security Trustee to be held in trust for application in accordance with the Loan Documents.

“*Subsidiary*” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Except as used in Section 4.09(b)(7)(B), the definitions of “ordinary course of business”, “CWC Group” and clause 2(b) of “Permitted Collateral Liens”, or as otherwise specified herein or unless as the context may require, each reference to a Subsidiary will refer to a Subsidiary of the Company or a Permitted Affiliate Parent.

“*Telecommunications Services of Trinidad and Tobago*” means Telecommunications Services of Trinidad and Tobago Limited.

“*Test Period*” means, on any date of determination, the period of the most recent two consecutive fiscal half-years for which, at the option of the Company or a Permitted Affiliate Parent, (i) semi-annual financial statements have previously been furnished to the Administrative Agent pursuant to Section 4.03 or (ii) internal financial statements of the Reporting Entity are available immediately preceding the date of determination (the “*LTM Test Period*”); *provided that*, the Company may make an election to establish that “Test Period” shall mean, on the date of determination, the period of the most recent two consecutive fiscal quarters for which, at the option of the Company or a Permitted Affiliate Parent, (i) interim management statements and/or quarterly financial statements have previously been furnished to the Administrative Agent pursuant to Section 4.03 or (ii) internal interim management statements and/or internal financial statements of the Reporting Entity are available immediately preceding the date of determination (the “*L2QA Test Period*”). The calculation of Pro forma EBITDA and Pro forma Non-Controlling Interest EBITDA in respect of any Test Period that is an L2QA Test Period shall be determined by multiplying Pro forma EBITDA or Pro forma Non-Controlling Interest EBITDA, as applicable, for such L2QA Test Period by two. The Company may only make one election to change from the LTM Test Period to the L2QA Test Period and once so elected may not then elect to change from the L2QA Test Period back to the LTM Test Period.

“*Total Assets*” means the Consolidated total assets of Company, any Permitted Affiliate Parent and the Restricted Subsidiaries as shown on the most recent balance sheet (excluding the footnotes thereto) of the Reporting Entity which, at the option of the Company or a Permitted Affiliate Parent, have previously been furnished to the Administrative Agent pursuant to Section 4.03 or are internally available immediately preceding the date of determination (and, in the case of any determination relating to any Incurrence of Indebtedness, any Restricted Payment or other determination under this Agreement, calculated with such pro forma and other adjustments as are consistent with the pro forma provisions set forth in the definition of “Pro Forma EBITDA” including, but not limited to, any property or assets being acquired in connection therewith).

“*Towers Assets*” means:

(1) all present and future wireless and broadcast towers and tower sites that host or assist in the operation of plant and equipment used for transmitting telecommunications signals, being tower and tower sites that are owned by or vested in the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (whether pursuant to title, rights in rem, leases, rights of use, site sharing rights, concession rights or otherwise) and include, without limitation, any and all towers and tower sites under construction;

(2) all rights (including, without limitation, rights in rem, leases, rights of use, site sharing rights and concession rights), title, deposits (including, without limitation, deposits placed with landlords, electricity

boards and transmission companies) and interest in, or over, the land or property on which such towers and tower sites referred to in paragraph (1) above have been or will be constructed or erected or installed;

(3) all current assets relating to the towers or tower sites and their operation referred to in paragraph (1) above, whether movable, immovable or incorporeal;

(4) all plant and equipment customarily treated by telecommunications operators as forming part of the towers or tower sites referred to in paragraph (1) above, including, in particular, but without limitation, the electricity power connections, utilities, diesel generator sets, batteries, power management systems, air conditioners, shelters and all associated civil and electrical works; and

(5) all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property and powers of every kind, nature and description whatsoever, whether from government bodies or otherwise, pertaining to or relating to paragraphs (1) to (4) above; and

(6) shares or other interests in Tower Companies.

“Tower Company” means a company or other entity whose principal activity relates to Towers Assets and substantially all of whose assets are Towers Assets.

“Trade Payables” means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

“TSTT HoldCo” means any wholly-owned Subsidiary of the Company or a Permitted Affiliate Parent that holds no material assets other than the Capital Stock of Telecommunications Services of Trinidad and Tobago.

“Ultimate Parent” means (1) Liberty Global plc and any and all successors thereto or (2) upon consummation of a Spin-Off, “Ultimate Parent” will mean the Spin Parent and its successors, and (3) upon consummation of a Parent Joint Venture Transaction, “Ultimate Parent” will mean each of the top tier Parent entities of the Joint Venture Holders and their successors.

“Unrestricted Subsidiary” means:

(1) any Subsidiary of the Company or a Permitted Affiliate Parent that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Company or a Permitted Affiliate Parent in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company or a Permitted Affiliate Parent may designate any Subsidiary of the Company or a Permitted Affiliate Parent, as applicable (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein), to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Company or of a Permitted Affiliate Parent which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company or a Permitted Affiliate Parent in such Subsidiary complies with Section 4.07.

Any such designation by the Board of Directors of the Company or a Permitted Affiliate Parent shall be evidenced to the Administrative Agent by promptly filing with the Administrative Agent a resolution of the Board of Directors of the Company or a Permitted Affiliate Parent giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted

Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Company or a Permitted Affiliate Parent may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and either (1) the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries could Incur at least \$1.00 of additional Indebtedness under Section 4.09(a)(2) or (2) the Consolidated Senior Secured Net Leverage Ratio would be no greater than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation.

“*U.S. Government Obligations*” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“*Voting Stock*” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“*Wholly Owned Subsidiary*” means (1) in respect of any Person, a Person, all of the Capital Stock of which (other than (a) directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law, regulation or to ensure limited liability and (b) in the case of a Receivables Entity, shares held by a Person that is not an Affiliate of the Company or a Permitted Affiliate Parent solely for the purpose of permitting such Person (or such Person’s designee) to vote with respect to customary major events with respect to such Receivables Entity, including without limitation the institution of bankruptcy, insolvency or other similar proceedings, any merger or dissolution, and any change in charter documents or other customary events) is owned by that Person directly or (2) indirectly by a Person that satisfies the requirements of clause (1).

ANNEX II
COVENANTS

Unless otherwise specified herein, (i) references in this Annex to sections of Article 4 or 5 are to those sections of this Annex (ii) defined terms used in this Annex II shall bear the meanings given to them in Annex I or as otherwise given to them in Section 1.01 of this Agreement. For the avoidance of doubt, the section references in this Annex II (*Covenants*) is deliberately retained for consistency given the equivalent provisions in indentures entered into by Liberty Global and its Subsidiaries for ease of reference.

ARTICLE 4

Section 4.01 [Reserved]

Section 4.02 [Reserved]

Section 4.03 Reports

(a) The Company or any Permitted Affiliate Parent will provide to the Administrative Agent, and, in each case of clauses (1), (2) and (3) of this Section 4.03(a), will post on its, the Reporting Entity's or the Ultimate Parent's website (or make similar disclosure) the following (*provided, however*, that to the extent any reports are filed on the SEC's website or on the Reporting Entity's or the Ultimate Parent's website, such reports shall be deemed to be provided to the Administrative Agent):

(1) within 150 days after the end of each fiscal year, audited combined or Consolidated balance sheets of the Reporting Entity as of the end of the two most recent fiscal years (or such shorter period as the Reporting Entity has been in existence) and audited combined or Consolidated income statements and statements of cash flow of the Reporting Entity for the two most recent fiscal years (or such shorter period as the Reporting Entity has been in existence), in each case prepared in accordance with IFRS, including appropriate footnotes to such financial statements, and a report of the independent public accountants on the financial statements; *provided, however*, that such financial statements need not (i) contain any segment data other than as required under IFRS in its financial statements with respect to the period presented, (ii) include any exhibits or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses;

(2) within 75 days after the first half of each fiscal year, unaudited condensed combined or Consolidated financial statements of the Reporting Entity for the first half of such fiscal year, prepared in accordance with IFRS; *provided, however*, that such financial statements need not (i) contain any segment data other than as required under IFRS in its financial statements with respect to the period presented, (ii) include any exhibits or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses;

(3) within 75 days after the end of each of the first and third quarters of each fiscal year, to the extent the Reporting Entity is not required under the English law to provide financial statements, a report or announcement disclosing the Reporting Entity's revenue, ending period cash on balance sheet, net debt and capital expenditures, accompanied by customary management commentary (an "*interim management statement*"); *provided that* beginning with the next fiscal quarter following an election to change to a L2QA Test Period in accordance with the definition of "Test Period", the Company or any Permitted Affiliate Parent shall no longer provide any financial statements pursuant to Section 4.03(a)(2) above and instead will provide, within 75 days after the end of each of the first three quarters of each fiscal year, unaudited condensed combined or Consolidated financial statements of the Reporting Entity for such quarter, prepared in accordance with IFRS; *provided, however*, that such financial statements need not (i) contain any segment data other than as required under IFRS in its financial statements with respect to the period presented, (ii) include any exhibits or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses; and

(4) within 10 days after the occurrence of such event, information with respect to (a) any change in the independent public accountants of the Reporting Entity (unless such change is made in

conjunction with a change in the auditor of the Ultimate Parent), (b) any material acquisition or disposal of the Reporting Entity and its Restricted Subsidiaries, taken as a whole, and (c) any material development in the business of the Reporting Entity and its Restricted Subsidiaries, taken as a whole.

(b) If the Company or a Permitted Affiliate Parent has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of the Reporting Entity, then the annual, semi-annual and quarterly financial statements required by Section 4.03(a)(1), Section 4.03(a)(2) and Section 4.03(a)(3), as applicable, shall include a reasonably detailed presentation, either on the face of the financial statements, in the footnotes thereto or in a separate report delivered therewith, of the financial condition and results of operations of the Reporting Entity and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries.

(c) Following any election by the Reporting Entity to change its accounting principles in accordance with the definition of IFRS the annual, semi-annual and quarterly information required by Section 4.03(a)(1), Section 4.03(a)(2) and Section 4.03(a)(3), as applicable, shall include any reconciliation presentation required by clause (2)(a) of the definition of IFRS.

(d) Notwithstanding the foregoing, the Company may satisfy its obligations under Section 4.03(a)(1), Section 4.03(a)(2) and Section 4.03(a)(3) by (i) prior to a Permitted Affiliate Group Designation Date, delivering the corresponding Consolidated annual financial statements, semi-annual financial statements and quarterly information of the Company or any Parent of the Company and, (ii) following a Permitted Affiliate Group Designation Date, delivering the corresponding Consolidated annual financial statements, semi-annual financial statements and quarterly financing information of the Common Holding Company or any Parent of the Common Holding Company. Following any such election, references in this Section 4.03 to the "Reporting Entity" shall be deemed to refer to the Company or any such Parent of the Company or the Common Holding Company (as the case may be). Nothing contained in this Agreement shall preclude the Reporting Entity from changing its fiscal year end.

(e) To the extent that material differences exist between the business, assets, results of operations or financial condition of (i) the Reporting Entity and (ii) the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries (excluding, for the avoidance of doubt, the effect of any intercompany balances between the Reporting Entity and the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries), the annual financial statements, semi-annual financial statements and quarterly information required by Section 4.03(a)(1), Section 4.03(a)(2) and Section 4.03(a)(3), as applicable, shall give a reasonably detailed description of such differences and include an unaudited reconciliation of the Reporting Entity's financial statements to the financial statements of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries.

Section 4.04 [Reserved]

Section 4.05 [Reserved]

Section 4.06 [Reserved]

Section 4.07 Limitation on Restricted Payments

(a) The Company and any Permitted Affiliate Parent will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly:

(1) to declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving the Company, any Permitted Affiliate Parent or any of the Restricted Subsidiaries) except:

(A) dividends or distributions payable in Capital Stock of the Company or a Permitted Affiliate Parent (other than Disqualified Stock) or Subordinated Shareholder Loans; and

(B) dividends or distributions payable to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (and if such Restricted Subsidiary is not a Wholly Owned Subsidiary

of the Company or a Permitted Affiliate Parent, as applicable, to its other holders of common Capital Stock on a pro rata basis);

(2) to purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company, a Permitted Affiliate Parent, or any Affiliate Subsidiary or any Parent of the Company, a Permitted Affiliate Parent, or any Affiliate Subsidiary held by Persons other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (other than in exchange for Capital Stock of the Company or a Permitted Affiliate Parent (other than Disqualified Stock) or Subordinated Shareholder Loans);

(3) to purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than (x) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement or (y) Indebtedness permitted under Section 4.09(b)(2); or

(4) to make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in Section 4.07(a)(1) through Section 4.07(a)(4) is referred to herein as a “*Restricted Payment*”), if at the time the Company, such Permitted Affiliate Parent or such Restricted Subsidiary makes such Restricted Payment:

(A) in the case of a Restricted Payment other than a Restricted Investment, an Event of Default shall have occurred and be continuing (or would result therefrom); or

(B) except in the case of a Restricted Investment, if such Restricted Payment is made in reliance on Section 4.07(a)(C)(i) below, the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries are not able to Incur an additional \$1.00 of Indebtedness pursuant to Section 4.09(a)(2), after giving effect, on a pro forma basis, to such Restricted Payment; or

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to April 1, 2015 and not returned or rescinded (excluding all Restricted Payments permitted by Section 4.07(b)) would exceed the sum of:

(i) an amount equal to 100% of the Consolidated EBITDA for the period beginning on the first day of the first full fiscal quarter commencing prior to April 1, 2015 to the end of the Reporting Entity’s most recently ended full fiscal quarter ending prior to the date of such Restricted Payment for which internal Consolidated financial statements of the Reporting Entity are available, taken as a single accounting period, less the product of 1.4 times the Consolidated Interest Expense for such period;

(ii) 100% of the aggregate Net Cash Proceeds and the fair market value, of marketable securities, or other property or assets, received by the Company or any Permitted Affiliate Parent from the issue or sale of its Capital Stock (other than Disqualified Stock) or Subordinated Shareholder Loans or other capital contributions subsequent to April 1, 2015 (other than (A) Net Cash Proceeds received from an issuance or sale of such Capital Stock to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination, (B) Excluded Contributions, (C) Net Cash Proceeds, or other property or assets, if any, received by the Company as capital contributions or Subordinated Shareholder Loans that were subsequently used to fund the Special Dividend, (D) any Cure Amounts or (E) any property received in connection with Section 4.07(b)(26));

(iii) 100% of the aggregate Net Cash Proceeds and the fair market value, of marketable securities, or other property or assets, received by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary from the issuance or sale (other than to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary) by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary subsequent to April 1, 2015 of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company or a Permitted Affiliate Parent (other than Disqualified Stock) or Subordinated Shareholder Loans; *provided* that the proceeds of any Cure Amounts shall not be taken into account for the purposes of this Section 4.07(a)(C)(iii);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company, any Permitted Affiliate Parent or any of the Restricted Subsidiaries subsequent to April 1, 2015 resulting from:

(a) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary; or

(b) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in such Unrestricted Subsidiary,

which amount in each case under this Section 4.07(a)(C)(iv) was included in the calculation of the amount of Restricted Payments; *provided, however*, that no amount will be included in Consolidated EBITDA for the purposes of Section 4.07(a)(C)(i) to the extent that it is (at the Company's option) included under this Section 4.07(a)(C)(iv);

(v) without duplication of amounts included in Section 4.07(a)(C)(iv), the amount by which Indebtedness of the Company or any Permitted Affiliate Parent is reduced on the Company's or such Permitted Affiliate Parent's Consolidated balance sheet, as applicable, upon the conversion or exchange of any Indebtedness of the Company or such Permitted Affiliate Parent issued after April 1, 2015, which is convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company or such Permitted Affiliate Parent, as applicable, held by Persons not including the Company or such Permitted Affiliate Parent or any of their Restricted Subsidiaries, as applicable (less the amount of any cash or the fair market value of other property or assets distributed by the Company or such Permitted Affiliate Parent upon such conversion or exchange); and

(vi) 100% of the Net Cash Proceeds and the fair market value of marketable securities, or other property or assets, received by the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries in connection with: (A) the sale or other disposition (other than to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company, a Permitted Affiliate Parent or any Subsidiary of the Company or of a Permitted Affiliate Parent for the benefit of its employees to the extent funded by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary; and (B) any dividend or distribution made by an Unrestricted Subsidiary to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary; *provided, however*, that no amount will be included in Consolidated Net Income for the purposes of Section

4.07(a)(C)(i) to the extent that it is (at the Company's option) included under this Section 4.07(a)(C)(vi).

The fair market value of property or assets other than cash for, purposes of this Section 4.07, shall be the fair market value thereof as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent.

(b) Section 4.07(a) will not prohibit:

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Subordinated Shareholder Loans or Subordinated Obligations of the Company or a Permitted Affiliate Parent made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the sale or issuance within 90 days of Subordinated Shareholder Loans, or Capital Stock of the Company or a Permitted Affiliate Parent (other than Disqualified Stock or Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination), or a substantially concurrent capital contribution to the Company or a Permitted Affiliate Parent; *provided, however*, that the Net Cash Proceeds from such sale or issuance of Capital Stock or Subordinated Shareholder Loans or from such capital contribution will be excluded from Section 4.07(a)(C)(ii);

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary made by exchange for, or out of the proceeds of the sale or issuance within 90 days of, Subordinated Obligations of the Company, such Permitted Affiliate Parent or such Restricted Subsidiary that is permitted or otherwise not prohibited to be Incurred pursuant to Section 4.09 and that in each case constitutes Refinancing Indebtedness;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary made by exchange for, or out of the proceeds of the sale or issuance within 90 days of Disqualified Stock of the Company, such Permitted Affiliate Parent or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 4.09 and that in each case constitutes Refinancing Indebtedness;

(4) dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision;

(5) the purchase, repurchase, defeasance, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary or any parent of the Company or a Permitted Affiliate Parent held by any existing or former employees or management of the Company, a Permitted Affiliate Parent or any Subsidiary of the Company or of a Permitted Affiliate Parent or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees; *provided* that such redemptions or repurchases pursuant to this Section 4.07(b)(5) will not exceed an amount equal to \$10.0 million in the aggregate during any calendar year (with any unused amounts in any preceding calendar year being carried over to the succeeding calendar year);

(6) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of, or otherwise not prohibited to be Incurred pursuant to, Section 4.09;

(7) purchases, repurchases, redemptions, defeasance or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof;

(8) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation:

(A) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control; *provided* that prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement specified in this Section 4.07(b)(8)(A), the Company has notified the Administrative Agent of such Change of Control and the Required Lenders have not required a prepayment and cancellation of the Facilities under Section 2.05(b)(ix) of this Agreement;

(B) [Reserved]; or

(C) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was designated a Permitted Affiliate Parent or an Affiliate Subsidiary or was otherwise acquired by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Obligation plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in amounts equal to:

(A) the amounts required for any Parent to pay Parent Expenses;

(B) the amounts required for any Parent to pay Public Offering Expenses or fees and expenses related to any other equity or debt offering of such Parent that are directly attributable to the operation of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries;

(C) the amounts required for any Parent to pay Related Taxes or, without duplication, pursuant to any tax sharing agreement; and

(D) amounts constituting payments satisfying the requirements of Section 4.11(b)(11), Section 4.11(b)(12) and Section 4.11(b)(23);

(10) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this Section 4.07(b)(10);

(11) payments by the Company or a Permitted Affiliate Parent, or loans, advances, dividends or distributions to any Parent to make payments to holders of Capital Stock of the Company, a Permitted Affiliate Parent or any Parent in lieu of the issuance of fractional shares of such Capital Stock;

(12) Restricted Payments in relation to any tax losses received by the Company, any Permitted Affiliate Parent or any Restricted Subsidiary from the Ultimate Parent or any of its Subsidiaries (other than Company, any Permitted Affiliate Parent or any Restricted Subsidiary); provided that (i) such Restricted Payments shall only be made in relation to such tax losses in an amount equal to the amount of tax that would have otherwise been required to be paid by the Company, any Permitted Affiliate Parent or any Restricted Subsidiary if those tax losses were

not so received and such payment shall only be made in the tax year in which such losses are utilized by the Company, any Permitted Affiliate Parent or any Restricted Subsidiary or (ii) such payments shall only be made in relation to such tax losses in an amount not exceeding, in any financial year, the greater of \$150.0 million and 2.0% of Total Assets (with any unused amounts in any financial year being carried over to the next succeeding financial year);;

(13) so long as no Default or Event of Default of the type specified in Section 8.01(a) (*Non-Payment*) of this Agreement has occurred and is continuing, any Restricted Payment to the extent that, after giving pro forma effect to any such Restricted Payment, the Consolidated Senior Secured Net Leverage Ratio would not exceed 4.00 to 1.00;

(14) Restricted Payments in an aggregate amount at any time outstanding, when taken together with all other Restricted Payments made pursuant to this Section 4.07(b)(14), not to exceed the greatest of (A) \$250.0 million and (B) 5.0% of Total Assets, and (C) 0.25 multiplied by the Pro forma EBITDA of the Company and its Restricted Subsidiaries for the Test Period, in the aggregate in any calendar year (with any unused amounts in any preceding calendar year being carried over to the succeeding calendar year);

(15) [Reserved];

(16) Restricted Payments for the purpose of making corresponding payments on:

(A) (i) the 2019 Sterling Bonds and (ii) any New Senior Notes (in an aggregate principal amount Incurred to refund, refinance, replace, exchange, repay or extend the Columbus Senior Notes and the Existing Senior Notes, together with the aggregate amount of fees, discounts, premiums and other costs and expenses Incurred in connection therewith);

(B) any Indebtedness of a Parent; *provided that*, in the case of this Section 4.07(b)(16)(B), (i) on the date of Incurrence of such Indebtedness by a Parent and after giving effect thereto on a pro forma basis, the Consolidated Net Leverage Ratio, calculated for the purposes of this Section 4.07(b)(16) as if such Indebtedness of such Parent were being incurred by the Company or a Permitted Affiliate Parent, would not exceed 5.00 to 1.00 or (ii) such Indebtedness of a Parent is guaranteed by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary pursuant to Section 4.09(b)(15);

(C) any Indebtedness of a Parent, to the extent that such Indebtedness is guaranteed by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary pursuant to a guarantee otherwise permitted to be Incurred under this Agreement;

(D) any Indebtedness of a Parent (i) the net proceeds of which are or were used in the prepayment, repayment, redemption, defeasance, retirement or purchase of the Facilities or other Indebtedness of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, in whole or in part, or (ii) the net proceeds of which are or were contributed to or otherwise loaned or transferred to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, or (iii) which is otherwise Incurred for the benefit of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary,

and, in each case of Section 4.07(b)(16)(A), Section 4.07(b)(16)(B), Section 4.07(b)(16)(C) and Section 4.07(b)(16)(D), any Refinancing Indebtedness in respect thereof;

(17) the distribution, as a dividend or otherwise, of shares of Capital Stock of or, Indebtedness owed to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary by, Unrestricted Subsidiaries;

(18) following a Public Offering of the Company, any Permitted Affiliate Parent or any Parent, the declaration and payment by the Company, such Permitted Affiliate Parent or such Parent, or the making of any cash payments, advances, loans, dividends or distributions to any

Parent to pay, dividends or distributions on the Capital Stock, common stock or common equity interests of the Company, any Permitted Affiliate Parent or any Parent; *provided* that the aggregate amount of all such dividends or distributions under this Section 4.07(b)(18) shall not exceed in any fiscal year the greater of (A) 6.0% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offering by the Company or a Permitted Affiliate Parent or Parent or contributed to the capital of the Company or a Permitted Affiliate Parent by any Parent in any form other than Indebtedness or Excluded Contributions and (B) following the Initial Public Offering, an amount equal to the greater of (i) 7.0% of the Market Capitalization and (ii) 7.0% of the IPO Market Capitalization, *provided* that after giving pro forma effect to the payment of any such dividend or making of any such distribution, the Consolidated Senior Secured Net Leverage Ratio would not exceed 4.00 to 1.00;

(19) after the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, distributions (including by way of dividend) consisting of cash, Capital Stock or property or other assets of such Unrestricted Subsidiary that in each case is held by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary; *provided, however*, that (A) such distribution or disposition shall include the concurrent transfer of all liabilities (contingent or otherwise) attributable to the property or other assets being transferred; (B) any property or other assets received from any Unrestricted Subsidiary (other than Capital Stock issued by any Unrestricted Subsidiary) may be transferred by way of distribution or disposition pursuant to this Section 4.07(b)(19) only if such property or other assets, together with all related liabilities, is so transferred in a transaction that is substantially concurrent with the receipt of the proceeds of such distribution or disposition by the Company, such Permitted Affiliate Parent or such Restricted Subsidiary; and (C) such distribution or disposition shall not, after giving effect to any related agreements, result nor be likely to result in any material liability, tax or other adverse consequences to the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries on a Consolidated basis; *provided further, however*, that proceeds from the disposition of any cash, Capital Stock or property or other assets of an Unrestricted Subsidiary that are so distributed will not increase the amount of Restricted Payments permitted under Section 4.07(a)(C)(iv);

(20) [Reserved];

(21) any Business Division Transaction, *provided* that after giving pro forma effect thereto, the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries could Incur at least \$1.00 of additional Indebtedness under Section 4.09(a)(2);

(22) any Restricted Payment reasonably necessary to consummate the 2016 Transactions and the Group Refinancing Transactions;

(23) distributions or payments of Receivables Fees and purchases of Receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Transaction;

(24) [Reserved];

(25) [Reserved];

(26) Restricted Payments to finance Investments or other acquisitions by a Parent or any Affiliate (other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary) which would otherwise be permitted to be made pursuant to this Section 4.07 if made by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary; *provided*, that (i) such Restricted Payment shall be made within 120 days of the closing of such Investment or other acquisition, (ii) such Parent or Affiliate shall, prior to or promptly following the date such Restricted Payment is made, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (in a manner not prohibited by Section 5.01) in order to consummate such Investment or other acquisition, (iii) such Parent or Affiliate receives

no consideration or other payment in connection with such transaction except to the extent the Company, a Permitted Affiliate Parent or a Restricted Subsidiary could have given such consideration or made such payment in compliance with this Section 4.07 and (iv) any property received in connection with such transaction shall not constitute an Excluded Contribution up to the amount of such Restricted Payment made under this Section 4.07(b)(26);

(27) any Restricted Payment from the Company, any Permitted Affiliate Parent or any Restricted Subsidiary to a Parent or any other Subsidiary of a Parent which is not a Restricted Subsidiary; provided that such Subsidiary advances the proceeds of any such Restricted Payment to the Company, any Permitted Affiliate Parent or any other Restricted Subsidiary, as applicable, within three days of receipt thereof and that such Restricted Payments do not exceed an amount equal to 10.0% of Total Assets at any one time;

(28) distributions (including by way of dividend) to a Parent consisting of cash, Capital Stock or property or other assets of a Restricted Subsidiary that is in each case held by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary for the sole purpose of transferring such cash, Capital Stock or property or other assets to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary; and

(29) Restricted Payments reasonably required to consummate any Permitted Financing Action or any Post-Closing Reorganization.

(c) For purposes of determining compliance with this Section 4.07, in the event that a Restricted Payment meets the criteria of more than one of the categories described in Section 4.07(b)(1) through Section 4.07(b)(29) above, or is permitted pursuant to Section 4.07(a) or the definition of "Permitted Investments", the Company and any Permitted Affiliate Parent will be entitled to classify such Restricted Payment (or portion thereof) on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this Section 4.07 or the definition of "Permitted Investments".

(d) The amount of all Restricted Payments (other than cash) shall be the fair market value (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent) on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company, such Permitted Affiliate Parent or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount.

Section 4.08 Limitation on Restrictions on Distributions from Restricted Subsidiaries

(a) The Company and any Permitted Affiliate Parent will not, and will not permit any Restricted Subsidiary (other than the Borrowers) to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary (other than the Borrowers) to:

(1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;

(2) make any loans or advances to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary; or

(3) transfer any of its property or assets to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock and (y) the subordination of (including but not limited to, the application of any standstill requirements to) loans or advances made to the Company, a Permitted Affiliate Parent or any Restricted Subsidiary to other Indebtedness Incurred by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, shall not be deemed to constitute such an encumbrance or restriction.

(b) The preceding provisions will not prohibit:

(1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Amendment Effective Date, including, without limitation, this Agreement, the Columbus Senior Notes Indenture, the 2019 Sterling Bonds Trust Deed, the Existing Senior Notes Indenture, the Existing Intercreditor Agreement, the other Loan Documents, the Collateral Documents thereunder and any related documentation, in each case, as in effect on the Amendment Effective Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person relating to any Capital Stock or Indebtedness of a Person, Incurred on or before the date on which such Person was acquired by or merged or consolidated with or into the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or was merged or consolidated with or into the Company, a Permitted Affiliate Parent or any Restricted Subsidiary or in contemplation of such transaction) and outstanding on such date, *provided* that any such encumbrance or restriction shall not extend to any assets or property of the Company, a Permitted Affiliate Parent or any other Restricted Subsidiary other than the assets and property so acquired and *provided, further, that* for the purposes of this Section 4.08(b)(2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refunding, replacement or refinancing of Indebtedness Incurred pursuant to, or that otherwise extends, renews, refunds, refinances or replaces, an agreement referred to in Section 4.08(b)(1) or Section 4.08(b)(2) or this Section 4.08(b)(3) or contained in any amendment, supplement, restatement or other modification to an agreement referred to in Section 4.08(b)(1) or Section 4.08(b)(2) or this Section 4.08(b)(3); *provided, however*, that the encumbrances and restrictions, taken as a whole, with respect to such Restricted Subsidiary contained in any such agreement are no less favorable in any material respect to the Finance Parties than the encumbrances and restrictions contained in such agreements referred to in Section 4.08(b)(1) or Section 4.08(b)(2) (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent);

(4) in the case of Section 4.08(a)(3), any encumbrance or restriction:

(A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract;

(B) contained in Liens permitted under this Agreement securing Indebtedness of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;

(C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary; or

(D) contained in operating leases for real property and restricting only the transfer of such real property upon the occurrence and during the continuance of a default in the payment of rent;

(5) any encumbrance or restriction pursuant to (A) Purchase Money Obligations for property acquired in the ordinary course of business or (B) Capitalized Lease Obligations permitted under this Agreement, in each case, that either (i) impose encumbrances or restrictions of the nature described

in Section 4.08(a)(3) on the property so acquired or (ii) are customary in connection with Purchase Money Obligations, Capitalized Lease Obligations and mortgage financings for property acquired in the ordinary course of business;

(6) any encumbrance or restriction arising in connection with any Purchase Money Note, other Indebtedness or a Qualified Receivables Transaction relating exclusively to a Receivables Entity that, in the good faith determination of the Board of Directors or senior management of the Company or a Permitted Affiliate Parent, are necessary to effect such Qualified Receivables Transaction;

(7) any encumbrance or restriction (A) with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement (or option to enter into such contract) entered into for the direct or indirect sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition or (B) arising by reason of contracts for the sale of assets, including customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale and disposition of all or substantially all assets of such Subsidiary or conditions imposed by governmental authorities or otherwise resulting from dispositions required by governmental authorities;

(8) (A) customary provisions in leases, asset sale agreements, joint venture agreements and other agreements and instruments entered into by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in the ordinary course of business or (B) in the case of a Subsidiary that is not a Wholly-Owned Subsidiary, encumbrances, restrictions and conditions imposed by its organizational documents or any related shareholders, joint venture or other agreements (including restrictions on the payment of dividends or other distributions);

(9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, governmental license, order, concession, franchise, or permit or required by any regulatory authority;

(10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction pursuant to Currency Agreements, Commodity Agreements or Interest Rate Agreements;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Amendment Effective Date pursuant Section 4.09 if (A) the encumbrances and restrictions taken as a whole are not materially less favorable to the Finance Parties than the encumbrances and restrictions contained in this Agreement, the Existing Intercreditor Agreement, the other Loan Documents, and any related documentation, in each case, as in effect on the Amendment Effective Date (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent) or (B) such encumbrances and restrictions taken as a whole are customary in comparable financings (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent) and, in each case, either (i) the Company or a Permitted Affiliate Parent reasonably believes that such encumbrances and restrictions will not materially affect the Borrowers' ability to make principal or interest payments on the Loans as and when they come due or (ii) such encumbrances and restrictions apply only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(13) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements; and

(14) any encumbrance or restriction pursuant to the New Intercreditor Agreement or an agreement or instrument entered into in connection with the Group Refinancing Transactions (including, without limitation, any indenture governing the New Senior Notes).

Section 4.09 Limitation on Indebtedness

(a) The Company and any Permitted Affiliate Parent will not, and will not permit any of the Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company, a Permitted Affiliate Parent and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if, on the date of such Incurrence and after giving effect thereto on a pro forma basis,

(1) the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00; and

(2) to the extent that such Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio would not exceed 4.00 to 1.00.

(b) Section 4.09(a) will not prohibit the Incurrence of Indebtedness under the Loan Documents (including the Initial Revolving Credit Commitments, Initial Term Loans, Additional Facilities, Increases, Extended Term Loans and Loans made pursuant to Extended Revolving Commitments) or the following Indebtedness:

(1) Indebtedness of the Company, a Permitted Affiliate Parent and any of the Restricted Subsidiaries under Credit Facilities, and any Refinancing Indebtedness in respect thereof, in the aggregate principal amount at any one time outstanding not to exceed (A) an amount equal to the greater of (i)(a) \$625.0 million, plus (b) the amount of any Credit Facilities incurred under Section 4.09(a)(2) or any other provision of this Section 4.09(b) to acquire any property, other assets or shares of Capital Stock of a Person, and (ii) 10.0% of Total Assets plus (B) any accrual or accretion of interest that increases the principal amount of Indebtedness under Credit Facilities, plus (C) in the case of any refinancing of any Indebtedness permitted under this Section 4.09(b)(1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) Indebtedness of the Company or a Permitted Affiliate Parent owing to and held by any Restricted Subsidiary (other than a Receivables Entity) or Indebtedness of a Restricted Subsidiary owing to and held by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (other than a Receivables Entity); *provided, however*, that:

(A) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (other than a Receivables Entity); and

(B) any sale or other transfer of any such Indebtedness to a Person other than the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (other than a Receivables Entity),

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company, such Permitted Affiliate Parent or such Restricted Subsidiary, as the case may be;

(3) (A) Indebtedness represented by the Initial Term Loans and the related guarantees thereof; (B) Indebtedness represented by the Columbus Senior Notes and the related guarantees thereof; (C) Indebtedness represented by the 2019 Sterling Bonds and the related guarantees thereof; and (D) Indebtedness under the Existing Senior Notes and the related guarantees thereof;

(4) any Indebtedness (other than the Indebtedness described in Section 4.09(b)(1), Section 4.09(b)(2) and Section 4.09(b)(3)) outstanding on the Amendment Effective Date;

(5) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in Section 4.09(b)(3), Section 4.09(b)(4), this Section 4.09(b)(5), Section 4.09(b)(6), Section 4.09(b)(8), Section 4.09(b)(14), Section 4.09(b)(15), Section 4.09(b)(18), Section 4.09(b)(20), Section 4.09(b)(22), or Section 4.09(b)(25) or Incurred pursuant to Section 4.09(a);

(6) Indebtedness of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary Incurred after the Amendment Effective Date (A) Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company, any Permitted Affiliate Parent or any Restricted Subsidiary or was designated a Permitted Affiliate Parent or an Affiliate Subsidiary, (B)

Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or a Permitted Affiliate Parent or was otherwise acquired by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, or such Person was designated as a Permitted Affiliate Parent or an Affiliate Subsidiary or (C) Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (other than Indebtedness Incurred in contemplation of the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary); *provided, however*, that with respect to Section 4.09(b)(6)(A) and Section 4.09(b)(6)(B) only, immediately following the consummation of the acquisition of such Restricted Subsidiary by the Company, a Permitted Affiliate Parent or such other transaction, (i) the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries would have been able to Incur \$1.00 of additional Indebtedness pursuant to Section 4.09(a)(1) after giving pro forma effect to the relevant acquisition or other transaction and the Incurrence of such Indebtedness pursuant to this Section 4.09(b)(6) or (ii) the Consolidated Net Leverage Ratio would not be greater than immediately prior to such acquisition or such other transaction;

(7) Indebtedness under Currency Agreements, Commodity Agreements and Interest Rate Agreements entered into for bona fide hedging purposes of (A) the Company, any Permitted Affiliate Parent or the Restricted Subsidiaries and (B) C&W Communications and its Subsidiaries and, following a Permitted Affiliate Group Designation Date, the Common Holding Company and its Subsidiaries, in each case, and not for speculative purposes (as determined conclusively in good faith by the Board of Directors or senior management of the Company or a Permitted Affiliate Parent);

(8) Indebtedness consisting of (A) mortgage financings, asset backed financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement (including, without limitation, in respect of tenant improvement) of property (real or personal), plant, equipment or other assets (including, without limitation, network assets) used or useful in the business of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, development, construction, installation or improvement (including, without limitation, in respect of tenant improvement) of property (real or personal), plant, equipment or other assets (including, without limitation, network assets) used or useful in the business of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Refinancing Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(8), will not exceed the greater of (i) \$200.0 million and (ii) 3.0% of Total Assets at any time outstanding so long as such Indebtedness exists on the date of, or commissioning of, or contracting for, such purchase, design, development, construction, installation or improvement, or is created within 270 days thereafter;

(9) Indebtedness in respect of (A) workers' compensation claims, casualty or liability insurance, self-insurance obligations, performance (including insurance policies), bid, indemnity, surety, judgment, appeal, completion, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business (or consistent with past practice or industry practice) or in respect of any government requirement, including, but not limited to, those Incurred to secure health, safety and environmental obligations or rental obligations, (B) letters of credit, bankers' acceptances, guarantees, or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business (or consistent with past practice or industry practice) or in respect of any government requirement, including, but not limited to, letters of credit or similar instruments in respect of casualty or liability insurance, self-insurance, unemployment insurance, workers compensation obligations, health disability or other benefits, the CFA, pensions-related obligations and other social security laws, (C) the financing of insurance premiums or take-or-pay obligations contained in supply

agreements, in each case, in the ordinary course of business and (D) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(10) Indebtedness Incurred constituting reimbursement obligations with respect to letters of credit issued and bank guarantees in the ordinary course of business provided to lessors of real property or otherwise in connection with the leasing of real property and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses in respect of any government requirement, or other Indebtedness with respect to reimbursement type obligations regarding the foregoing; *provided, however*, that upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence;

(11) Indebtedness arising from agreements of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary providing for indemnification, guarantees or obligations in respect of earn-outs or adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary, *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds (including the fair market value of non-cash proceeds) actually received (in the case of dispositions) or paid (in the case of acquisitions) by the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries in connection with such disposition or acquisition, as applicable;

(12) Indebtedness arising from (A) Bank Products and (B) the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided, however*, that in the case of this Section 4.09(b)(12)(B), such Indebtedness is extinguished within thirty Business Days of Incurrence;

(13) guarantees by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary of Indebtedness or any other obligation or liability of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (other than of any Indebtedness Incurred by the Company, a Permitted Affiliate Parent or Restricted Subsidiary in violation of this Section 4.09); *provided, however*, that if the Indebtedness being guaranteed is subordinated in right of payment to the Obligations, then such guarantee shall be subordinated substantially to the same extent as the relevant Indebtedness guaranteed;

(14) Indebtedness Incurred by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary after the Amendment Effective Date to provide all or a portion of the funds utilized to consummate the acquisition by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary of any Non-Controlling Interests in an aggregate principal amount at any time outstanding not to exceed 4.0x Pro forma Non-Controlling Interest EBITDA for the Test Period;

(15) Indebtedness of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary Incurred pursuant to any guarantees of Indebtedness of any Parent; *provided* that for purposes of this Section 4.09(b)(15): (i) on the date of such Incurrence and after giving effect thereto on a pro forma basis the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00 (for the avoidance of doubt, outstanding Indebtedness for the purpose of calculating the Consolidated Net Leverage Ratio under this Section 4.09(b)(15) shall include any Indebtedness represented by guarantees by the Company, any Permitted Affiliate Parent or any of the Restricted Subsidiaries of Indebtedness of any Parent) and (ii) such guarantees shall be subordinated to the Obligations pursuant to the terms of the applicable Intercreditor Agreement;

(16) Subordinated Shareholder Loans;

(17) Indebtedness (including any Refinancing Indebtedness in respect thereof) of any Restricted Subsidiary under any local Credit Facility in an amount not to exceed the greater of (A) \$200.0 million and (B) 3.0% of Total Assets;

(18) Indebtedness of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with any Refinancing

Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(18) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company or a Permitted Affiliate Parent from the issuance or sale (other than to the Company, a Permitted Affiliate Parent or a Restricted Subsidiary) of Subordinated Shareholder Loans or its Capital Stock or otherwise contributed to the equity of the Company or a Permitted Affiliate Parent, in each case, subsequent to April 1, 2015 (and in each case, other than through the issuance of Disqualified Stock, Preferred Stock or an Excluded Contribution); *provided, however*, that (A) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under Section 4.07(a)(C)(ii), Section 4.07(a)(C)(iii) and Section 4.07(b)(1) to the extent the Company, a Permitted Affiliate Parent or any Restricted Subsidiary Incurs Indebtedness in reliance thereon and (B) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this Section 4.09(b)(18) to the extent the Company, a Permitted Affiliate Parent or any Restricted Subsidiary makes a Restricted Payment under Section 4.07(a)(C)(ii), Section 4.07(a)(C)(iii) and Section 4.07(b)(1) in reliance thereon, *provided, further, that* the proceeds of any Cure Amounts and any Net Cash Proceeds so received that were subsequently used to fund the Special Dividend shall not be taken into account for the purposes of this Section 4.09(b)(18);

(19) Indebtedness of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary relating to any VAT liabilities or deferral of PAYE taxes with the agreement of the U.K. HM Revenue and Customs (including guarantees by a Restricted Subsidiary in favor of the U.K. HM Revenue and Customs in connection with the U.K. tax liability of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary (including, without limitation, any VAT liabilities));

(20) Indebtedness with Affiliates reasonably necessary to effect or consummate (i) the 2016 Transactions, (ii) the Group Refinancing Transactions, or (iii) any Post-Closing Reorganization;

(21) Indebtedness arising under (a) any arrangements to fund a production where such funding is only repayable from the distribution revenues of that production or (b) Production Facilities provided that the aggregate amount of Indebtedness under all Production Facilities incurred pursuant to this clause (b) does not exceed the greater of (i) \$75.0 million and (ii) 1.0% of Total Assets at any time outstanding;

(22) Indebtedness arising under borrowing facilities provided by a special purpose vehicle notes issuer to the Company, any Permitted Affiliate Parent or any Restricted Subsidiary in connection with the issuance of notes or other similar debt securities intended to be supported primarily by the payment obligations of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary in connection with any vendor financing platform;

(23) [Reserved];

(24) Indebtedness pursuant to any Permitted Financing Action and any refinancing in respect thereof;

(25) in addition to the items referred to in Section 4.09(b)(1) through Section 4.09(b)(24) above, Indebtedness of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(25) and then outstanding, will not exceed the greater of (A) \$250.0 million and (B) 5.0% of Total Assets at any time outstanding.

(c) Notwithstanding any other provision of this Section 4.09, (1) any Refinancing Indebtedness Incurred by the Restricted Group to refinance any Indebtedness represented by the Columbus Senior Notes shall be Incurred by a Loan Party (not including any Refinancing Indebtedness that refinances such Refinancing Indebtedness) and (2) no Loan Party will Incur any Public Debt or other Indebtedness that is unsecured in excess of \$50.0 million unless (A) the holders of such Public Debt or other Indebtedness agree to be subject to a standstill on enforcement no more favorable to the holders of such Public Debt or other Indebtedness than the standstill on enforcement then in effect with respect to the holders of the Existing Senior Notes as provided in the Existing Intercreditor Agreement (prior to the New Intercreditor Effective Date) or the holders of the New Senior Notes as provided in the New Intercreditor Agreement (following the New Intercreditor Effective Date) and (B) the terms

of such Public Debt or other Indebtedness shall provide that any guarantee provided thereunder shall be automatically and unconditionally released upon an enforcement sale in accordance with the Existing Intercreditor Agreement (prior to the New Intercreditor Date), the New Intercreditor Agreement (following the New Intercreditor Effective Date) or any Additional Intercreditor Agreement.

(d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 4.09:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Section 4.09(a) and Section 4.09(b), or, as applicable, in the definition of “Additional Facility Available Amount” in Section 1.01 of this Agreement, the Company, in its sole discretion, will classify such item of Indebtedness on the date of its Incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such Incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Section 4.09(a) and Section 4.09(b), or, as applicable, in the definition of “Additional Facility Available Amount” in Section 1.01 of this Agreement, and, from time to time, may reclassify all or a portion of such Indebtedness, in any manner that complies with this Section 4.09 and the definition of “Additional Facility Available Amount” in Section 1.01 of this Agreement; *provided*, however, that the Initial Revolving Credit Commitments shall be deemed to have been Incurred under Section 4.09(b)(1) and cannot be reclassified;

(2) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to Section 4.09(a) or Section 4.09(b)(1), Section 4.09(b)(17), Section 4.09(b)(18), Section 4.09(b)(21), or Section 4.09(b)(25) and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Stock of the Company or a Permitted Affiliate Parent, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(5) Indebtedness permitted by this Section 4.09 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 4.09 permitting such Indebtedness; and

(6) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest or dividends in the form of additional Indebtedness, Preferred Stock or Disqualified Stock and increases in the amount of Indebtedness due to a change in accounting principles will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 4.09. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date.

(e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be (1) calculated by the Company based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower Dollar Equivalent), in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause

the applicable U.S. dollar-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-dominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced and (2) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the swapped rate of such Indebtedness (if swapped into U.S. dollars) as of the date of the applicable swap. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries may incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

(f) For purposes of determining compliance with (1) Section 4.09(a) and (2) any other provision of the Loan Documents which requires the calculation of any financial ratio or test, including the Consolidated Net Leverage Ratio and the Consolidated Senior Secured Net Leverage Ratio, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency (if such Indebtedness has not been swapped into U.S. dollars, or if such Indebtedness has been swapped into a currency other than U.S. dollars) shall be calculated by the Company using the same weighted average exchange rates for the relevant period used in the Consolidated financial statements of the Reporting Entity for calculating the Dollar Equivalent of Consolidated EBITDA denominated in the same currency as the currency in which such Indebtedness is denominated or into which it has been swapped.

(g) The Company and any Permitted Affiliate Parent will not incur, and will not permit the Loan Parties to incur, any Indebtedness that is contractually subordinated in right of payment to any other Indebtedness of the Loan Parties unless such Indebtedness is also contractually subordinated in right of payment to the Obligations, on substantially identical terms (as conclusively determined in good faith by the Board of Directors or senior management of the Company); *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Loan Parties or any other Restricted Subsidiary solely by virtue of being unsecured or secured on a junior Lien basis or by virtue of not being guaranteed or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Section 4.10 Limitation on Sales of Assets and Subsidiary Stock

(a) The Company and any Permitted Affiliate Parent will not, and will not permit any of the Restricted Subsidiaries to, without the consent of the Required Lenders, make any Asset Disposition unless:

(1) the Company, such Permitted Affiliate Parent or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined conclusively in good faith by the Board of Directors or senior management of the Company or such Permitted Affiliate Parent (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;

(2) unless the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company, such Permitted Affiliate Parent or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and

(3) the Net Available Cash from such Asset Disposition is reinvested or applied to prepay the Loans or Other Applicable Indebtedness, in each case, in accordance with Section 2.05(b)(i) of this Agreement.

(b) For the purposes of this Section 4.10, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness (other than Subordinated Obligations) of any Loan Party or Indebtedness of a Restricted Subsidiary that is not a Loan Party and the release of such Loan Party or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (in which case the relevant Borrower will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with Section 2.05(b)(i) of this Agreement);

(2) securities, notes or other obligations received by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary from the transferee that are convertible by the Company, such Permitted Affiliate Parent or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company, any Permitted Affiliate Parent and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;

(5) any Designated Non-Cash Consideration received by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value not to exceed 25.0% of the consideration from such Asset Disposition (excluding any consideration received from such Asset Disposition in accordance with Section 4.10(b)(1) to Section 4.10(b)(4)) (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);

(6) in addition to any Designated Non-Cash Consideration received pursuant to Section 4.10(b)(5), any Designated Non-Cash Consideration received by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 4.10(b)(6) that is at that time outstanding, not to exceed the greater of \$250.0 million and 5.0% of Total Assets (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

(7) consideration consisting of securities or obligations issued, insured or unconditionally guaranteed by a government (or any agency or instrumentality thereof) of a country where the Company, a Permitted Affiliate Parent or any Restricted Subsidiary is organized or located.

Section 4.11 Limitation on Affiliate Transactions

(a) The Company and any Permitted Affiliate Parent will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company or a Permitted Affiliate Parent (an "*Affiliate Transaction*") involving aggregate consideration in excess of \$50.0 million for such Affiliate Transactions in any fiscal year, unless:

(1) the terms of such Affiliate Transaction are not materially less favorable, taken as a whole, to the Company, such Permitted Affiliate Parent or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person who is not such an Affiliate (or, in the event that there are no comparable transactions involving Persons who are not Affiliates of the Company, such Permitted Affiliate Parent or such Restricted Subsidiary to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Company, such Permitted Affiliate Parent or such Restricted Subsidiary has conclusively determined in good faith to be fair to the Company, such Permitted Affiliate Parent or such Restricted Subsidiary); and

(2) in the event such Affiliate Transaction involves an aggregate consideration in excess of \$100.0 million, the terms of such transaction have been approved by either (i) a majority of the members

of the Board of Directors or (ii) senior management of the Company, such Permitted Affiliate Parent, or such Restricted Subsidiary, as applicable.

(b) Section 4.11(a) will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to Section 4.07 or any Permitted Investment;
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, a Permitted Affiliate Parent, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultant plans (including, without limitation, valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided on behalf of officers, employees or directors or consultants, in each case in the ordinary course of business;
- (3) loans or advances to employees, officers or directors in the ordinary course of business of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary, but in any event not to exceed \$10.0 million in the aggregate amount outstanding at any one time with respect to all loans or advances made since the Amendment Effective Date;
- (4) (A) any transaction between or among the Company, a Permitted Affiliate Parent and a Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary in connection with such transaction) or between or among Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary in connection with such transaction); and (B) any guarantees issued by the Company, a Permitted Affiliate Parent or a Restricted Subsidiary for the benefit of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary in connection with such transaction), as the case may be, in accordance with Section 4.09;
- (5) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Agreement, which, taken as a whole, are fair to the Company, the relevant Permitted Affiliate Parent or Restricted Subsidiary, as applicable, or are on terms not materially less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (6) loans or advances to any Affiliate of the Company or a Permitted Affiliate Parent by the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, *provided* that the terms of such loan or advance are fair to the Company or the relevant Permitted Affiliate Parent or Restricted Subsidiary, as the case may be, or are on terms not materially less favorable than those that could reasonably have been obtained from an unaffiliated party;
- (7) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors, executives or officers of any Parent, the Company, a Permitted Affiliate Parent or any Restricted Subsidiary;
- (8) the performance of obligations of the Company, any Permitted Affiliate Parent, or any of the Restricted Subsidiaries under (A) the terms of any agreement to which the Company, any Permitted Affiliate Parent or any of the Restricted Subsidiaries is a party as of or on the Amendment Effective Date or (B) any agreement entered into after the Amendment Effective Date on substantially similar terms to an agreement under Section 4.11(b)(8)(A), in each case, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however*, that any such agreement or amendment, modification, supplement, extension or renewal to such agreement, in each case, entered into after the Amendment Effective Date will be permitted to the extent that its terms are not materially more disadvantageous to the Finance Parties than the terms of the agreements in effect on the Amendment Effective Date;

(9) any transaction with (i) a Receivables Entity effected as part of a Qualified Receivables Transaction, acquisitions of Permitted Investments in connection with a Qualified Receivables Transaction, and other Investments in Receivables Entities consisting of cash or Securitization Obligations or (ii) with an Affiliate in respect of Non-Recourse Indebtedness;

(10) the issuance of Capital Stock or any options, warrants or other rights to acquire Capital Stock (other than Disqualified Stock) of the Company or a Permitted Affiliate Parent to any Affiliate of the Company or such Permitted Affiliate Parent;

(11) the payment to any Permitted Holder of all reasonable expenses Incurred by any Permitted Holder in connection with its direct or indirect investment in the Company, a Permitted Affiliate Parent and their Subsidiaries and unpaid amounts accrued for prior periods;

(12) the payment to any Parent or Permitted Holder (1) of Management Fees (A) on a bona fide arm's-length basis in the ordinary course of business or (B) of up to the greater of \$35.0 million and 0.5% of Total Assets in any calendar year, (2) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including without limitation in connection with loans, capital market transactions, hedging and other derivative transactions, acquisitions or divestitures or (3) of Parent Expenses;

(13) guarantees of Indebtedness, hedging and other derivative transactions, and other obligations not otherwise prohibited under this Agreement;

(14) if not otherwise prohibited under this Agreement, the issuance of Capital Stock (other than Disqualified Stock) or Subordinated Shareholder Loans (including the payment of cash interest thereon; *provided* that, after giving pro forma effect to any such cash interest payment, the Consolidated Senior Secured Net Leverage Ratio would not exceed 4.00 to 1.00) of the Company or a Permitted Affiliate Parent to any Parent of the Company or a Permitted Affiliate Parent or any Permitted Holder;

(15) arrangements with customers, clients, suppliers, contractors, lessors or sellers of goods or services that are negotiated with an Affiliate, in each case, which are otherwise in compliance with the terms of this Agreement; *provided* that the terms and conditions of any such transaction or agreement as applicable to the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, taken as a whole are fair to the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries and are on terms not materially less favorable to the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries than those that could have reasonably been obtained in respect of an analogous transaction or agreement that would not constitute an Affiliate Transaction;

(16) (A) transactions with Affiliates in their capacity as holders of indebtedness or Capital Stock of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, so long as such Affiliates are not treated materially more favorably than holders of such indebtedness or Capital Stock generally, and (B) transactions with Affiliates in their capacity as borrowers of indebtedness from the Company, a Permitted Affiliate Parent or any Restricted Subsidiary, so long as such Affiliates are not treated materially more favorably than holders of such indebtedness generally;

(17) any tax sharing agreement or arrangement and payments pursuant thereto between or among the Ultimate Parent, the Company, a Permitted Affiliate Parent or any other Person or a Restricted Subsidiary not otherwise prohibited by this Agreement and any payments or other transactions pursuant to a tax sharing agreement between the Company, a Permitted Affiliate Parent and any other Person or a Restricted Subsidiary and any other Person with which the Company, any Permitted Affiliate Parent or any of the Restricted Subsidiaries files a Consolidated tax return or with which the Company, a Permitted Affiliate Parent or any of the Restricted Subsidiaries is part of a group for tax purposes (including a fiscal unity) or any tax advantageous group contribution made pursuant to applicable legislation;

(18) transactions relating to the provision of Intra-Group Services in the ordinary course of business;

(19) the 2015 Columbus Carve-Out and related transactions;

(20) [Reserved];

(21) the 2016 Transactions;

(22) any transaction reasonably necessary to effect the Post-Closing Reorganization and/or a Spin-Off;

(23) any transaction in the ordinary course of business between or among the Company, a Permitted Affiliate Parent or any Restricted Subsidiary and any Affiliate of the Company or a Permitted Affiliate Parent that is an Unrestricted Subsidiary or a joint venture or similar entity (including a Permitted Joint Venture) that would constitute an Affiliate Transaction solely because the Company, a Permitted Affiliate Parent or a Restricted Subsidiary owns an equity interest in or otherwise controls such Unrestricted Subsidiary, joint venture or similar entity;

(24) commercial contracts entered into in the ordinary course of business between an Affiliate of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary and the Company, a Permitted Affiliate Parent or any Restricted Subsidiary that are on arm's length terms or on a basis that senior management of the Company, a Permitted Affiliate Parent or a Restricted Subsidiary reasonably believes allocates costs fairly;

(25) transactions between any Restricted Subsidiary and C&W Communications and/or its Subsidiaries, or between the Company and C&W Communications and/or its Subsidiaries, in each case, to effect or facilitate the transfer of any property or asset from the Company, any Permitted Affiliate Parent and/or any Restricted Subsidiary to another Restricted Subsidiary, any Permitted Affiliate Parent and/or the Company, as applicable;

(26) any Permitted Financing Action; and

(27) any transaction reasonably necessary to effect the Group Refinancing Transactions.

Section 4.12 Limitation on Liens

(a) The Company and any Permitted Affiliate Parent will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur or suffer to exist any Lien (other than (1) in the case of any property or asset that does not constitute Collateral, Permitted Liens (other than Permitted Collateral Liens), and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens) upon any of its property or assets (including Capital Stock of Restricted Subsidiaries), whether owned on the Amendment Effective Date or acquired after that date, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), unless, in the case of clause (1) only, contemporaneously with the Incurrence of such Initial Lien effective provision is made to secure the Indebtedness due under the Loan Documents or, in respect of Liens on any Guarantor's property or assets, such Guarantor's Guaranty, equally and ratably with (or prior to, in the case of Liens with respect to Subordinated Obligations of a Guarantor, as the case may be) the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured.

(b) Any such Lien thereby created in favor of the Finance Parties will be automatically and unconditionally released and discharged upon (1) the release and discharge of the Initial Lien to which it relates, (2) any sale, exchange or transfer to any Person other than the Company, a Permitted Affiliate Parent or any Restricted Subsidiary of the property or assets secured by such Initial Lien, (3) the full and final payment of all amounts payable by the Borrowers under the Loan Documents, (4) with respect to any Additional Guarantor the assets or the Capital Stock of which are encumbered by such Lien, upon the release of the Guaranty of such Additional Guarantor in accordance with Section 11.09 (*Release of Guarantors*) of this Agreement, or (5) as a result of, and in connection with, any Solvent Liquidation.

(c) For purposes of determining compliance with this Section 4.12, (1) a Lien need not be Incurred solely by reference to one category of Permitted Liens or Permitted Collateral Liens, as applicable, but may be Incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (2) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens or Permitted Collateral Liens, as applicable, the Company shall, in its sole

discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with this Section 4.12 and the definition of “Permitted Liens” or “Permitted Collateral Liens”, as applicable.

(d) With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “*Increased Amount*” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Section 4.13 [Reserved]

Section 4.14 [Reserved]

Section 4.15 Limitation on Issuances of Guarantees of Indebtedness by Restricted Subsidiaries

(a) The Company and any Permitted Affiliate Parent will not permit any Restricted Subsidiary (other than a Loan Party) to, directly or indirectly, guarantee or otherwise become obligated under any Indebtedness of any Loan Party after the Amendment Effective Date in an amount in excess of \$50.0 million unless such Restricted Subsidiary is or becomes an Additional Guarantor on the date on which such other guarantee or Indebtedness is Incurred (or as soon as reasonably practicable thereafter) and, if applicable, executes and delivers to the Administrative Agent the documentation required by Section 10.21(c)(*Additional Parties*) pursuant to which such Restricted Subsidiary will provide a Guaranty (which Guaranty shall be senior to or pari passu with such Restricted Subsidiary’s guarantee of such other Indebtedness); *provided that*,

(1) if such Restricted Subsidiary is not a Significant Subsidiary, such Restricted Subsidiary shall only be obligated to become an Additional Guarantor if such Indebtedness is Indebtedness of the Company, a Permitted Affiliate Parent or a Borrower or Public Debt of a Guarantor;

(2) an Additional Guarantor’s Guaranty may be limited in amount to the extent required by fraudulent conveyance, thin capitalization, corporate benefit, financial assistance or other similar laws (but, in such a case (a) each of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries will use their reasonable best efforts to overcome the relevant legal limit and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant limit and (b) the relevant guarantee shall be given on an equal and ratable basis with the guarantee of any other Indebtedness giving rise to the obligation to guarantee the Facilities); and

(3) for so long as it is not permissible under applicable law for a Restricted Subsidiary to become an Additional Guarantor, such Restricted Subsidiary need not become an Additional Guarantor (but, in such a case, each of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries will use their reasonable best efforts to overcome the relevant legal prohibition precluding the giving of the guarantee and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant legal prohibition, and shall give such guarantee at such time (and to the extent) that it thereafter becomes permissible).

(b) Section 4.15(a) shall not apply to: (1) the granting by such Restricted Subsidiary of a Permitted Lien under circumstances which do not otherwise constitute the guarantee of Indebtedness of the Company, any Permitted Affiliate Parent or any Restricted Subsidiary; or (2) the guarantee by any Restricted Subsidiary of Indebtedness that refinances Indebtedness which benefited from a guarantee by any Restricted Subsidiary Incurred in compliance with this Section 4.15 immediately prior to such refinancing.

(c) Notwithstanding the foregoing, any Guaranty by an Additional Guarantor created pursuant to this Section 4.15 shall provide by its terms that it shall be automatically and unconditionally released and discharged in accordance with the provisions of Section 11.09 (*Release of Guarantors*) of this Agreement.

Section 4.16 [Reserved]

Section 4.17 Impairment of Liens

The Company and any Permitted Affiliate Parent shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing any Lien on the Collateral granted under the Collateral Documents (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair any Lien on the Collateral granted under the Collateral Documents) for the benefit of the Administrative Agent and/or the Security Trustee and the Lenders, and the Company and any Permitted Affiliate Parent shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Administrative Agent and/or the Security Trustee, the Lenders and the other beneficiaries described in the Collateral Documents or any Intercreditor Agreement, as applicable, any interest whatsoever in any of the Collateral, except that (a) the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries may Incur Permitted Collateral Liens, (b) the Collateral may be discharged and released in accordance with this Agreement, the Collateral Documents or any Intercreditor Agreement, as applicable, and (c) the Company, any Permitted Affiliate Parent and any Restricted Subsidiary may consummate any other transaction permitted under Section 5.01; *provided, however*, that, except with respect to any discharge or release of Collateral in accordance with this Agreement, the Collateral Documents or any Intercreditor Agreement, as applicable, in connection with the Incurrence of Liens for the benefit of the Administrative Agent and/or the Security Trustee, the Lenders, no Collateral Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, except that, at the direction of the Company or any Permitted Affiliate Parent and without the consent of the Lenders, the Administrative Agent and/or the Security Trustee may from time to time (subject to customary protections and indemnifications from the Company) enter into one or more amendments to the Collateral Documents to: (1) cure any ambiguity, omission, manifest error, defect or inconsistency therein; (2) provide for Permitted Collateral Liens; (3) make any change necessary or desirable, in the good faith determination of the Company in order to implement transactions permitted under Section 5.01; (4) provide for the release of any Lien on any properties and assets constituting Collateral from the Lien of the Collateral Documents, *provided* that such release is followed by the substantially concurrent re-taking of a Lien of at least equivalent priority over the same properties and assets securing the Obligations and the Guaranty; (5) provide for the release of any Lien pursuant to, or in connection with, any Solvent Liquidation; (6) make any other change that does not adversely affect the Lenders in any material respect; and (7) provide for the transfer, assignment or release of any Lien on any properties and assets constituting Collateral, and any concurrent or subsequent re-taking or reaffirmation of such Lien, pursuant to, or in connection with, the Group Refinancing Transactions (including, without limitation, (i) the transfer of shares of Sable Holding Limited from Cable & Wireless Limited to the New Intermediate Holdco and the related re-taking or reaffirmation of the relevant Collateral Documents by New Intermediate Holdco (including by way of a re-affirmation of the Sable Holding Share Security Documents or by way of entry into additional Collateral Documents), (ii) other than pursuant to subclause (7)(i) above, the release of the Liens on any properties or assets constituting Collateral owned by Cable & Wireless Limited, (iii) the release of the Liens on any properties or assets constituting Collateral owned by C&W Communications (including, without limitation, the shares of CWC Cayman Finance Limited), and (iv) the entry into additional Collateral Documents by such direct Holding Company of the New Intermediate Holdco in respect of any Subordinated Shareholder Loans owing to such Holding Company, and shares of the New Intermediate Holdco); *provided that*, contemporaneously with any such action in clauses (2) (4) and (6), the Company delivers to the Administrative Agent, either (A) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, (B) a certificate from the responsible financial or accounting officer of the relevant Grantor (acting in good faith) which confirms the solvency of the person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (C) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Collateral Documents, as applicable, so amended, extended, renewed, restated, supplemented, modified or replaced, are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or

Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that the Company complies with the requirements of this Section 4.17, the Administrative Agent and/or the Security Trustee shall (subject to customary protections and indemnifications) consent to any such amendment, extension, renewal, restatement, supplement, modification or replacement without the need for instructions from the Lenders.

Section 4.18 [Reserved]

Section 4.19 Suspension of Covenants on Achievement of Investment Grade Status

If, during any period after the Amendment Effective Date, the Loans have achieved and continue to maintain Investment Grade Status and no Event of Default has occurred and is continuing (such period hereinafter referred to as an “*Investment Grade Status Period*”), then the Company will notify the Trustee of this fact and beginning on the date such status was achieved, the provisions of Sections 4.07, 4.08, 4.09, 4.10, 4.11 and 5.01(a)(3) and any related default provisions of this Agreement will be suspended and will not, during such Investment Grade Status Period, be applicable to the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries. No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with the covenants then applicable will require reversal or constitute a Default under this Agreement in the event that suspended covenants are subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will terminate immediately upon the failure of the Loans to maintain Investment Grade Status (the “*Reinstatement Date*”). The Company will promptly notify the Administrative Agent in writing of any failure of the Loans to maintain Investment Grade Status and the Reinstatement Date.

Section 4.20 [Reserved]

Section 4.21 [Reserved]

Section 4.22 [Reserved]

Section 4.23 Intercreditor Agreements

(a) Each of the Administrative Agent and the Lenders shall become a party to the Existing Intercreditor Agreement by executing an accession agreement, in the form required by the Existing Intercreditor Agreement, on or prior to the Amendment Effective Date or such other date as such Lender becomes a party to this Agreement (by way of assignment, transfer, accession, joinder or otherwise).

(b) At the request of the Company or a Permitted Affiliate Parent, in connection with the Incurrence by a Loan Party of any Indebtedness that is permitted to share in the Collateral pursuant to the definition of “Permitted Collateral Lien”, the Loan Parties, the Lenders, the Administrative Agent and the Security Trustee shall enter into with the holders of such Indebtedness (or their duly authorized Representative) an intercreditor agreement, including a restatement, amendment or other modification of the Existing Intercreditor Agreement (an “*Additional Intercreditor Agreement*”), on substantially the same terms as the applicable Intercreditor Agreement (or on terms not materially less favorable to the Finance Parties), including, with respect to the subordination, payment blockage, limitation on enforcement, and release of the Guaranty, priority and release of any Liens in respect of Collateral or other terms which become customary for similar agreements. For the avoidance of doubt, subject to the foregoing and the succeeding paragraph, any such Additional Intercreditor Agreement may provide for *pari passu* or subordinated Lien in respect of any such Indebtedness (to the extent such Indebtedness is permitted to share the Collateral pursuant to the definition of Permitted Collateral Lien).

(c) At the direction of the Company or a Permitted Affiliate Parent and without the consent of the Lenders, the Administrative Agent will upon direction of the Company or a Permitted Affiliate Parent from time to time enter into one or more amendments to the applicable Intercreditor Agreement to: (1) cure any ambiguity, omission, manifest error, defect or inconsistency therein; (2) add other parties (such as representatives of new issuances of Indebtedness) thereto; (3) further secure the Obligations and the Guaranty; (4) make provision for equal and ratable grants of Liens on the Collateral to secure Additional Facilities or implement any Permitted Collateral Liens; (5) make any other change to the applicable Intercreditor Agreement to provide for additional Indebtedness constituting Subordinated Obligations or any other additional Indebtedness (in either case, including with respect to the applicable Intercreditor Agreement, the addition of provisions relating to new Indebtedness).

ranking junior in right of payment to the Facilities) or other obligations that are permitted by the terms of this Agreement to be Incurred and secured by a Lien on the Collateral on a senior, pari passu or junior basis with the Liens securing the Facilities, (6) add Restricted Subsidiaries to the applicable Intercreditor Agreement, (7) amend the applicable Intercreditor Agreement in accordance with the terms thereof or; (8) make any change necessary or desirable, in the good faith determination of the Board of Directors or senior management of the Company, in order to implement any transaction that is subject to Section 5.01; (9) implement any transaction in connection with the renewal, extension, refinancing, replacement or increase of any Indebtedness that is secured by the Collateral and that is not prohibited by this Agreement; or (10) make any other change thereto that does not adversely affect the rights of the Finance Parties in any material respect; *provided* that no such changes shall be permitted to the extent they affect the ranking of the Facilities or the release of any Guaranty in a manner than would adversely affect the rights of the Finance Parties in any material respect except as otherwise permitted by this Agreement, or the applicable Intercreditor Agreement, immediately prior to such change. The Company will not otherwise direct the Administrative Agent to enter into any amendment to the applicable Intercreditor Agreement without the consent of the Required Lenders, except as otherwise permitted pursuant to Section 10.01 (*Amendments, Etc.*) of this Agreement.

(d) In relation to any applicable Intercreditor Agreement, the Administrative Agent shall consent on behalf of the Lenders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Facilities thereby; *provided, however*, that such transaction would comply with Section 4.07.

Section 4.24 [Reserved]

Section 4.25 Limited Condition Transaction

(a) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Company or a Permitted Affiliate Parent, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into. For the avoidance of doubt, if the Company or a Permitted Affiliate Parent has exercised its option under the first sentence of this Section 4.25(a), and any Default or Event of Default occurs following the date such definitive agreement for a Limited Condition Transaction is entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder.

(b) In connection with any action being taken in connection with a Limited Condition Transaction for purposes of:

- (1) determining compliance with any provision of the Agreement which requires the calculation of any financial ratio or test, including the Consolidated Net Leverage Ratio or the Consolidated Senior Secured Net Leverage Ratio; or
- (2) testing baskets set forth in this Agreement (including baskets measured as a percentage or multiple, as applicable, of Total Assets, Pro forma EBITDA or Pro forma Non-Controlling Interest EBITDA);

in each case, at the option of the Company or a Permitted Affiliate Parent (the Company's or a Permitted Affiliate Parent's election to exercise such option in connection with any Limited Condition Transaction, an "*LCT Election*"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the "*LCT Test Date*"); *provided, however*, that the Company or a Permitted Affiliate Parent shall be entitled to subsequently elect, in its sole discretion, the date of consummation of such Limited Condition Transaction instead of the LCT Test Date as the applicable date of determination, and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof), as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Pro forma EBITDA", "Consolidated Net Leverage

Ratio”, and the “Consolidated Senior Secured Net Leverage Ratio”, the Company, a Permitted Affiliate Parent or any Restricted Subsidiary could have taken 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.

(c) If the Company or a Permitted Affiliate Parent has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Pro forma EBITDA or Total Assets, of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries or the Person or assets subject to the Limited Condition Transaction (as at each reference to the “Company” or a “Permitted Affiliate Parent” in such definition was to such Person or assets) at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Company or a Permitted Affiliate Parent has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio, test or basket availability under this Agreement (including with respect to the Incurrence of Indebtedness or Liens, or the making of Asset Dispositions, acquisitions, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Company, a Permitted Affiliate Parent or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary) on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

ARTICLE 5

Section 5.01 Merger and Consolidation

(a) No Borrower will consolidate with, or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the “*Successor Company*”) will be a corporation, partnership, trust or limited liability company organized and existing under the laws of an Approved Jurisdiction and the Successor Company (if not such Borrower) will expressly assume, by executing and delivering an joinder agreement in the form contemplated by Section 10.21(c) (*Additional Parties*) of this Agreement, to the Administrative Agent, in form satisfactory to the Administrative Agent, all the obligations of such Borrower under the Loan Documents to which it is a party, *provided* that, in the case of the Original Co-Borrower, it shall remain, or the Successor Company shall be, in all cases organized and existing under the laws of the United States or the District of Columbia;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) either (A) immediately after giving effect to such transaction, the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries, or such Successor Company would be able to Incur at least an additional \$1.00 of Indebtedness pursuant to Section 4.09(a)(1) or (B) the Consolidated Net Leverage Ratio of the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries (including such Successor Company) or such Successor Company would be no greater than that of the Company and any Permitted Affiliate Parent immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Administrative Agent an Officer’s Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer complies with this Agreement; *provided* that in giving such opinion, such counsel may rely on an Officer’s Certificate as to compliance with Section 5.01(a)(2) and Section 5.01(a)(3) above and as to any matters of fact.

(b) No Loan Party (other than a Borrower) will consolidate with, or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, other than another Loan Party (other than in connection with a transaction that does not constitute an Asset Disposition or a transaction that is permitted by Section 4.10), unless:

- (1) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and
- (2) either:

(A) the Successor Company expressly assumes all the obligations of that Loan Party under the Loan Documents to which such Loan Party is a party, by executing and delivering a joinder agreement in the form contemplated by Section 10.21(c) (*Additional Parties*) of this Agreement; *provided* that, in the case of the New Intermediate Holdco, it shall remain, or the Successor Company shall be, in all cases organized and existing under the laws of an Approved Key Jurisdiction; or

(B) the Net Cash Proceeds of such transaction are applied in accordance with the applicable provisions of this Agreement.

(c) For purposes of this Section 5.01, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of a Loan Party which properties and assets, if held by such Loan Party instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of such Loan Party on a Consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of such Loan Party.

(d) The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the relevant Loan Party under the Loan Documents, and upon such substitution, the predecessor to such Loan Party will be released from its obligations under the Loan Documents, but, in the case of a lease of all or substantially all its assets, the predecessor to such Loan Party will not be released from the obligation to pay the principal of and interest on the Facilities.

(e) The provisions set forth in this Section 5.01 shall not restrict (and shall not apply to): (1) any Restricted Subsidiary that is not a Loan Party from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to a Loan Party or any Restricted Subsidiary that is not a Loan Party; (2) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to another Loan Party; (3) any consolidation or merger of a Borrower into any Loan Party, *provided* that, for the purposes of this Section 5.01(e)(3), if a Borrower is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of such Borrower under the Loan Documents and Section 5.01(a)(1) and Section 5.01(a)(4) shall apply to such transaction; (4) any consolidation or merger effected as part of the 2016 Transactions, the Post-Closing Reorganization or the Group Refinancing Transactions; (5) any Solvent Liquidation; and (6) a Loan Party consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity, *provided* that, for the purposes of this Section 5.01(e)(5), (A) Section 5.01(a)(1), Section 5.01(a)(2) and Section 5.01(a)(4) or (B) Section 5.01(b)(1) and Section 5.01(b)(2), as the case may be, shall apply to any such transaction.

**SCHEDULE I
GUARANTORS**

PART 1 - INITIAL GUARANTORS

1.	Cable & Wireless Communications Limited (formerly LGE Coral Mergerco Limited, being the surviving legal entity of a merger between LGE Coral Mergerco Limited, Cable & Wireless Communications Limited (formerly Cable & Wireless Communications Plc) and LGE Coral Mergerco BV) (England)
2.	Cable & Wireless Limited (England)
3.	Sable Holding Limited (England)
4.	CWIGroup Limited (England)
5.	Coral-US Co-Borrower LLC (Delaware)
6.	Sable International Finance Limited (Cayman Islands)
7.	Cable and Wireless (West Indies) Limited (England)

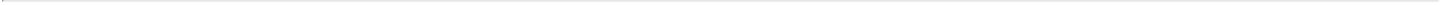
PART 2 - GUARANTORS FOLLOWING THE GROUP REFINANCING EFFECTIVE DATE

1.	New Intermediate Holdco (Approved Jurisdiction)
2.	Sable Holding Limited (England)
3.	CWIGroup Limited (England)
4.	Columbus International Inc. (Barbados)
5.	Coral-US Co-Borrower LLC (Delaware)
6.	Sable International Finance Limited (Cayman Islands)
7.	Cable and Wireless (West Indies) Limited (England)

SCHEDULE II
LIST OF DOCUMENTS TO BE RECONFIRMED

1. Re-confirmation of a Cayman Islands law-governed Equitable Charge over Shares dated January 29, 2010 and made between Sable Holding Limited as Company and BNP Paribas as Security Trustee in respect of the shares of Sable International Finance Limited.
2. Re-confirmation of an English law-governed Equitable Charge over Shares dated January 29, 2010 and made between Sable Holding Limited as Company and BNP Paribas as Security Trustee in respect of the shares of CWIGroup Limited.
3. Re-confirmation of an English law-governed Equitable Charge over Shares dated January 29, 2010 and made between CWIGroup Limited as Company and BNP Paribas as Security Trustee in respect of the shares of Cable and Wireless (West Indies) Limited.
4. Re-confirmation of a Cayman Islands law-governed Security Confirmation Deed dated January 26, 2012 and made between Sable Holding Limited as Confirming Party and BNP Paribas as Security Trustee in respect of the Cayman Islands law-governed Equitable Charge over Shares dated January 29, 2010 and made between Sable Holding Limited as Company and BNP Paribas as Security Trustee in respect of the shares of Sable International Finance Limited.
5. Re-confirmation of a Cayman Islands law-governed Mortgage over Shares dated December 24, 2014 and made between Cable & Wireless Communications Limited (formerly LGE Coral Mergerco Limited, being the surviving legal entity of a merger between LGE Coral Mergerco Limited, Cable & Wireless Communications Limited (formerly Cable & Wireless Communications Plc) and LGE Coral Mergerco BV) as Mortgagor and BNP Paribas as Security Trustee in respect of the shares of CWC Cayman Finance Limited.
6. Re-confirmation of a Cayman Islands law-governed Supplemental Mortgage over Shares March 31, 2015 and made between Sable Holding Limited as Mortgagor and BNP Paribas as Security Trustee in respect of the shares of Sable International Finance Limited.
7. Re-confirmation of an English law-governed Security Agreement over Shares dated March 31, 2015 and made between CWIGroup Limited as Chargor and BNP Paribas as Security Trustee in respect of the shares of Cable and Wireless (West Indies) Limited.
8. Re-confirmation of an English law-governed Security Agreement over Shares dated March 31, 2015 and made between Sable Holding Limited as Chargor and BNP Paribas as Security Trustee in respect of the shares of CWIGroup Limited.
9. Re-confirmation of a Barbados law-governed Deed of Charge over Shares dated April 2, 2015 and made between Sable Holding Limited as Chargor and BNP Paribas as Security Trustee in respect of the shares of Columbus International Inc.
10. Re-confirmation of a Barbados law-governed Confirmation Deed dated July 13, 2016 and made between Columbus International Inc. (formerly known as Columbus Cable (Barbados) Limited), Sable Holding Limited and the Bank of Nova Scotia, as Security Trustee.
11. Re-confirmation of a Cayman Islands law-governed Confirmation Deed dated August 3, 2016 and made between Cable & Wireless Communications Limited and Sable Holding Limited as Confirming Parties, the Bank of Nova Scotia, in its capacity as Security Trustee and the Bank of Nova Scotia, in its capacity as Administrative Agent.
12. Re-confirmation of an English law-governed Confirmation Deed dated August 2, 2016 and made between Cable & Wireless Limited, Sable Holding Limited and CWIGroup Limited as Confirming Parties, Bank of Nova Scotia, in its capacity as Security Trustee and Bank of Nova Scotia, in its capacity as Administrative Agent.

13. Re-confirmation of a New York law share pledge dated August 2, 2016, made between Sable Holding Limited as pledger and BNP Paribas as Security Trustee in respect of shares of Coral-US Co-Borrower LLC.
14. Re-confirmation of an English law governed Security Agreement dated August 2, 2016, made between Cable & Wireless Communications Limited as Chargor, Cable & Wireless Limited as Original Relevant Company and The Bank of Nova Scotia as Security Trustee with respect to certain subordinated shareholder loans in the aggregate principal amount of US\$102,903,302.13 and US\$2,097,667,362.74 respectively made by Cable & Wireless Communications Limited (to Cable & Wireless Limited).



**SCHEDULE III
LENDER TAX STATUS**

PART A – UK

Name of Original Lender	Tax Status	UK Treaty Passport scheme reference number and jurisdiction of tax residence (if applicable)
Bank of America, N.A. (acting from its London branch)	UK Bank Lender	N/A
Barclays Bank plc	UK Bank Lender	N/A
BNP Paribas Fortis SA/NV	UK Treaty Lender	18/B/359080/DTTP (Belgium)
Citibank NA London (acting from its London branch)	UK Bank Lender	N/A
Credit Suisse AG, New York Branch	UK Treaty Lender	No DTTP number (Swiss)
FirstCaribbean International Bank (Bahamas) Limited	Not a UK Qualifying Lender	N/A
Goldman Sachs Bank USA	UK Treaty Lender	13/G/351779/DTTP (U.S.A.)
ING Capital LLC	UK Treaty Lender	13/I/273576/DTTP (U.S.A.)
JPMorgan Chase Bank, N.A., London Branch (acting from its London branch)	UK Bank Lender	N/A
Royal Bank of Canada (acting through its New York branch)	UK Treaty Lender	No DTTP number (Canada)
Société Générale, London Branch	UK Bank Lender	N/A
The Bank of Nova Scotia	UK Treaty Lender	3/T/366714/DTTP (Canada)

PART B – IRELAND

Name of Lender	Tax Status
Specify legal name of Lender	Specify one of the following: 1) not an Irish Qualifying Lender; or 2) an Irish Qualifying Lender (other than solely on account of being an Irish Treaty Lender); or 3) an Irish Treaty Lender

**SCHEDULE 1.01A
COMMITMENTS**

Class A Revolving Credit Commitments

Revolving Credit Lender	Revolving Credit Commitment
N/A	\$0.00

Class B Revolving Credit Commitments

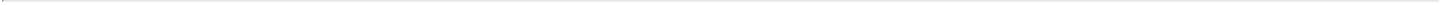
Revolving Credit Lender	Revolving Credit Commitment
Bank of America N.A.	\$56,000,000
Barclays Bank plc	\$50,000,000
BNP Paribas Fortis SA/NV	\$69,500,000
Citibank N.A., London Branch	\$50,000,000
Credit Suisse AG, Cayman Islands Branch	\$50,000,000
FirstCaribbean International Bank (Bahamas) Limited	\$32,500,000
Goldman Sachs Bank USA	\$50,000,000
ING Capital LLC	\$50,000,000
JPMorgan Chase Bank, N.A. – London Branch	\$40,000,000
Royal Bank of Canada	\$57,500,000
Société Générale, London Branch	\$50,000,000
The Bank of Nova Scotia	\$69,500,000

Term B-3 Loan Commitments

Term B-3 Lender	Term B-3 Loan Commitment
The Bank of Nova Scotia	\$1,125,000,000

**SCHEDULE 1.01B
EXISTING LETTERS OF CREDIT**

Issuer	Beneficiary	Loan Amount	Expiry Date	Governing Law
Royal Bank of Canada	Cable & Wireless Pension Trustee Limited in its capacity as trustee of the Cable & Wireless Superannuation Fund	£21,052,631.58	1 August 2017	English law.
FirstCaribbean International Bank (Bahamas) Limited	Cable & Wireless Pension Trustee Limited in its capacity as trustee of the Cable & Wireless Superannuation Fund	£17,543,859.65	1 August 2017	English law.
BNP Paribas Fortis SA/NV	Cable & Wireless Pension Trustee Limited in its capacity as trustee of the Cable & Wireless Superannuation Fund	£26,315,789.47	1 August 2017	English law.
The Bank of Nova Scotia	Cable & Wireless Pension Trustee Limited in its capacity as trustee of the Cable & Wireless Superannuation Fund	£35,087,719.30	1 August 2017	English law.



SCHEDULE 6.16
POST-CLOSING ACTIONS

1. Within 60 days of the Amendment Effective Date, each Guarantor listed on Part A of Schedule 1 to confirm its Guaranty.
2. Within 60 days of the Amendment Effective Date, all documents listed in Schedule II hereto to be executed by the relevant Loan Party and delivered to the Administrative Agent and the Lenders.

SCHEDULE 6.17
ACTIONS IN CONNECTION WITH THE GROUP REFINANCING TRANSACTIONS

1. Within 60 Business Days of the Group Refinancing Effective Date, each Guarantor listed on Part B of Schedule 1 to become party to this Agreement as an Additional Guarantor (if such Guarantor has not entered into this Agreement prior to the Group Refinancing Effective Date).
2. Within 60 Business Days of the Group Refinancing Effective Date, a re-taking or re-confirmation of the Sable Holding Share Security Documents (in form and substance reasonably satisfactory to the Administrative Agent and Security Trustee), made between the New Intermediate Holdco and BNP Paribas as Security Trustee, in respect of the shares of Sable Holding Limited.
3. Within 60 Business Days of the Group Refinancing Effective Date, a perfected first priority security interest (subject to Permitted Liens) in all outstanding shares of the New Intermediate Holdco (in form and substance reasonably satisfactory to the Administrative Agent and the Security Trustee), made between the direct Holding Company of the New Intermediate Holdco and the Security Trustee (the “**New Intermediate Holdco Share Pledge**”); *provided* that, if the New Intermediate Holdco is an entity organized under the laws of England and Wales, the United States, any state thereof or the District of Columbia, the New Intermediate Holdco Share Pledge shall be granted on the Group Refinancing Effective Date.
4. Within 60 Business Days of the Group Refinancing Effective Date, a pledge agreement (in form and substance reasonably satisfactory to the Administrative Agent and the Security Trustee), made between the direct Holding Company of the New Intermediate Holdco and the Security Trustee, in respect of any Subordinated Shareholder Loans made by the direct Holding Company of the New Intermediate Holdco as lender (the “**New Intermediate Holdco Shareholder Loan Pledge**”); *provided* that, if such Subordinated Shareholder Loans are governed by English or New York law, the New Intermediate Holdco Shareholder Loan Pledge shall be granted on the Group Refinancing Effective Date.
5. On the Group Refinancing Effective Date, a structure chart showing the structure of the Restricted Group following the completion of the Group Refinancing Transactions, which the Company shall certify to the Administrative Agent is true and complete in all material respects as at the Group Refinancing Effective Date in respect of the corporate ownership of the structure of the Company and its Restricted Group (including the direct Holding Company of the Company).
6. Following the occurrence of the Group Refinancing Effective Date, upon the request of the Administrative Agent, within 60 Business Days following such request, agreements, instruments or documents executed to implement the Group Refinancing Transactions (as the Administrative Agent may request).

SCHEDULE 10.02
ADMINISTRATIVE AGENT'S OFFICE, CERTAIN ADDRESSES FOR NOTICES

ADMINISTRATIVE AGENT:

Administrative Agent's Office

Agent Name: The Bank of Nova Scotia, London
Address: 201 Bishopsgate, 6th Floor
London, EC2M 3NS
Attn: Savi Rampat
savi.rampat@scotiabank.com
Phone: 44 207 826 5660
Fax: 44 207 826 5666

L/C ISSUER:

The Bank of Nova Scotia
Address: 201 Bishopsgate, 6th Floor
London, EC2M 3NS
Attn: Savi Rampat
savi.rampat@scotiabank.com
Phone: 44 207 826 5660
Fax: 44 207 826 5666

SWING LINE LENDER:

The Bank of Nova Scotia
Address: 201 Bishopsgate, 6th Floor
London, EC2M 3NS
Attn: Savi Rampat
savi.rampat@scotiabank.com
Phone: 44 207 826 5660
Fax: 44 207 826 5666

COMPANY:

Cable & Wireless Limited
Address: 2nd Floor, 62-65 Chandos Place,
London, WC2N 4HG, UK
Fax: 44 207 315 5073

With a copy to:
Ropes & Gray LLP
60 Ludgate Hill
London EC4M 7AW
United Kingdom
Attention: Jane Rogers
E-mail: jane.rogers@ropesgray.com
Telephone: +44 20 3201 1643 // Facsimile: +44 20 3201 1864

SCHEDULE 10.21
ADDITIONAL PARTIES DOCUMENTS

1. Corporate Documents: Certified Organization Documents of each Additional Borrower or Additional Guarantor, and such certification of resolutions or other action and incumbency certificates of a Responsible Officer of each such Additional Borrower or Additional Guarantor as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each such Responsible Officer thereof to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Additional Borrower or Additional Guarantor will become a party.
2. Equity Holder Consent: to the extent required under the Organization Documents of an Additional Guarantor or applicable law, the consent of the equity holder of such Additional Guarantor.
3. Legal Opinion: If requested by the Administrative Agent, a legal opinion as to organization, authority, execution, delivery and enforceability of the applicable Loan Documents.

Liberty Latin America Subsidiaries
December 31, 2017

Name	Country
Cable and Wireless (Anguilla) Limited	Anguilla
Cable & Wireless Antigua & Barbuda Limited	Antigua & Barbuda
Kelcom International (Antigua & Barbuda) Limited	Antigua & Barbuda
Columbus Communications Limited	Bahamas
CWC Bahamas Holdings Limited	Bahamas
The Bahamas Telecommunications Company Limited	Bahamas
Antilles Crossing (Barbados) IBC, Inc.	Barbados
Cable & Wireless (Barbados) Limited	Barbados
Cable Jamaica (Barbados) Limited	Barbados
Caribbean Data Centers (Barbados) Inc.	Barbados
CNL-CWC Networks Inc.	Barbados
Columbus Acquisitions Inc.	Barbados
Columbus Antilles (Barbados) Limited	Barbados
Columbus Capital (Barbados) Limited	Barbados
Columbus Caribbean Acquisitions Inc.	Barbados
Columbus Communications Inc.	Barbados
Columbus Curacao (Barbados) Inc.	Barbados
Columbus Eastern Caribbean (Barbados) Inc.	Barbados
Columbus Holdings (Barbados) II SRL	Barbados
Columbus Holdings (Barbados) SRL	Barbados
Columbus International Capital (Barbados) Inc.	Barbados
Columbus International Inc.	Barbados
Columbus Investments Inc.	Barbados
Columbus Jamaica Holdings (Barbados) Inc.	Barbados
Columbus Networks (Cayman) Holdco Limited	Barbados
Columbus Networks Finance Company Limited	Barbados
Columbus Networks Sales, Ltd.	Barbados
Columbus Networks, Limited	Barbados
Columbus Telecommunications (Barbados) Limited	Barbados
Columbus Trinidad (Barbados) Inc.	Barbados
Columbus TTNW Holdings Inc.	Barbados
CWC CALA Holdings Limited	Barbados
CWC-Columbus Asset Holdings Inc.	Barbados
CWI Caribbean Limited	Barbados
Gemini North Cable (Barbados) Inc.	Barbados
Karib Cable Inc.	Barbados
Liberty CWC Holdings Limited	Barbados
S.A.U.C.E. Holdings (Barbados) (I) Limited	Barbados
Wamco Technology Group Limited	Barbados
Cable and Wireless Network Services Limited	Bermuda

Name	Country
Liberty Latin America Limited	Bermuda
LiLAC Services Limited	Bermuda
New World Network International, Ltd	Bermuda
Columbus Networks (Bonaire), N.V.	Bonaire
CNW Leasing Ltd.	Canada
CWC Canada Limited	Canada
Cable & Wireless Communications Insurance Limited	Cayman Islands
Cable & Wireless Jamaica Finance (Cayman) Limited	Cayman Islands
Cable and Wireless (Cayman Islands) Limited	Cayman Islands
Columbus New Cayman Limited	Cayman Islands
CWC Cayman Finance Limited	Cayman Islands
CWC Costa Rica Holdings Limited	Cayman Islands
CWC Macau Holdings Limited	Cayman Islands
CWC New Cayman Limited	Cayman Islands
CWC Overseas Holdco Limited	Cayman Islands
CWC Trinidad Holdings Limited	Cayman Islands
CWC WS Holdings Cayman Ltd.	Cayman Islands
CWIGroup Limited	Cayman Islands
Kelfenora Limited	Cayman Islands
LCPR Cayman Holding Inc.	Cayman Islands
Liberty Costa Rica Holdings Ltd.	Cayman Islands
LiLAC Ventures Ltd.	Cayman Islands
Sable International Finance Limited	Cayman Islands
United Chile Ventures, Inc.	Cayman Islands
C&W Networks Chile SPA	Chile
Sociedad Televisora CBC Limitada	Chile
VTR Comunicaciones S.p.A.	Chile
VTR Global Carrier S.A.	Chile
VTR Ingeniería S.A.	Chile
VTR Móvil S.p.A.	Chile
VTR Southam Chile S.p.A.	Chile
VTR.com SpA	Chile
Columbus Networks Zona Franca, Limitada	Colombia
ColumbusNetworks de Colombia, Limitada	Colombia
Lazus Colombia S.A.S.	Colombia
Cable & Wireless (Costa Rica) SA	Costa Rica
Columbus Networks de Costa Rica S.R.L.	Costa Rica
Columbus Networks Wholesale de Costa Rica S.A.	Costa Rica
LBT Acquisitions, S.A.	Costa Rica
Columbus Communications Curacao N.V.	Curacao
Columbus Networks Antilles Offshore N.V.	Curacao
Columbus Networks Curacao, N.V.	Curacao
Columbus Networks Netherlands Antilles N.V.	Curacao
E-Commercepark N.V.	Curacao
Exploitatiemaatschappij E-Zone Vredenberg N.V.	Curacao
Cable & Wireless Dominica Limited	Dominica

Name	Country
Marpin 2K4 Limited	Dominica
Columbus Networks Dominicana, S.A.	Dominican Republic
CWC Cable & Wireless Communications Dominican Republic SA	Dominican Republic
Columbus Networks de Ecuador S.A.	Ecuador
Columbus Networks El Salvador S.A. de C.V.	El Salvador
SSA Sistemas El Salvador, SA de CV	El Salvador
Columbus Holdings France SAS	France
Cable and Wireless Grenada Limited	Grenada
Columbus Communications (Grenada) Limited	Grenada
Cable & Wireless Panama (Guatemala) SA	Guatemala
Columbus Networks de Guatemala, Limitada	Guatemala
Columbus Networks (Haiti) S.A.	Haiti
Columbus Networks de Honduras S. de R.L.	Honduras
PT Mitracipta Sarananusa	Indonesia
Pender Insurance Limited	Isle of Man
Cable & Wireless Jamaica Limited	Jamaica
Caribbean Landing Company Limited	Jamaica
Chartfield Development Company Limited	Jamaica
Columbus Communications Jamaica Limited	Jamaica
Columbus Networks Jamaica Limited	Jamaica
D. & L. Cable & Satellite Network Limited	Jamaica
Dekal Wireless Jamaica Limited	Jamaica
Digital Media & Entertainment Limited	Jamaica
Jamaica Digiport International Limited	Jamaica
LIME Foundation Limited	Jamaica
Northern Cable & Communication Network Limited	Jamaica
S.A.U.C.E. Communication Network Limited	Jamaica
Columbus Eastern Caribbean Holdings Sàrl	Luxembourg
Columbus Networks de Mexico S.R.L.	Mexico
Cable & Wireless Australia & Pacific Holding B.V.	Netherlands
Cable and Wireless International Finance B.V.	Netherlands
Lila Chile Holdings BV	Netherlands
VTR Finance BV	Netherlands
Columbus Networks Nicaragua y Compania Limitada	Nicaragua
SSA Sistemas Nicaragua, Sociedad Anonima	Nicaragua
Cable & Wireless Panama S.A.	Panama
Columbus Networks Centroamérica S. de R.L	Panama
Columbus Networks de Panamá SRL	Panama
Columbus Networks Marítima S. de R.L.	Panama
CWC WS (Panama) SA	Panama
CWC WS Holdings Panama SA	Panama
Grupo Sonitel, SA	Panama
Lazus Panama S.A.	Panama
Sonitel, SA	Panama
Telecomunicaciones Corporativas Panameñas S.A.	Panama
Lazus Peru S.A.C	Peru

Name	Country
SSA Sistemas del Peru S.R.L.	Peru
Columbus Networks Puerto Rico (2015), Inc.	Puerto Rico
Columbus Networks Puerto Rico, Inc.	Puerto Rico
Liberty Cablevision of Puerto Rico LLC	Puerto Rico
Puerto Rico Cable Acquisition Company LLC	Puerto Rico
Cable & Wireless (Seychelles) Limited	Seychelles
Le Chantier Property Limited	Seychelles
Seychelles Cable System Company	Seychelles
Cable & Wireless (Singapore) Pte Limited	Singapore
Cable & Wireless St. Kitts & Nevis Limited	St Kitts and Nevis
Antilles Crossing Holding Company (St. Lucia) Limited	St Lucia
Bandserve Inc.	St Lucia
Cable and Wireless (St Lucia) Limited	St Lucia
Columbus Communications (St Lucia) Limited	St Lucia
Columbus Eastern Caribbean (St. Lucia) Inc.	St Lucia
Dekal Wireless Holdings Limited	St Lucia
Techvision Inc.	St Lucia
Tele (St. Lucia) Inc.	St Lucia
Cable & Wireless St Vincent and the Grenadines Limited	St Vincent and the Grenadines
Columbus Communications St. Vincent and the Grenadines Limited	St Vincent and the Grenadines
Petrel Communications SA	Switzerland
Cable & Wireless Trinidad and Tobago Limited	Trinidad and Tobago
Cable Company of Trinidad and Tobago Unlimited	Trinidad and Tobago
Columbus Communications Trinidad Limited	Trinidad and Tobago
Columbus Holdings Trinidad Unlimited	Trinidad and Tobago
Columbus Networks International (Trinidad) Ltd.	Trinidad and Tobago
Trinidad and Tobago Trans-Cable Company Unlimited	Trinidad and Tobago
Cable and Wireless (TCI) Limited	Turks and Caicos Islands
Cable & Wireless (UK) Group Limited	UK-England & Wales
Cable & Wireless Carrier Limited	UK-England & Wales
Cable & Wireless Central Holding Limited	UK-England & Wales
Cable & Wireless Communications Limited	UK-England & Wales
Cable & Wireless DI Holdings Limited	UK-England & Wales
Cable & Wireless International HQ Limited	UK-England & Wales
Cable & Wireless Limited	UK-England & Wales
Cable & Wireless Services UK Limited	UK-England & Wales
Cable & Wireless Trade Mark Management Limited	UK-England & Wales
Cable and Wireless (CALA Management Services) Limited	UK-England & Wales
Cable and Wireless (Investments) Limited	UK-England & Wales
Cable and Wireless (West Indies) Limited	UK-England & Wales
Cable and Wireless Pension Trustee Limited	UK-England & Wales
CWC Communications Limited	UK-England & Wales
CWC UK Finance Limited	UK-England & Wales
CWIGroup Limited	UK-England & Wales

Name	Country
LGE Coral Holdco Ltd	UK-England & Wales
Liberty Global CIHB Ltd	UK-England & Wales
Sable Holding Limited	UK-England & Wales
The Eastern Telegraph Company Limited	UK-England & Wales
The Western Telegraph Company Limited	UK-England & Wales
LGI International Holdings LLC	USA-Colorado
United Chile, LLC	USA-Colorado
A.SUR NET, Inc.	USA-Delaware
ARCOS-1 USA, Inc.	USA-Delaware
Cable & Wireless Delaware 1, Inc.	USA-Delaware
Columbus Networks Telecommunications Services USA, Inc.	USA-Delaware
Columbus Networks USA (2015), Inc.	USA-Delaware
Columbus Networks USA, Inc.	USA-Delaware
Coral-US Co-Borrower LLC	USA-Delaware
LCPR Ventures LLC	USA-Delaware
Leo Cable LLC	USA-Delaware
Latam Technologies Holdings I, LLC	USA-Delaware
Leo Cable LP	USA-Delaware
LiLAC Communications Inc.	USA-Delaware
Petrel Communications Corporation	USA-Delaware
SkyOnline Maya-1, LLC	USA-Delaware
Cable & Wireless Communications Inc.	USA-Virginia
Columbus Networks Venezuela S.A.	Venezuela
Cable and Wireless (BVI) Limited	Virgin Islands, British
Cable and Wireless (EWC) Limited	Virgin Islands, British

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Latin America Ltd.:

We consent to the incorporation by reference in the registration statement (No. 333-222515) on Form S-8 of Liberty Latin America Ltd. of our report dated February 14, 2018, with respect to the consolidated balance sheets of Liberty Latin America Ltd. and subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive earnings (loss), equity, and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes and financial statement schedules I and II (collectively, the “consolidated financial statements”), which report appears in the December 31, 2017 annual report on Form 10-K of Liberty Latin America Ltd.

/s/ KPMG LLP

Denver, Colorado
February 14, 2018

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Latin America Ltd.:

We consent to the incorporation by reference in the registration statement (No. 333-222515) on Form S-8 of Liberty Latin America Ltd. of our report dated July 21, 2017, with respect to the consolidated statements of operations, comprehensive earnings (loss), equity, and cash flows of Liberty Latin America Ltd. and subsidiaries for the year ended December 31, 2015, and the related financial statement schedule II, which report appears in the December 31, 2017 annual report on Form 10-K of Liberty Latin America Ltd.

/s/ KPMG Auditores Consultores Ltda

Santiago, Chile
February 14, 2018

Consent of Independent Auditors

The Board of Directors
Liberty Latin America Ltd.:

We consent to the incorporation by reference in the registration statement (No. 333-222515) on Form S-8 of Liberty Latin America Ltd. of our report dated April 12, 2017, with respect to the consolidated statements of financial position of Cable & Wireless Communications Limited and subsidiaries as of March 31, 2016 and 2015 and the related consolidated statements of operations, comprehensive income, changes in owners' equity, and cash flows for each of the years in the two-year period ended March 31, 2016, which report appears in the December 31, 2017 annual report on Form 10-K of Liberty Latin America Ltd.

/s/ KPMG LLP

London, United Kingdom
February 14, 2018

CERTIFICATION

I, Balan Nair, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Latin America Ltd.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
 - c) disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2018

/s/ Balan Nair

Balan Nair

President and Chief Executive Officer

CERTIFICATION

I, Christopher Noyes, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty Latin America Ltd.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
 - c) disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2018

/s/ Christopher Noyes

Christopher Noyes
Senior Vice President and Chief Financial Officer

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Latin America Ltd. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company as of December 31, 2017 and December 31, 2016, and for the years ended December 31, 2017, 2016 and 2015.

Dated: February 14, 2018

/s/ Balan Nair

Balan Nair

President and Chief Executive Officer

Dated: February 14, 2018

/s/ Christopher Noyes

Christopher Noyes

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-K or as a separate disclosure document.