

Exhibit C

New Debt Alternative Facility Term Sheet

EXECUTION VERSION**TERM SHEET
(TERM LOAN)****\$1.75 Billion Senior Secured Facilities****Summary of Terms and Conditions**

This Summary of Terms and Conditions (“*Term Exit Facility Term Sheet*”), along with the ABL Terms and Conditions (the “*ABL Term Sheet*”), summarizes certain terms and conditions of the Term Exit Facility (as defined below) that are to be entered into in connection with the Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (the “*Plan*”) of Cengage Learning, Inc. (the “*Company*”) and certain of the Company’s affiliates, each such affiliate, a debtor and debtor-in-possession (collectively, the “*Debtors*”) in a case (collectively, the “*Chapter 11 Cases*”) currently pending in the United States Bankruptcy Court for the Eastern District of New York (the “*Bankruptcy Court*”). It is intended that all material terms of the facilities described herein are herein set forth and matters that are not expressly set out in this Term Exit Facility Term Sheet are subject to mutual agreement of the parties.

- Term Exit Facility:*** \$1.75 billion senior secured term loan facility (the “*Term Exit Facility*”) consisting of term loans (“*Term Loans*”) to be borrowed on the initial date of funding (the date of such funding, the “*Closing Date*”).
- Parent:*** Cengage Learning Holdings II, L.P., which will be converted into a corporation in connection with the consummation of the Plan (the “*Parent*”).
- Borrower:*** Cengage Learning Acquisitions, Inc., a wholly-owned subsidiary of Parent or Intermediate Co. (the “*Borrower*”).
- Guarantors:*** All obligations of the Borrower under the Term Exit Facility and under any interest rate protection or other swap or hedging arrangements or cash management arrangements entered into with a Lender, the Agent or any affiliate of a Lender or the Agent (“*Hedging/Cash Management Arrangements*”) will be unconditionally guaranteed jointly and severally on a senior secured basis (the “*Guarantees*”) by Parent, a newly formed or existing direct, wholly-owned subsidiary of Parent (“*Intermediate Co.*”) and direct parent company of the Borrower, and each existing and subsequently acquired or organized restricted subsidiary (other than any excluded subsidiary) that is a wholly-owned material domestic restricted subsidiary of the Borrower, other than any domestic subsidiary of a direct or indirect foreign subsidiary (collectively, the “*Guarantors*”); *provided* that none of the following shall constitute a Guarantor (a) any subsidiary of

Parent, to the extent the provision of a Guarantee by such subsidiary would result in material adverse tax consequences to the Parent and its subsidiaries as determined by the Parent, in consultation with the Agent, (b) Immaterial Subsidiaries (to be mutually defined), (c) captive insurance companies, (d) special purpose entities, (e) any subsidiary that is prohibited by applicable law, rule or regulation or by any contractual obligation existing on the Closing Date (as defined below) from guaranteeing the Term Exit Facility or which would require governmental (including regulatory) consent, approval, license or authorization to provide a Guarantee unless such consent, approval, license or authorization has been received prior to the Closing Date and (f) any restricted subsidiary acquired pursuant to a Permitted Acquisition (as defined below) financed with secured indebtedness permitted to be incurred pursuant to the Term Exit Facility Documentation as assumed indebtedness (and not incurred in contemplation of such Permitted Acquisition) and any restricted subsidiary thereof that guarantees such indebtedness, in each case to the extent such secured indebtedness prohibits such subsidiary from becoming a Guarantor or enter into a Guarantee.

Notwithstanding the foregoing, subsidiaries of the Parent may be excluded from the guarantee requirements in circumstances where the Borrower and the Agent reasonably agree that the cost of providing such Guarantee or of providing collateral security to secure such Guarantee is excessive in relation to the value afforded thereby.

The Guarantors and the Borrower are collectively referred to herein as the “*Loan Parties*” and shall exclude “*Excluded Subsidiaries*” as such term is defined in the Existing Precedent (as defined below).

Lead Arranger and Bookrunner:

Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc., Morgan Stanley Senior Funding, Inc., Deutsche Bank Securities Inc., and KKR Capital Markets LLC (in such capacity, the “*Arrangers*”).

Administrative and Collateral Agent:

Credit Suisse AG, Cayman Islands Branch (in such capacity, the “*Agent*”).

Lenders:

Such institutions that may become parties to the financing arrangements from time to time as Lenders as are reasonably acceptable to the Company (excluding any Disqualified Lender) with respect to the Term Exit Facility (collectively, “*Lenders*”).

Incremental Term Facility: Borrower will have the option to add one or more incremental term loan facilities to the Term Exit Facility (each, an “***Incremental Term Facility***”) in an aggregate principal amount of up to the sum of (a) \$500 million plus (b) unlimited additional amounts so long as on a pro forma basis after giving effect to the incurrence of any such Incremental Term Facility the Total Leverage Ratio (as defined below) does not exceed 3.50 to 1.00 on the date such incurrence is made (assuming for purposes of this calculation that the cash proceeds of any such indebtedness permitted under this ratio shall not be netted for purposes of this calculation), so long as no Event of Default has occurred and is continuing at the time of such increase or immediately after giving effect thereto (in each case with customary “Sungard” exceptions if proceeds are being used for an acquisition), and *provided* that (i) no Lender shall be required to provide additional commitments for such Incremental Term Facility, (ii) subject to the next paragraph, such Incremental Term Facility shall rank *pari passu* in right of payment and of security with the Loans, (iii) such Incremental Term Facility shall not mature earlier than the latest Maturity Date with respect to the then outstanding Term Loans and shall not have a weighted average life to maturity shorter than the then outstanding Term Loans and (iv) such Incremental Term Facility shall be treated substantially the same as the Term Loans (in each case, including with respect to mandatory and voluntary repayments), *provided* that (a) other than with respect to fees paid by the Borrower to secure the commitments for such Incremental Term Facility (which, for the avoidance of doubt, (i) shall be permitted and (ii) other Lenders under the Term Exit Facility shall not be entitled to similar fees), the terms and conditions applicable to the Incremental Term Facility may be materially different from those of the Term Loans to the extent such differences are reasonably acceptable to the Administrative Agent and (b) the interest rates, discount, premium, rate flows, fees and amortization schedule applicable to the Incremental Term Facility shall be determined by the Borrower and the lenders thereof; *provided* that any Incremental Term Facility incurred within eighteen (18) months after the Closing Date, the “effective margin” applicable to the respective Incremental Term Facility (which, for such purposes only, shall be deemed (x) to include all upfront or similar fees or original issue discount (amortized over the shorter of (1) the weighted average life to maturity of such loans and (2) four years) payable to all Lenders providing such Incremental Term Facility, (y) if the Incremental Term Facility includes an interest rate floor greater than the applicable interest rate floor under the initial Term Loans such differential between interest rate floors shall be equated to the applicable interest rate margin for purposes of

determining whether an increase to the interest rate margin under the initial Term Loans shall be required, but only to the extent an increase in the interest rate floor in the initial Term Loans would cause an increase in the interest rate then in effect thereunder, and in such case, the interest rate floor (but not the interest rate margin) applicable to the initial Term Loans shall be increased to the extent of such differential between interest rate floors and (z) shall exclude structuring, arrangement or other fees payable in connection therewith that are not shared with all Lenders providing such Incremental Term Facility) determined as of the initial funding date for such Incremental Term Facility may exceed the “effective margin” applicable to the Term Loans (determined on the same basis as provided in the preceding parenthetical) by up to (but not more than) 0.50% or if it does so exceed such “effective margin” (such difference the “Effective Margin Differential”) then the “effective margin” applicable to such initial Term Loans shall be increased such that after giving effect to such increase, the Effective Margin Differential shall not exceed 0.50%.

The Term Exit Facility will permit the Borrower to utilize availability under the Incremental Term Facility amount to issue first lien notes or junior lien secured indebtedness (in each case, subject to customary intercreditor terms to be mutually agreed and set forth in an exhibit to the definitive documentation for the Term Exit Facility) or unsecured indebtedness, with the amount of such secured or unsecured indebtedness reducing the aggregate principal amount available for the Incremental Facility; *provided* that such secured or unsecured indebtedness (i) does not mature on or prior to the maturity date of, or have a shorter weighted average life than, the Term Loans, (ii) reflects market terms at the time of incurrence or issuance, (iii) there shall be no borrower or guarantor in respect of any such indebtedness that is not a Loan Party and (iv) if secured, such indebtedness shall not be secured by any assets of the Loan Parties that do not constitute collateral for the Term Exit Facility.

Refinancing Facilities:

The Term Exit Facility Documentation (as defined below) will permit the Borrower to refinance loans under the Term Exit Facility (or any Incremental Term Facility) from time to time, in whole or part, with one or more new term facilities (each, a “***Refinancing Term Facility***”) under the Term Exit Facility Documentation with the consent of the Borrower and the institutions providing such Refinancing Term Facility or with one or more additional series of senior unsecured notes or loans or senior secured notes or loans that will be secured by the Collateral (as defined below) on a *pari passu* or junior basis with the Term Exit Facility, senior subordinated notes or loans, or subordinated

notes or loans (and such notes or loans, “**Refinancing Notes**”), subject solely to the following terms and conditions: (i) any Refinancing Facility or Refinancing Notes shall not be in a principal amount that exceeds the amount of loans and commitments so refinanced, plus fees, expenses and premiums payable in connection therewith, (ii) customary intercreditor agreements are entered into, (iii) any Refinancing Term Facility or Refinancing Notes does not mature prior to the maturity date of, or have a shorter weighted average life than, loans under the Term Exit Facility being refinanced, (iv) none of the Borrower’s restricted subsidiaries is a borrower or guarantor with respect to any Refinancing Facility or Refinancing Notes unless such restricted subsidiary is a Guarantor which shall have previously or substantially concurrently guaranteed the obligations of the Borrower under the Term Exit Facility, (v) the other terms and conditions of such Refinancing Term Facility or Refinancing Notes (excluding pricing and optional prepayment or redemption terms) reflect market terms and conditions at the time of incurrence or issuance and (vii) delivery of certificates and information as mutually agreed in the Term Exit Facility Documentation.

Mandatory Prepayments:

Loans under the Term Exit Facility shall be prepaid with:

- (A) Each fiscal year commencing with the fiscal year ending on March 31, 2015 (which Excess Cash Flow prepayment, if any, shall be payable no later than the tenth business day after the Borrower’s annual financial statements are required to be delivered pursuant to the Term Exit Facility, each an “**Excess Cash Flow Period**”) 50% of Excess Cash Flow (as defined in Annex II) if the ratio of Consolidated Total Net Debt (as defined in Annex II) to Consolidated EBITDA (as defined in Annex II) (such ratio, the “**Total Leverage Ratio**”) is greater than or equal to 3.00 to 1.00, 25% of Excess Cash Flow (as defined in Annex II) if the Total Leverage Ratio is greater than or equal to 2.50 to 1.00 but less than 3.00 to 1.00 and 0% of Excess Cash Flow if the Total Leverage Ratio is less than 2.50 to 1.00; *provided* that, in any fiscal year, any voluntary prepayments or commitment reductions of indebtedness (including prepayments at a discount) shall be credited against excess cash flow prepayment obligations of any fiscal year on a dollar-for-dollar basis for such fiscal year so long as not funded with long-term indebtedness (with the Total Leverage Ratio of the Borrower for purposes of determining the applicable Excess Cash Flow percentage above recalculated to give pro forma effect to any such pay down or reduction);

- (B) 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by the Borrower and its restricted subsidiaries (including insurance and condemnation proceeds and sale leaseback proceeds), subject to exceptions for the sale of the library business (the “Gale Disposition”); *provided* that in the event that the Borrower elects to make a restricted payment with the net proceeds of the Gale Disposition, then prior to giving effect to such restricted payment, 50% of such net proceeds of the Gale Disposition shall be applied to the prepayment of the Term Loans without reinvestment, and others to be agreed, and subject further to the right to reinvest 100% of such proceeds, if such proceeds are reinvested in the business, including in permitted acquisitions, Capital Expenditures (as defined in the Existing Precedent taking into account the Documentation Principles) or prepublication expenditures (or committed to be reinvested) within 360 days and, if so committed to be reinvested, so long as such reinvestment is actually completed within 180 days thereafter, and other exceptions to be set forth in the Term Exit Facility Documentation; and
- (C) 100% of the net cash proceeds of issuances of debt obligations of the Borrower and its restricted subsidiaries after the Closing Date (excluding debt permitted under the Term Exit Facility Documentation but including refinancing facilities and refinancing notes).

Mandatory prepayments under clause (B) required under the Term Exit Facility may, if required pursuant to the terms of any other indebtedness secured *pari passu* with the Term Exit Facility, be applied to the Term Loans outstanding under Term Exit Facility and such other *pari passu* indebtedness, in each case on a ratable basis based on the outstanding principal amounts thereof.

Mandatory prepayments shall be applied, without premium or penalty, subject to reimbursement of the Lenders’ reasonable and documented redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period, on a pro rata basis to the Term Exit Facility and any Incremental Term Facility under the Term Exit Facility Documentation and to scheduled amortization payments thereof in direct order of maturity.

Any Lender under the Term Exit Facility may elect not to accept its pro rata portion of any mandatory prepayment (each a

“**Declining Lender**”). Any prepayment amount declined by a Declining Lender may be retained by the Borrower and will be included in the Available Amount.

Prepayments from foreign subsidiaries’ Excess Cash Flow and asset sale proceeds will be limited under the Term Exit Facility Documentation to the extent such prepayments (including the repatriation of cash in connection therewith) would (a) be prohibited or delayed by applicable law; *provided* that the Borrower and its restricted subsidiaries shall take all commercially reasonable actions available under local law to permit such repatriation or (b) result in material adverse tax consequences.

Optional Prepayments:

Voluntary prepayments of borrowings under the Term Exit Facility will be permitted at any time in minimum principal amounts to be agreed upon, without premium (except as provided below) or penalty (except as provided below), subject to reimbursement of the Lenders’ redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period.

All voluntary prepayments of the Term Exit Facility and any Incremental Term Facility will be applied to the remaining amortization payments under the Term Exit Facility or such Incremental Term Facility, as applicable, and may be applied to any of the Term Exit Facility or any Incremental Term Facility, in any case, as directed by the Borrower (and absent such direction, in direct order of maturity thereof).

All voluntary prepayments of the Term Loans and mandatory prepayments of the Term Loans with the proceeds of debt in connection with any Repricing Transaction (as defined below) shall be accompanied by a premium (expressed as a percentage of the principal amount of such Term Loans to be prepaid) equal to (a) on or prior to the six month anniversary of the Closing Date, 1.0% and (b) thereafter, 0%. A “**Repricing Transaction**” means the prepayment or refinancing of all or a portion of the Term Loans with the incurrence by the Borrower or any of its subsidiaries of any long-term bank debt financing incurred for the primary purpose of reducing the effective interest cost or weighted average yield to less than the interest rate for or weighted average yield of the Term Loans, including without limitation, as may be effected through any amendment to the Term Exit Facility Documentation (as defined below) relating to the interest rate for the Term Loans, but which, for the avoidance of doubt, does not include any prepayment or refinancing in connection with a change of control (to be mutually defined) or any refinancing that involves an

upsizing in connection with an acquisition or other fundamental change.

Use of Proceeds: To (i) fund certain fees and expenses associated with the Term Exit Facility (including to cash collateralize certain letters of credit outstanding under the Existing Precedent), (ii) make distributions pursuant to the Plan and (iii) repay certain costs and expenses required to be paid in connection with the Debtors' emergence from the Chapter 11 Cases.

Fees and Interest Rates: As set forth on Annex I.

Maturity: The Term Exit Facility will mature, and the lending commitments thereunder will terminate, on the sixth year anniversary of the Closing Date (the "***Term Maturity Date***"); *provided* that the definitive documentation shall provide the right of individual Lenders to agree to extend the maturity of their respective Term Loan commitments upon the request of the Borrower and without the consent of Agent or any other Lender (it being understood that each Lender under a tranche of commitments that is being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender under such tranche).

Amortization: The Term Exit Facility will amortize in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of the Term Exit Facility, commencing on the last business day of the first full fiscal quarter ending after the Closing Date, with the balance payable on the Term Maturity Date.

Collateral: To secure all obligations of the Loan Parties to Agent, Lenders, Issuing Bank and under any Hedge Agreements, the Loan Parties shall grant to Agent (subject to exceptions and thresholds as provided in the Term Exit Facility Documentation Principles below):

- (a) a perfected second-priority (subject to permitted liens, including in respect of the ABL Facility and other exceptions consistent with the Exit Facility Documentation Principles) security interest in the Current Asset Collateral and the Inventory Collateral;
- (b) a perfected first-priority (subject to permitted liens, including in respect of the ABL Facility and other exceptions consistent with the Exit Facility Documentation Principles) pledge of all the capital stock in subsidiaries

held by Parent, Intermediate Co., the Borrower and the Guarantors (*provided* that, (i) in the case of any capital stock of any foreign subsidiary that is owned by the Borrower or any Guarantor that is a domestic subsidiary of Parent, such pledge shall be limited to 65% of the voting stock of first-tier foreign subsidiary, (ii) equity interests in other subsidiaries of the Borrower and the Guarantors shall not be pledged to the extent prohibited under applicable law and (iii) the capital stock of non-wholly owned subsidiaries shall not be pledged to the extent prohibited by the terms of such subsidiary's organizational documents or related agreements, in the case of clauses (ii) and (iii), after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law and other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or other applicable law notwithstanding such prohibition); and

- (c) a perfected first-priority security interests in, and mortgages on, substantially all tangible and intangible personal property and fee-owned real property above an amount to be agreed of the Borrower and each subsidiary Guarantor (including but not limited to accounts receivable, inventory, equipment, general intangibles (including contract rights), investment property, intellectual property, intercompany notes and proceeds of the foregoing), in each case, subject to permitted liens and to exceptions (including the carve out of Excluded Assets, Current Asset Collateral and Inventory Collateral) and limitations consistent with the Exit Facility Documentation Principles (the foregoing clauses (b) and (c), collectively, the "**Term Facility Collateral**"). "ABL Facility", "ABL Facility Collateral", "Excluded Assets" "Current Asset Collateral" and "Inventory Collateral" are each used herein as they are defined in the ABL Term Sheet.

Intercreditor Matters:

The relative rights and priorities in the Term Facility Collateral and in the ABL Facility Collateral (as defined in the ABL Term Sheet) and among the Lenders under the Term Exit Facility and the Lenders under the ABL Facility will be set forth in a customary intercreditor agreement reasonably acceptable to the Agent, Citigroup Global Markets Inc., as administrative agent and collateral agent under the ABL Facility and the Borrower (the "**Intercreditor Agreement**").

Documentation Principles: The Term Exit Facility (the “*Term Exit Facility Documentation*”) will be based on Existing Precedent (as defined below) and will contain only those conditions to borrowing, definitions, representations, warranties, covenants and events of default expressly set forth therein with such changes and modifications as are needed to conform to company structure at exit, mutually agreed or otherwise expressly set forth in this Term Exit Facility Term Sheet.

As used in this Term Exit Facility Term Sheet, “*Existing Precedent*” shall mean documentation substantially identical to the Credit Agreement dated as of July 5, 2007 by and among Cengage Learning Acquisitions, Inc., Cengage Learning Holdings II, L.P., Cengage Learning Holdco, Inc., JPMorgan Chase Bank, N.A. and the Lenders party thereto from time to time (as amended, restated, amended and restated, supplemented or otherwise modified as of the date of the commencement of the Chapter 11 Cases), and related guarantee agreements, security agreements, intellectual property security agreements and any other documents executed and/or delivered in connection with the Existing Precedent, (i) with changes and modifications that (v) are needed to conform to company structure at exit, (w) reflect the terms of this Term Exit Facility Term Sheet, (x) reflect that there are no financial covenants in the Term Exit Facility, (y) cure mistakes or defects or (z) reflect operational, agency, assignment and related provisions not specifically set forth herein but not in contravention of anything specifically set forth in this Term Exit Facility Term Sheet that are customarily included in credit agreements of this type and (ii) such other modifications as are mutually agreed, in light of then prevailing market conditions, if necessary in connection with the syndication of the Term Exit Facility.

Representations and Warranties:

Limited to the following (to be applicable to the Borrower and its restricted subsidiaries only and in cases that are mutually agreed to be applicable to Parent and Intermediate Co.): organizational status and good standing; power and authority, qualification, execution, delivery, binding effect and enforceability of the Term Exit Facility Documentation; with respect to the Term Exit Facility Documentation, no violation of, or conflict with, law, organizational documents or agreements; compliance with law; litigation; margin regulations; governmental approvals; Investment Company Act; accurate and complete disclosure; accuracy of historical and pro forma financial statements; no material adverse change (after the Closing Date); taxes; ERISA; subsidiaries; intellectual property; environmental laws; ownership of properties; senior debt; creation, perfection and validity of security interests (subject to permitted liens and other exceptions to perfection to be

mutually agreed); and consolidated Closing Date solvency of the Borrower and its subsidiaries, OFAC, FCPA, Patriot Act, subject, in the case of each of the foregoing representations and warranties, to customary qualifications and limitations for materiality to be provided in the Term Exit Facility Documentation.

Affirmative Covenants:

Limited to the following (to be applicable to the Borrower and its restricted subsidiaries only except for further assurances on collateral, which shall also be applicable to Parent and Intermediate Co.): delivery of annual audited and quarterly unaudited financial statements (which such financial statements will be delivered within (i) in the case of the annual audited financial statements, 150 days after fiscal year end for the first fiscal year ended after the Closing Date and 90 days after fiscal year end for fiscal year thereafter and (ii) in the case of quarterly financial statements, 90 days after quarter end for the first fiscal quarter ended after the Closing Date and 45 days for each quarter ended thereafter), accountants' letters, officers certificates and other information reasonably requested by the Agent, as the case may be; notices of defaults and material litigation; maintenance of property (subject to casualty, condemnation and normal wear and tear) and customary insurance (but not, for the avoidance of doubt, flood insurance except to the extent required by applicable law); maintenance of existence and corporate franchises, rights, licenses and privileges; maintenance and inspection of books and records; payment of taxes and similar claims; compliance with laws and regulations; additional Guarantors and Collateral (subject to certain limitations); use of proceeds; and further assurances on collateral matters, subject, in the case of each of the foregoing covenants, to exceptions and qualifications to be provided in the Term Exit Facility Documentation.

Negative Covenants:

Limited to the following (to be applicable to the Borrower and its restricted subsidiaries) limitations on:

- (a) the incurrence of debt;
- (b) liens;
- (c) fundamental changes;
- (d) asset sales (including sales of capital stock of restricted subsidiaries but with exceptions for the Gale Disposition) and sale leasebacks;
- (e) investments, and acquisitions (which shall be permitted (i) on the terms set forth in the section entitled "Permitted

Acquisitions” hereof and (ii) by Guarantors in the indebtedness and equity interests of non-Guarantors in connection with the post-closing restructuring);

- (f) dividends or distributions on, or redemptions of, the Borrower’s and restricted subsidiaries’ equity interests (which shall include customary exceptions for taxes, other overhead expenses of direct and indirect parents thereof attributable to the ownership of the Borrower and its subsidiaries, and any other dividends, distributions or redemptions as provided in Annex A-II);
- (g) change in nature of business;
- (h) transactions with affiliates;
- (i) prepayments of subordinated indebtedness which shall be unlimited, subject to compliance with a Total Leverage Ratio not to exceed 3.50 to 1.00;
- (j) burdensome agreements and negative pledge clauses; and
- (k) change in fiscal year; provided that Parent and its subsidiaries shall be permitted to change their fiscal year end to March 31

The negative covenants will be subject, in the case of each of the foregoing covenants to exceptions, qualifications and “baskets,” including, without limitation, those more specifically enumerated in Annex A-II hereto. Notwithstanding anything to the contrary herein, the negative covenants shall permit, without limitation or qualification, intercompany indebtedness, investments and assets sales between and among the Borrower and its restricted subsidiaries; provided that acquisitions of and investments in non-Guarantors shall be subject to a cap to be agreed.

Permitted Acquisitions:

The Borrower or any restricted subsidiary will be permitted to make acquisitions (each a “***Permitted Acquisition***”) and incur and/or assume indebtedness in connection with such Permitted Acquisitions, subject solely to the terms and conditions specified in the Existing Precedent; *provided* that Permitted Acquisitions of non-Guarantors shall be subject to a cap to be agreed.

Financial Reporting:

Substantially identical to the Existing Precedent (subject to the Documentation Principles) and taking into account fresh start accounting modifications.

Unrestricted Subsidiaries: The Borrower will have the ability to designate certain subsidiaries as unrestricted subsidiaries in a manner substantially identical to the Existing Precedent (subject to the Documentation Principles). Any subsidiary not designated as an unrestricted subsidiary shall constitute a restricted subsidiary.

Events of Default: Limited to the following (except as otherwise expressly indicated, to be applicable to the Borrower and its restricted subsidiaries only): nonpayment of principal when due; nonpayment of interest or other amounts after a customary five business day grace period; violation of covenants (subject to a 30 day grace period in the case of affirmative covenants that are capable of cure other than maintenance of existence and notice of default); incorrectness of representations and warranties in any material respect (subject to a 30 day grace period in the case of misrepresentations that are capable of cure); cross default and cross acceleration to indebtedness in excess of \$50,000,000; bankruptcy or other insolvency events of the Borrower or its material subsidiaries (with a customary grace period for involuntary events); monetary judgments in excess of \$50,000,000, which judgments are not satisfied, vacated, discharged or effectively waived or stayed for a period of 60 consecutive days; ERISA events; actual or asserted invalidity of material guarantees or security documents; and change of control as set forth below.

Change of Control: The change of control definition will reflect a widely-held-entity style change of control test only, acknowledging and consistent with private company status as emergence.

Conditions Precedent to Closing: Customary for exit financing facilities of this type, taking into account the size of the facility and best efforts nature of the syndication, including the Borrower and its restricted subsidiaries having unrestricted cash on the Closing Date (immediately prior to the incurrence of the Term Loans and any borrowings under the ABL facility on the Closing Date) of not less than \$50.0 million.

Scheduled Closing Date: The closing date ("***Closing Date***") shall occur upon the satisfaction or waiver of the Conditions Precedent to Closing.

Expenses and Indemnification: The Borrower shall pay, if the Closing Date occurs, all reasonable and documented or invoiced out-of-pocket costs and expenses of the Agent (without duplication) associated with the syndication of the Term Exit Facility and the preparation, execution and delivery, administration, amendment, modification, waiver and/or enforcement of the Term Exit Facility Documentation (including the reasonable fees, disbursements and other charges of one firm counsel identified herein and one local counsel in applicable

jurisdictions, which may include a single counsel acting in multiple jurisdictions) or otherwise retained with the Borrower's consent (such consent not to be unreasonably withheld or delayed)).

The Borrower will indemnify the Agent, the Arranger, the Lenders and their affiliates, and the directors, officers, employees, counsel, agents, trustees, investment advisors and attorneys-in-fact, and hold them harmless from and against any and all losses, liabilities, damages, claims and reasonable and documented or invoiced out-of-pocket fees and expenses (including reasonable fees, disbursements and other charges of one counsel for all indemnified parties and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all indemnified parties (and, in the case of an actual or perceived conflict of interest, where the indemnified person affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected indemnified person)) of any such indemnified person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such indemnified person is a party thereto and whether or not such proceedings are brought by the Borrower, its equity holders, its affiliates, creditors or any other third person) that relates to the Term Exit Facility; *provided* that no indemnified person will be indemnified for any liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements to the extent it has resulted from (i) the gross negligence, bad faith or willful misconduct of such person or any of its controlled affiliates or controlling persons or any of the officers, directors, employees, agents, advisors, or members of any of the foregoing, in each case who are involved in or aware of the Term Exit Facility (as determined by a court of competent jurisdiction in a final and non-appealable decision), (ii) a material breach of the Term Exit Facility Documentation by any such person or one of its affiliates (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (iii) disputes between and among indemnified persons to the extent such disputes do not arise from any act or omission of the Borrower or any of its affiliates (other than claims against an indemnified person acting in its capacity as an agent or arranger or similar role under the Term Exit Facility unless such claims arise from the gross negligence, bad faith or willful misconduct of such indemnified person).

***Governing Law and
Forum:***

New York.

Annex I
Interest Rates and Fees

Interest Rate Options: Borrower may elect that the Loans bear interest at a rate per annum equal to:

- (i) the Base Rate plus the Applicable Margin; or
- (ii) the LIBOR Rate plus the Applicable Margin.

As used herein:

“**Base Rate**” shall be defined substantially consistent with the Existing Precedent.

“**LIBOR Rate**” shall be defined substantially consistent with the Existing Precedent.

“**Applicable Margin**” shall mean:

<u>Type of Loan</u>	<u>Applicable Margin</u>
Base Rate	[REDACTED]
LIBOR Rate	[REDACTED]

With respect to the Term Loans, there shall be a minimum LIBOR Rate (*i.e.* LIBOR Rate prior to adding any applicable interest rate margins thereto) requirement of [REDACTED] per annum. The Borrower may elect interest periods of 1, 2, 3 or 6 months (or, if agreed by all relevant Lenders, 12 months) for adjusted LIBOR borrowings.

Interest Payment Dates: In the case of Loans bearing interest based upon the Base Rate (“**Base Rate Loans**”), quarterly in arrears.

In the case of Loans bearing interest based upon the LIBOR Rate (“**LIBOR Rate Loans**”), on the last day of each relevant interest period, except in the case of any interest period in excess of three months, every three months.

Default Rate: With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to Base Rate Loans (as defined in Annex I) plus 2.00% per annum and in each case, shall be payable on demand.

32 ***Rate and Fee Basis:*** All per annum rates shall be calculated on the basis of a year of
33 360 days and the actual number of days elapsed.

34 ***Term Exit Facility*** [REDACTED]

35 ***Arrangement Fee:***

36

37 ***Administrative Agent Fee:*** [REDACTED]

38 ***Upfront Fees:*** [REDACTED]

39

Annex A-II
Baskets

Summary	Existing Precedent	Exit Facility
General liens basket (7.01)(gg)	Not to exceed \$75 million	Not to exceed the greater of \$150 million and 5% of total assets
Liens securing letters of credit in a currency other than dollars (7.01)(bb)	Not to exceed \$50 million	Not to exceed \$50 million
Loans or advances to officers, directors and employees (other than with respect to ordinary business uses (<i>e.g.</i> travel, relocation, etc.) or in connection with the purchase of equity interests in Parent) (7.02)(b)	Not to exceed \$35 million	Same as precedent credit agreement
General investments basket (7.02)(o)	<p>Not to exceed the greater of \$500 million and 5% of total assets in the aggregate, plus any return of capital in respect of such investment plus:</p> <ul style="list-style-type: none"> (a) the net cash proceeds of permitted equity issuances that are not otherwise applied; and (b) the Available Amount that is not otherwise applied <p>provided that the above amount that may be used for the designation of restricted subsidiaries as unrestricted</p>	<p>Not to exceed \$500 million, plus any return of capital in respect of such investment plus:</p> <ul style="list-style-type: none"> (a) the net cash proceeds of permitted equity issuances that are not otherwise applied; and (b) the Available Amount that is not otherwise applied <p>provided that the above amount that may be used for the designation of restricted subsidiaries as unrestricted subsidiaries shall not exceed \$200</p>

Summary	Existing Precedent	Exit Facility
	subsidiaries shall not exceed \$200 million	million
General indebtedness basket (7.03)(m) and (7.03)(x)	<p>(1) Not to exceed \$500 million; or</p> <p>(2) the Borrower or any restricted subsidiary may incur any other indebtedness (calculated on a pro forma basis) so long as:</p> <ul style="list-style-type: none"> (a) No default shall exist or result; and (b) After incurrence, the Senior Secured Incurrence Test would have been satisfied; and both: <ul style="list-style-type: none"> (i) Either the First Lien Incurrence Test would have been satisfied or the Senior Secured Leverage Ratio would be no greater than the Senior Secured Leverage Ratio in effect immediately prior to such incurrence; and (ii) Either the First Lien Incurrence Test would have been satisfied or the First Lien Leverage Ratio would be no greater than the First Lien Leverage Ratio in effect immediately prior to 	<p>(1) Not to exceed \$500 million; plus</p> <p>(2) the Borrower or any restricted subsidiary (subject to a cap for non-guarantor subsidiaries to be agreed) may incur any other indebtedness (calculated on a pro forma basis) so long as:</p> <ul style="list-style-type: none"> (a) No default shall exist or result (subject to customary “SunGard” provisions in connection with any Permitted Acquisition or other similar investment); and (b) After incurrence, the Total Leverage Ratio shall not exceed 3.50 to 1.00 on a pro forma basis; provided, that any term loans secured by liens on the collateral ranking pari passu with the liens securing the Term Loans shall be subject to the “MFN” provisions described in the Summary of Terms under the heading “Incremental Term Facility”; provided such MFN provisions shall apply solely to Term Loans incurred in reliance on this clause (b).

Summary	Existing Precedent	Exit Facility
	such incurrence	
Indebtedness of foreign subsidiaries (7.03)(u)	Not to exceed greater of (when aggregated with all other such indebtedness incurred under the \$500M general basket) \$250 million and 10% of foreign subsidiary total assets	When aggregated with all other such indebtedness incurred under the general indebtedness basket, \$250 million
Indebtedness under a subordinated lien facility (7.03)(v)	Not to exceed \$250,000,000, <i>provided</i> no default or Event of Default will result from incurrence thereof	Remove
Payment of dividends following the first public offering of any of the Company's common stock (or that of any parent or indirect parent) (7.06)(j)	Up to 6% of the net cash proceeds thereof	Same as precedent credit agreement
General basket for restricted payments (7.06)(m)	<p>Not to exceed, when taken together with (i) prepayments of indebtedness other than indebtedness incurred under the Exit Facility and (ii) intercompany loans and advances to the Company or any direct or indirect parent thereof, the sum of:</p> <ul style="list-style-type: none"> (a) \$150 million at all times when the Total Leverage Ratio is less than or equal to 5.0:1.0; (b) \$250 million at all times when the Total Leverage Ratio is less than 	<p>Not to exceed the sum of:</p> <p>\$25 million plus:</p> <ul style="list-style-type: none"> (a) net cash proceeds of permitted equity issuances not otherwise applied; and (b) the Available Amount not otherwise applied; provided that in the case of restricted payments made with the Available Amount, the Total Leverage Ratio is less than or equal to the Total Leverage

Summary	Existing Precedent	Exit Facility
	<p>or equal to 4.0 to 1.0 but greater than 3.0 to 1.0; or</p> <p>(c) an unlimited amount at all times when the Total Leverage Ratio is less than or equal to 3.0:1.0;</p> <p>together with</p> <p>(a) net cash proceeds of permitted equity issuances not otherwise applied; and</p> <p>(b) the Available Amount not otherwise applied</p>	<p>Ratio as of the Closing Date.</p> <p>Notwithstanding the foregoing, Borrower shall be permitted to make restricted payments with up to 50% of the net proceeds of the Gale Disposition remaining after the prepayment of the Term Loans as provided in the Summary of Terms; <i>provided</i> that (x) both before and after giving effect to such restricted payment no default or event of default shall have occurred or be continuing and (y) on a pro forma basis for any such restricted payment, the Total Leverage Ratio shall be less than or equal to the lesser of (x) the Total Leverage Ratio as of the Closing Date and (y) the Total Leverage Ratio immediately preceding the Gale Disposition.</p>
<p>Prepayments of indebtedness other than indebtedness incurred under the Exit Facility (7.09)(a)</p>	<p>Not to exceed, together with all other restricted payments made under the general restricted payments basket, the sum of (i) the greater of \$150,000,000 and 2% of total assets, (ii) the amount of net cash proceeds of permitted equity issuances not otherwise applied and (iii) the Available Amount not otherwise applied</p>	<p>Not to exceed, together with all other restricted payments made under the general restricted payments basket (excluding with the net proceeds from the Gale Disposition), the sum of (i) the greater of \$150,000,000 and 5% of total assets, (ii) the amount of net cash proceeds of permitted equity issuances not otherwise applied and (iii) the Available Amount not otherwise applied.</p>

Certain Financial Definitions

“Applicable Period” shall mean an Excess Cash Flow Period or an Excess Cash Flow Interim Period, as the case may be.

“Capitalized Lease Obligations” shall mean at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP; provided that obligations of the Borrower or its restricted subsidiaries, or of a special purpose or other entity not consolidated with the Borrower and its restricted subsidiaries, either existing on the Closing Date or created thereafter that (a) initially were not included on the consolidated balance sheet of the Borrower as capital lease obligations and were subsequently recharacterized as capital lease obligations or, in the case of such a special purpose or other entity becoming consolidated with the Borrower and its restricted subsidiaries were required to be characterized as capital lease obligations upon such consideration, in either case, due to a change in accounting treatment or otherwise, or (b) did not exist on the Closing Date and were required to be characterized as capital lease obligations but would not have been required to be treated as capital lease obligations on the Closing Date had they existed at that time, shall for all purposes not be treated as Capitalized Lease Obligations or Indebtedness.

“Consolidated Total Net Debt” at any date shall mean the sum of (without duplication) all Indebtedness (other than letters of credit or bank guarantees, to the extent undrawn) consisting of Capitalized Lease Obligations, purchase money Indebtedness, obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, Indebtedness for borrowed money and disqualified stock of the Borrower and the restricted subsidiaries determined on a consolidated basis on such date in accordance with GAAP (such Indebtedness, “Consolidated Debt”) less all unrestricted cash and cash equivalents of the Borrower and its restricted subsidiaries; *provided* that Consolidated Debt shall not include (i) any letters of credit, except to the extent of unreimbursed amounts thereunder, (ii) obligations under Swap Contracts entered into in the ordinary course of business and not for speculative purposes, (iii) Indebtedness in respect of any Qualified Securitization Financing or (iv) any liabilities with respect to leases or similar arrangements of the Borrower and its restricted subsidiaries that would constitute operating leases under GAAP as in effect on the Closing Date.

“Current Assets” shall mean, with respect to the Borrower and its restricted subsidiaries on a consolidated basis at any date of determination, the sum of (i) all assets (other than cash or cash equivalents) that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Borrower and its restricted subsidiaries as current assets at such date of determination, other than amounts related to current or deferred taxes and (ii) long-term accounts receivable.

“Current Liabilities” shall mean, with respect to the Borrower and its restricted subsidiaries on a consolidated basis at any date of determination, all liabilities that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Borrower and its restricted subsidiaries as current liabilities at such date of determination, other than (a) the current portion of any funded Indebtedness, (b) accruals of Consolidated Interest Expense, (c) accruals for

current or deferred taxes, (d) accruals of any costs or expenses related to (i) severance or termination of employees prior to the Closing Date or (ii) bonuses, pension and other post-retirement benefit obligations, (f) accruals for add-backs to Consolidated EBITDA included in clauses (a)(iv), (a)(v), and (a)(vi) of the definition of such term, (g) all Indebtedness consisting of revolving loans to the extent otherwise included therein, and (h) deferred revenue arising from cash receipts that are earmarked for specific projects.

“Consolidated EBITDA” shall mean with respect to the Borrower and its restricted subsidiaries on a consolidated basis for any period, the Consolidated Net Income of the Borrower and its restricted subsidiaries for such period plus (a) the sum of the following subclauses (i) through (xvii) (in each case without duplication and to the extent the respective amounts described in subclauses (i) through (xvii) (other than (xii)) of this clause (a) reduced such Consolidated Net Income (and were not excluded therefrom) for the respective period for which Consolidated EBITDA is being determined):

- (i) provision for Taxes based on income, profits or capital of the Borrower and its restricted subsidiaries for such period, including, without limitation, state, franchise and similar taxes and foreign withholding taxes (including penalties and interest related to taxes or arising from tax examinations),
- (ii) Consolidated Interest Expense (and to the extent not included in Consolidated Interest Expense, (x) all bank fees, cash dividend payments (excluding items eliminated in consolidation) on any series of disqualified stock and (y) costs of surety bonds in connection with financing activities) of the Borrower and its restricted subsidiaries for such period,
- (iii) depreciation and amortization expenses of the Borrower and its restricted subsidiaries for such period including the amortization of intangible assets, deferred financing fees and Capitalized Software Expenditures (as defined in the Existing Precedent) and amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits,
- (iv) business optimization expenses and other restructuring charges or reserves (which, for the avoidance of doubt, shall include the effect of inventory optimization programs, any one-time costs incurred in connection with acquisitions, facility closure, facility consolidations, retention, severance, systems establishment costs, contract termination costs, future lease commitments and excess pension charges),
- (v) any other non-cash charges; provided, that for purposes of this subclause (v) of this clause (a), any non-cash charges or losses shall be treated as cash charges or losses in any subsequent period during which cash disbursements attributable thereto are made (but excluding, for the avoidance of doubt, amortization of a prepaid cash item that was paid in a prior period),
- (vi) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary,
- (vii) any net loss from disposed or discontinued operations,

- (viii) any expenses, costs or charges (other than depreciation or amortization expense as described in the preceding clause (iii)) related to any issuance of equity interests (including, without limitation, any such expenses, costs or charges associated with an initial public offering), investment, acquisition, New Project, disposition, recapitalization or the incurrence, modification or repayment of permitted Indebtedness (including a refinancing thereof) (whether or not successful), the Chapter 11 Cases (and costs and expenses associated with the emergence therefrom), the Plan of Reorganization, including (x) such fees, expenses or charges related to the Transactions (to be defined in the Term Exit Facility Documentation), the ABL Facility, the Term Exit Facility and any other Indebtedness, (y) any amendment or other modification of the obligations under the Term Exit Facility or other Indebtedness and (z) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Qualified Securitization Financing,
- (ix) the amount of loss on sale of receivables and related assets to a Securitization Subsidiary (as defined in the Existing Precedent) in connection with a Qualified Securitization Financing,
- (x) any costs or expense incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement,
- (xi) the amount of any loss attributable to a New Project, until the date that is 12 months after the date of completing the construction, acquisition, assembling or creation of such New Project, as the case may be; provided, that (A) such losses are reasonably identifiable and factually supportable and certified by a Responsible Officer of the Borrower and (B) losses attributable to such New Project after 12 months from the date of completing such construction, acquisition, assembling or creation, as the case may be, shall not be included in this clause (xi),
- (xii) the amount of “run-rate” cost savings projected by the Borrower in good faith to result from actions either taken or expected to be taken prior to or during such period (which cost savings shall be calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized or expected to be realized prior to or during such period from such actions; *provided*, that (A) such cost savings are reasonably identifiable and factually supportable and (B) no cost savings shall be added pursuant to this clause (x) to the extent duplicative of any expenses or charges relating to such cost savings that are included in clause (v) above with respect to such period (it being understood and agreed that “run-rate” means the full recurring benefit that is associated with any action taken or expected to be taken,
- (xiii) one-time costs associated with commencing compliance with (including the preparation thereof) the rules and regulations of a reporting company following an initial public offering,
- (xiv) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (b) below for any previous period and not added back, and

(xv) non-recurring litigation or claim settlement charges or expenses associated with the Plan of Reorganization, the Chapter 11 Cases or otherwise (including the resolution of retained claims);

minus (b) the sum of (without duplication and to the extent the amounts described in this clause (b) increased such Consolidated Net Income for the respective period for which Consolidated EBITDA is being determined) non-cash items increasing Consolidated Net Income of the Borrower and the Subsidiaries for such period (but excluding any such items (A) in respect of which cash was received in a prior period or will be received in a future period or (B) which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period).

Consolidated EBITDA shall be calculated during any period so as to exclude (without duplication of the other adjustments set forth in the definition of Consolidated EBITDA) any re-evaluation of any assets or liabilities due to “fresh-start” accounting adjustments resulting from the Borrower’s emergence from the Chapter 11 Cases.

In addition, notwithstanding the foregoing, for purposes of calculating EBITDA for any relevant period (A) cash expenditures in respect of prepublication costs in the relevant period shall be deducted from EBITDA and (B) amortization of prepublication costs for the relevant period shall be added to EBITDA.

Notwithstanding anything to the contrary contained herein and subject to adjustments permitted hereunder with respect to acquisitions, Dispositions and other transactions occurring following the Closing Date and/or pursuant to the definition of “Pro Forma Basis”, for purposes of determining Consolidated EBITDA for the four fiscal quarters ended prior to the Closing Date, Consolidated EBITDA shall be deemed to be certain “hard-wire” amounts as may be agreed (which such amounts shall be subject to further adjustment pursuant to the definition of Consolidated EBITDA).

“Consolidated Interest Expense” shall mean for the Borrower and its restricted subsidiaries for any period, the sum of (a) gross interest expense of such person for such period on a consolidated basis, including (i) the amortization of debt discounts, (ii) the amortization of all fees (including fees with respect to hedging agreements) payable in connection with the incurrence of Indebtedness to the extent included in interest expense, (iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of obligations under any Swap Contracts or other derivative instruments pursuant to GAAP) and (iv) the portion of any payments or accruals with respect to capitalized lease obligations allocable to interest expense, (b) capitalized interest of such person, and (c) commissions, discounts, yield and other fees and charges incurred in connection with any Qualified Securitization Financing which are payable to any person other than the Borrower or a loan party. For purposes of the foregoing, gross interest expense shall be determined after giving effect to any net payments made or received and costs incurred by the Borrower and the restricted subsidiaries with respect to hedging agreements, and interest on a capitalized lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Borrower to be the rate of interest implicit in such capitalized lease obligation in accordance with GAAP.

“Consolidated Net Income” shall mean, for the Borrower and its restricted subsidiaries for any period, the aggregate of the Net Income (determined in accordance with GAAP and before any reduction in respect of preferred stock dividends) of such person and its subsidiaries for such period, on a consolidated basis; provided, however, that, without duplication,

- (i) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income or expense or charge (less all fees and expenses relating thereto), including any severance, relocation or other restructuring expenses, any expenses related to any New Project or any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, fees, expenses or charges relating to facilities closing costs, curtailments or modifications to pension and post-retirement employee benefit plans, excess pension charges, acquisition integration costs, facilities opening costs, signing, retention or completion bonuses, and expenses or charges related to any offering of equity interests or debt securities of the Borrower, Parent (or any direct or indirect parent entity thereof, including, without limitation, any such expenses or charges associated with an initial public offering), any investment, acquisition, disposition, recapitalization or issuance, repayment, refinancing, amendment or modification of Indebtedness (in each case, whether or not successful), and any fees, expenses or charges relating to the transactions (including any costs relating to auditing prior periods, any transition-related expenses, and transaction related expenses incurred before, on or after the Closing Date), in each case, shall be excluded,
- (ii) any net after-tax income or loss from disposed of, abandoned, closed or discontinued operations or fixed assets and any net after-tax gain or loss on the dispositions of disposed of, abandoned, closed or discontinued operations or fixed assets shall be excluded,
- (iii) any net after-tax gain or loss (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the management of the Borrower) shall be excluded,
- (iv) any net after-tax income or loss (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness, hedging agreements or other derivative instruments shall be excluded,
- (v) the Net Income for such period of any person that is not a subsidiary of such person, or is an unrestricted subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent person or a subsidiary thereof (other than an unrestricted subsidiary of such referent person) in respect of such period,
- (vi) the cumulative effect of a change in accounting principles during such period shall be excluded,
- (vii) effects of purchase accounting adjustments (including the effects of such adjustments pushed down to such person and its subsidiaries) in component amounts required or permitted by GAAP, resulting from the application of purchase accounting or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

- (viii) any impairment charges or asset write-offs, in each case pursuant to GAAP, and the amortization of intangibles and other fair value adjustments arising pursuant to GAAP, shall be excluded,
- (ix) any non-cash compensation charge or expenses realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights shall be excluded,
- (x) accruals and reserves that are established or adjusted within twelve months after the Closing Date and that are so required to be established or adjusted in accordance with GAAP or as a result of adoption or modification of accounting policies shall be excluded,
- (xi) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretation shall be excluded,
- (xii) any non-cash charges for deferred tax asset valuation allowances shall be excluded,
- (xiii) any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from hedging agreements for currency exchange risk, shall be excluded,
- (xiv) (a) the Net Income of any Person and its Subsidiaries shall be calculated without deducting the income attributable to, or adding the losses attributable to, the minority equity interests of third parties in any non-wholly owned subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of equity interests of such subsidiary held by such third parties and (b) any ordinary course dividend, distribution or other payment paid in cash and received from any person in excess of amounts included in clause (v) above shall be included,
- (xv) (A) to the extent covered by insurance and actually reimbursed, or, so long as such person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (x) not denied by the applicable carrier in writing within 180 days and (y) in fact reimbursed within 365 days following the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption shall be excluded; and (B) amounts estimated in good faith to be received from insurance in respect of lost revenues or earnings in respect of liability or casualty events or business interruption shall be included (with a deduction for amounts actually received up to such estimated amount to the extent included in Net Income in a future period),
- (xvi) [(A) revenues received during the relevant period in advance of sales, for which recognition has been deferred under GAAP, shall be included in the relevant period and (B) the

amount of deferred revenues recognized under GAAP during the relevant period shall be excluded to the extent such revenues were recognized in a prior period]¹, and

(xvii) without duplication, an amount equal to the amount of distributions actually made to any parent or equity holder of such person in respect of such period for the payment of various taxes as though such amounts had been paid as income taxes directly by such person for such period.

“Debt Service” shall mean, with respect to the Borrower and its restricted subsidiaries on a consolidated basis for any period, Consolidated Interest Expense for such period plus scheduled principal amortization of Consolidated Debt for such period.

“Excess Cash Flow” shall mean with respect to the Borrower and its restricted subsidiaries on a consolidated basis for any Applicable Period, Consolidated EBITDA of the Borrower and its restricted subsidiaries on a consolidated basis for such Applicable Period, minus, without duplication, (A):

- (i) Debt Service for such Applicable Period,
- (ii) the amount of any permitted voluntary prepayments term Indebtedness during such Applicable Period (other than any voluntary prepayment of the Term Loans) (including any premium, make-whole or penalty payments incurred in connection therewith) and the amount of any voluntary prepayments of revolving Indebtedness to the extent accompanied by permanent reductions of any revolving facility commitments during such Applicable Period to the extent an equal amount of loans thereunder was simultaneously repaid, so long as the amount of such prepayment is not already reflected in Debt Service, including the aggregate amount of any premium, make-whole or penalty payments,
- (iii) (a) Capital Expenditures by the Borrower and its restricted subsidiaries on a consolidated basis during such Applicable Period that are paid in cash and (b) the aggregate consideration paid in cash during the Applicable Period in respect of Permitted Acquisitions and other investments permitted hereunder (excluding cash equivalents and intercompany investments in Subsidiaries),
- (iv) Capital Expenditures, Permitted Acquisitions, New Project expenditures, acquisitions of intellectual property, or other permitted investments (excluding cash equivalents and intercompany investments in Subsidiaries) that the Borrower or any Subsidiary shall, during such Applicable Period, become obligated to make or otherwise anticipated to make payments with respect thereto but that are not made during such Applicable Period; provided, that (a) the Borrower shall deliver a certificate to the Administrative Agent not later than 90 days after the end of such Applicable Period, signed by a responsible officer of the Borrower and certifying that payments in respect of such Capital Expenditures, Permitted Acquisitions, New Project expenditures or other permitted investments are expected to be made in the following Excess Cash Flow Period, (b) any amount so deducted shall not be deducted again in a subsequent

¹ Methodology for calculation to be addressed in definitive documentation.

Applicable Period and (c) if such payments are not made, then such amount shall be added to Excess Cash Flow in the next succeeding Applicable Period,

(v) taxes paid in cash by Parent and its subsidiaries on a consolidated basis during such Applicable Period or that will be paid within six months after the close of such Applicable Period; provided, that with respect to any such amounts to be paid after the close of such Applicable Period, (a) any amount so deducted shall not be deducted again in a subsequent Applicable Period, and (b) appropriate reserves shall have been established in accordance with GAAP,

(vi) an amount equal to any increase in Working Capital of the Borrower and its restricted subsidiaries for such Applicable Period and any anticipated increase, estimated by the Borrower in good faith, for the following Excess Cash Flow Period,

(vii) cash expenditures made in respect of hedging agreements during such Applicable Period, to the extent not reflected in the computation of Consolidated EBITDA or Consolidated Interest Expense,

(viii) permitted restricted payments or other distributions paid in cash by the Borrower during such Applicable Period and permitted restricted payments or other distributions paid by any Subsidiary to any person other than Parent, the Borrower or any of the Subsidiaries during such Applicable Period, in each case in other than certain restricted payments to be agreed,

(ix) amounts paid in cash during such Applicable Period on account of (a) items that were accounted for as non-cash reductions of Net Income in determining Consolidated Net Income or as non-cash reductions of Consolidated Net Income in determining Consolidated EBITDA of the Borrower and its Subsidiaries in a prior Applicable Period and (b) reserves or accruals established in purchase accounting,

(x) to the extent not deducted in the computation of net proceeds in respect of any asset disposition or condemnation giving rise thereto, the amount of any mandatory prepayment of Indebtedness (other than Indebtedness under the Term Exit Facility), together with any interest, premium or penalties required to be paid (and actually paid) in connection therewith,

(xi) to the extent not deducted in the computation of Consolidated Net Income, cash payments by the Borrower during such period in respect of long-term liabilities of the Borrower and its restricted subsidiaries other than Indebtedness, and

(xii) the amount related to items that were added to or not deducted from Consolidated Net Income in calculating Consolidated Net Income or were added to or not deducted from Consolidated Net Income in calculating Consolidated EBITDA to the extent such items represented a cash payment (which had not reduced Excess Cash Flow upon the accrual thereof in a prior Applicable Period), or an accrual for a cash payment, by the Borrower and its Subsidiaries or did not represent cash received by the Borrower and its Subsidiaries, in each case on a consolidated basis during such Applicable Period,

plus, without duplication, (B):

an amount equal to any decrease in Working Capital of the Borrower and its Subsidiaries for such Applicable Period,

- (i) all amounts referred to in clauses (A)(ii), (A)(iii) and (A)(iv) above to the extent funded with the proceeds of the issuance or the incurrence of Indebtedness (including Capitalized Lease Obligations and purchase money Indebtedness, but excluding proceeds of: (a) extensions of credit under any revolving credit facility), (b) the sale or issuance of any equity interests (including any capital contributions) and (c) insurance proceeds received on account of any loss, damage, destruction or condemnation of (to the extent such proceeds are not reinvested as permitted pursuant to the Term Exit Facility Documentation), or any sale, transfer or other disposition (including any sale and leaseback of assets and any mortgage or lease of real property) to any person of any asset or assets, in each case to the extent there is a corresponding deduction from Excess Cash Flow above,
- (ii) to the extent any permitted Capital Expenditures, Permitted Acquisitions or permitted investments referred to in clause (A)(iv) above do not occur in the following Applicable Period of the Borrower specified in the certificate of the Borrower provided pursuant to clause (A)(iv) above, the amount of such Capital Expenditures, Permitted Acquisitions or permitted investments that were not so made in such following Applicable Period,
- (iii) cash payments received in respect of Hedging Agreements during such Applicable Period to the extent (a) not included in the computation of Consolidated EBITDA or (b) such payments do not reduce Consolidated Interest Expense,
- (iv) any extraordinary or nonrecurring gain realized in cash during such Applicable Period (except to the extent such gain consists of Net Proceeds used to prepay any Refinancing Term Loans as permitted by the Term Exit Facility Documentation), and
- (v) the amount related to items that were deducted from or not added to Net Income in connection with calculating Consolidated Net Income or were deducted from or not added to Consolidated Net Income in calculating Consolidated EBITDA to the extent either (a) such items represented cash received by the Borrower or any Subsidiary or (b) such items do not represent cash paid by the Borrower or any Subsidiary, in each case on a consolidated basis during such Applicable Period.

“Excess Cash Flow Interim Period” shall mean, (x) during any Excess Cash Flow Period, any one, two, or three-quarter period (a) commencing on the later of (i) the end of the immediately preceding Excess Cash Flow Period and (ii) if applicable, the end of any prior Excess Cash Flow Interim Period occurring during the same Excess Cash Flow Period and (b) ending on the last day of the most recently ended fiscal quarter (other than the last day of the fiscal year) during such Excess Cash Flow Period for which financial statements are available and (y) during the period from the Closing Date until the beginning of the first Excess Cash Flow Period, any period commencing on the Closing Date and ending on the last day of the most recently ended fiscal quarter for which financial statements are available.

“Indebtedness” of any person shall mean, if and to the extent (other than with respect to clause (i) of this definition) the same would constitute indebtedness or a liability in accordance with

GAAP, without duplication, (a) all obligations of such person for borrowed money, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (other than such obligations accrued in the ordinary course), to the extent that the same would be required to be shown as a long term liability on a balance sheet prepared in accordance with GAAP, (e) all Attributable Indebtedness (as defined in the Existing Precedent) of such person, (f) all net payments that such person would have to make in the event of an early termination, on the date Indebtedness of such person is being determined, in respect of outstanding Hedging Agreements, (g) the principal component of all obligations, contingent or otherwise, of such person as an account party in respect of letters of credit, (h) the principal component of all obligations of such person in respect of bankers' acceptances, (i) all guarantees by such person of Indebtedness described in clauses (a) to (h) above and (j) the amount of all obligations of such person with respect to the redemption, repayment or other repurchase of any Disqualified Stock (excluding accrued dividends that have not increased the liquidation preference of such Disqualified Stock); provided, that Indebtedness shall not include (A) trade and other ordinary-course payables, accrued expenses, and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue, (C) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase prices of an asset to satisfy unperformed obligations of the seller of such asset, (D) earn-out obligations until such obligations become a liability on the balance sheet of such person in accordance with GAAP, or (E) in the case of the Borrower and its subsidiaries, (I) all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business and (II) intercompany liabilities in connection with the cash management, tax and accounting operations of the Borrower and its subsidiaries. The Indebtedness of any person shall include the Indebtedness of any partnership in which such person is a general partner, other than to the extent that the instrument or agreement evidencing such Indebtedness limits the liability of such person in respect thereof and only to the extent such Indebtedness would be included in the in the calculation of Consolidated Total Net Debt.

“New Project” shall mean (x) each plant, facility or branch which is either a new plant, facility or branch or an expansion of an existing plant, facility or branch owned by the Borrower or its restricted subsidiaries which in fact commences operations and (y) each creation (in one or a series of related transactions) of a business unit to the extent such business unit commences operations or each expansion (in one or a series of related transactions) of business into a new market.

“Pro Forma Basis” shall mean as to any person, for any events as described below that occur subsequent to the commencement of a period for which the financial effect of such events is being calculated, and giving effect to the events for which such calculation is being made, such calculation as will give pro forma effect to such events as if such events occurred on the first day of the four consecutive fiscal quarter period ended on or before the occurrence of such event (the “Reference Period”): (i) pro forma effect shall be given to any disposition, any acquisition, investment, capital expenditure, construction, repair, replacement, improvement, development, disposition, merger, amalgamation, consolidation, any dividend, distribution or other similar payment, any designation of any subsidiary as an unrestricted subsidiary and any redesignation

of a subsidiary as a restricted subsidiary (a “Subsidiary Redesignation”), New Project, and any restructurings of the business of the Borrower or any of its restricted subsidiaries that the Borrower or any of its restricted subsidiaries has determined to make and/or made and are expected to have a continuing impact and are factually supportable, which would include cost savings resulting from head count reduction, closure of facilities and similar operational and other cost savings (provided, at the election of the Borrower, pro forma effect shall not be required to be given to any acquisition or Subsidiary Redesignation to the extent the aggregate consideration paid in connection with such acquisition was less than \$5,000,000), which adjustments the Borrower determines are reasonable (the foregoing, together with any transactions related thereto or in connection therewith, the “relevant transactions”), in each case that occurred during the reference period, occurring during the reference period or thereafter and through and including the date upon which the relevant transaction is consummated, (ii) in making any determination on a Pro Forma Basis, (x) all Indebtedness (including Indebtedness issued, incurred or assumed as a result of, or to finance, any relevant transactions and for which the financial effect is being calculated, whether incurred under the Term Exit Facility or otherwise, but excluding normal fluctuations in revolving Indebtedness incurred for Working Capital purposes and amounts outstanding under any Qualified Securitization Financing, in each case not to finance any acquisition) issued, incurred, assumed or permanently repaid during the reference period, occurring during the reference period or thereafter and through and including the date upon which the relevant transaction is consummated) shall be deemed to have been issued, incurred, assumed or permanently repaid at the beginning of such period, (y) Consolidated Interest Expense of such person attributable to interest on any Indebtedness, for which pro forma effect is being given as provided in the preceding clause (x), bearing floating interest rates shall be computed on a pro forma basis as if the rates that would have been in effect during the period for which pro forma effect is being given had been actually in effect during such periods, and (z) in giving effect to clause (i) above with respect to each New Project which commences operations and records not less than one full fiscal quarter’s operations during the reference period, the operating results of such New Project shall be annualized on a straight line basis during such period, taking into account any seasonality adjustments determined by the Borrower in good faith, and (iii) (A) any Subsidiary Redesignation then being designated, effect shall be given to such Subsidiary Redesignation and all other Subsidiary Redesignations after the first day of the relevant reference period and on or prior to the date of the respective Subsidiary Redesignation then being designated, collectively, and (B) any designation of a Subsidiary as an Unrestricted Subsidiary, effect shall be given to such designation and all other designations of Subsidiaries as unrestricted subsidiaries after the first day of the relevant Reference Period and on or prior to the date of the then applicable designation of a subsidiary as an unrestricted subsidiary, collectively.

Pro forma calculations made pursuant to the definition of the term “Pro Forma Basis” shall be determined in good faith by a Responsible Officer of the Borrower and may include adjustments to reflect operating expense reductions and other operating improvements, synergies or cost savings reasonably expected to result from any relevant pro forma event (including, to the extent applicable, the transactions) to the extent such adjustments, without duplication, continue to be applicable to such reference period.

For purposes of this definition, any amount in a currency other than Dollars will be converted to Dollars based on the average exchange rate for such currency for the most recent twelve month

period immediately prior to the date of determination in a manner consistent with that used in calculating Consolidated EBITDA for the applicable period.

“Working Capital” shall mean, with respect to the Borrower and its restricted subsidiaries on a consolidated basis at any date of determination, Current Assets at such date of determination minus Current Liabilities at such date of determination; provided, that, for purposes of calculating Excess Cash Flow, increases or decreases in Working Capital shall be calculated without regard to any changes in Current Assets or Current Liabilities as a result of (a) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent or (b) the effects of purchase accounting