11 July 2014

CEVA Group Plc
(the "Issuer")

U.S.$ 300,000,000 7.0% First Lien Senior Secured Notes due 2017

U.S.$ 325,000,000 9.0% Senior Secured Notes due 2017

(the "Notes")

Listing Particulars

This supplement (the "**Supplement**"), together with the offering circular dated March 13, 2014, which was prepared in connection with the offer of the Notes which is attached as the Annex hereto (the "**Offering Circular**"), including any documents incorporated by reference in the Offering Circular, constitutes the listing particulars (the "**Listing Particulars**") in respect of the Notes, to be approved by the Irish Stock Exchange for the purposes of the application to admit the Notes to the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange. Notwithstanding any statements to the contrary in the Offering Circular, the Listing Particulars is a public document.

Application has been made to the Irish Stock Exchange for the approval of this document as Listing Particulars. Application has been made for the Notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC, as amended.

In the event that there is any inconsistency between a statement in the Offering Circular and a statement in this Supplement, the statement in this Supplement shall prevail.

Save as disclosed in these Listing Particulars, there has been no material adverse change in the prospects of Holdings or the Issuer and its subsidiaries taken as a whole and there has been no significant change in the financial or trading position of Holdings or the Issuer and its subsidiaries taken as a whole since December 31, 2013.

Save as disclosed in these Listing Particulars and in particular in the section entitled "Business – Litigation and Legal Proceedings" in the Offering Circular, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months, which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

As at the date of these Listing Particulars, no potential conflict or conflicts of interest exist between any duties owed to the Issuer by its executive officers or members of its Board of Directors and their private interests and/or other duties in respect of their management roles.

The audited annual financial statements prepared on a consolidated basis for Holdings, include the statements of the Issuer and statements for all guarantor and non-guarantor subsidiaries.

The Issuer accepts responsibility for the information contained in these Listing Particulars and confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information. The information described under "Market and Industry Data and Forecasts" on page xi of the Listing Particulars has been accurately reproduced and, as far as the Issuer and the Guarantors are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Guarantors accept responsibility for the accuracy or completeness of such information. Where third party information has been used in these Listing Particulars, the source of such information has been identified.

The Issuer was incorporated as a public limited company under the laws of England and Wales on 9 August 2006 under the name Louis No. 1 PLC. The Issuer changed its name from Louis No. 1 PLC to CEVA Group Plc on 18 January 2007. The Issuer represented $2,198,448,000, or 29%, of the net assets, $260,000, or 0.09%, of the Adjusted EBITDA, and $1,352,000 of negative EBITDA of the Holdings' consolidated audited financial statements for the year ended December 31, 2013.

CEVA Logistics U.S., Inc., being a subsidiary guarantor, represented $54,324,000, or 1%, of the net assets, $59,714,000, or 27%, of the EBITDA, and $60,002,000, or 22%, of the Adjusted EBITDA of the Holdings' consolidated audited financial statements for the

year ended December 31, 2013. CEVA Logistics U.S., Inc. is a corporation organised under the laws of Delaware, United States on July 1, 1980. It is registered with the Secretary of State of the State of Delaware under number 0895058 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States. CEVA Logistics U.S., Inc., the operating entity through which the Company conducts its contract logistics business in the United States and its principal activities relate to this contract logistics business. Other than any risks already described in the Offering Memorandum, there are no risks specific to CEVA Logistics U.S., Inc. that could impact its guarantee, and, other than encumbrances to secure the Issuer's debt that is guaranteed by CEVA Logistics U.S., Inc., there are no encumbrances on the assets of CEVA Logistics U.S., Inc. that could materially affect its ability to meet its obligations under the guarantee.

As of and for the year ended December 31, 2013, CEVA's subsidiaries that will guarantee the notes accounted for, in accordance with IFRS, $279.6 million, or 86.9%, of the net assets, $109 million, or 49.9%, of the EBITDA and $127 million, or 45.9%, of the Adjusted EBITDA of the Holdings' consolidated audited financial statements for the year ended December 31, 2013.

As of and for the year ended December 31, 2013, CEVA's subsidiaries that will not guarantee the notes accounted for, in accordance with IFRS, $42 million, or 13.1% of the net assets, $110 million, or 50.1%, of the EBITDA, and $150 million, or 54.1%, of the Adjusted EBITDA of the Holdings' consolidated audited financial statements for the year ended December 31, 2013.

Further information in relation to the Guarantors can be found on page 324 to page 331 of these Listing Particulars.

Investors can access in physical form and during the life of the Notes the Indentures, the Memorandum and Articles of Association of the Issuer, the historical audited financial statements of the Issuer for the years ending December 31, 2012 and December 31, 2011, the audited financial statements of the Holdings for the year ended December 31, 2013 and any other documents referred to within these Listing Particulars at the registered offices of the Issuer.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission to trading of the Notes to the Global Exchange Market of the Irish Stock for the purposes of the Global Exchange Market Rules.

In respect of the Notes issued in reliance on Regulation S under the Securities Act, (i) the ISIN is USG2028CAQ36 and (ii) the CUSIP is G2028C AQ3. In respect of the Notes issued in reliance on Rule 144A under the Securities Act, (i) the ISIN is US125182AH89 and (ii) the CUSIP is 125182 AH8.

Amendment to the Offering Circular

In the section entitled "WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE" on page xiv of the Listing Particulars, the following wording shall be deemed to be included as the first bullet point:

- "Pages 16 through 68 and page 70 of Holdings' Annual Report as of and for the year ended December 31, 2013, posted on our website and filed by us with the ISE;"

The first sentence in the Footnote 5 to the section entitled "Organizational Structure" on page 11 of the Listing Particulars shall be deemed to be deleted in its entirety and replaced with the following wording: "Certain of CEVA's operating subsidiaries located in Australia, Belgium, Brazil, the Cayman Islands, Canada, England and Wales, Germany, Luxembourg, Hong Kong, The Netherlands and California".

INVESTING IN THE NOTES INVOLVES SUBSTANTIAL RISKS.
SEE RISK FACTORS ON PAGES 26 TO 56 OF THE OFFERING CIRCULAR.

ANNEX

OFFERING CIRCULAR

CONFIDENTIAL OFFERING CIRCULAR

$300,000,000 7.0% First Lien Senior Secured Notes due 2021
$325,000,000 9.0% Senior Secured Notes due 2021

CEVA Group Plc (the "*Issuer*") is offering $300,000,000 in aggregate principal amount of 7.0% First Lien Senior Secured Notes due 2021 (the "*New First Lien Senior Secured Notes*") and $325,000,000 in aggregate principal amount of 9.0% Senior Secured Notes due 2021 (the "*New First-and-a-Half Priority Lien Notes*" and together with the New First Lien Senior Secured Notes, the "*notes*"). We intend to use the net proceeds of the offering, together with cash on hand, to repay certain indebtedness, with the balance (if any) to be used for general corporate purposes.

The New First Lien Senior Secured Notes

The New First Lien Senior Secured Notes will mature on March 1, 2021. The Issuer will pay interest on the New First Lien Senior Secured Notes on each March 1 and September 1, and at maturity. The first interest payment shall be September 1, 2014 and interest will accrue from March 19, 2014.

The New First Lien Senior Secured Notes will be guaranteed by each of the Issuer's subsidiaries that guarantees the Issuer's Senior Secured Facilities (as defined herein). The New First Lien Senior Secured Notes will be senior obligations of the Issuer and will be senior obligations of the guarantors secured by a lien that is *pari passu* with the liens granted to secure our Senior Secured Facilities and our 4.00% First Lien Senior Secured Notes (as defined herein), subject to certain exceptions and permitted liens, on certain of our and the guarantors' existing and future assets as described in this offering circular. The New First Lien Senior Secured Notes will be effectively senior to all secured debt that is secured on a junior priority basis to them (including the New First-and-a-Half Priority Lien Notes) and to all unsecured debt to the extent of the collateral securing the New First Lien Senior Secured Notes.

The Issuer may redeem some or all of the New First Lien Senior Secured Notes at any time on or after March 1, 2017, at the redemption prices set forth in this offering circular. In addition, the Issuer may redeem up to 40% of the aggregate principal amount of the New First Lien Senior Secured Notes on or prior to March 1, 2017, with the net proceeds from certain equity offerings at a redemption price of 107.000% of their principal amount, plus accrued and unpaid interest, if any. Prior to March 1, 2017, the Issuer may redeem some or all of the New First Lien Senior Secured Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the "make-whole" premium set forth in this offering circular. In addition, during any twelve-month period prior to March 1, 2017, we may redeem in the aggregate up to 10% of the aggregate principal amount of the New First Lien Senior Secured Notes at a price equal to 103% of the aggregate principal amount of the New First Lien Senior Secured Notes redeemed, plus accrued and unpaid interest, if any, with the ability to carryforward if unused.

The New First-and-a-Half Priority Lien Notes

The New First-and-a-Half Priority Lien Notes will mature on September 1, 2021. The Issuer will pay interest on the New First-and-a-Half Priority Lien Notes on each June 1 and December 1, and at maturity. The first interest payment shall be December 1, 2014 and interest will accrue from March 19, 2014.

The New First-and-a-Half Priority Lien Notes will be guaranteed by each of the Issuer's subsidiaries that guarantees the Issuer's New First Lien Senior Secured Notes and Senior Secured Facilities. The New First-and-a-Half Priority Lien Notes will be senior obligations of the Issuer and will be senior obligations of the guarantors secured by a lien that is, subject to certain exceptions and permitted liens, junior to the liens granted to secure our Senior Secured Facilities and our New First Lien Senior Secured Notes and senior to the liens granted to secure our Second Lien PIK Notes (as defined herein), in each case, on certain of our and the guarantors' existing and future assets as described in this offering circular. The New First-and-a-Half Priority Lien Notes will be effectively senior to all secured debt that is secured on a junior priority basis to them and to all unsecured debt to the extent of the collateral securing the New First-and-a-Half Priority Lien Notes.

The Issuer may redeem some or all of the New First-and-a-Half Priority Lien Notes at any time on or after March 1, 2017, at the redemption prices set forth in this offering circular. In addition, the Issuer may redeem up to 40% of the aggregate principal amount of the New First-and-a-Half Priority Lien Notes on or prior to March 1, 2017, with the net proceeds from certain equity offerings at a redemption price of 109.000% of their principal amount, plus accrued and unpaid interest, if any. Prior to March 1, 2017, the Issuer may redeem some or all of the New First-and-a-Half Priority Lien Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the "make-whole" premium set forth in this offering circular. In addition, we may redeem all (but not less than all) of the New First-and-a-Half Priority Lien Notes before September 1, 2015 with the net cash proceeds from certain equity offerings at a redemption price of 106.750% of their principal amount, plus accrued and unpaid interest, if any.

Currently there is no public market for the notes. Application will be made to the Irish Stock Exchange for the notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange-regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

Investing in the notes involves a high degree of risk. See "Risk Factors" beginning on page 26.
New First Lien Senior Secured Notes Price: 100.000% plus accrued interest, if any, from March 19, 2014.
New First-and-a-Half Priority Lien Notes Price: 100.000% plus accrued interest, if any, from March 19, 2014.
Delivery of the notes in book-entry form will be made on or about March 19, 2014.

The notes and the related guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "*Securities Act*"), or the laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, the offering is being made only to "qualified institutional buyers" in compliance with Rule 144A under the Securities Act. You are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act.

Credit Suisse	**Deutsche Bank Securities**	**Goldman, Sachs & Co.**	**Morgan Stanley**	**UBS Investment Bank**
Joint Book-Running Manager	*Joint Book-Running Manager*	*Joint Book-Running Manager*	*Joint Book-Running Manager*	*Joint Book-Running Manager*

Apollo Global Securities
Co-Manager

The date of this confidential offering circular is March 13, 2014.

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We have not authorized anyone to provide you with any information other than that contained or incorporated by reference in this offering circular or in any supplement to this offering circular prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information in this offering circular may be accurate only on the date of this offering circular.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED ("*RSA 421-B*"), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS

This offering circular does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the notes may not be offered or sold, directly or indirectly, and this offering circular may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the notes or possess or distribute this offering circular, and you must obtain all applicable consents and approvals; neither we nor the initial purchasers shall have any responsibility for any of the foregoing legal requirements. See "Transfer Restrictions."

We accept responsibility for the information contained in this offering circular. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this offering circular is in accordance with the facts and does not omit anything likely to affect the import of such information. Any foreign language included in the document is for convenience purposes only and will not form part of the Listing Particulars of the Irish Stock Exchange.

Neither we nor the initial purchasers nor any of our or their representatives are making any representation to you regarding the legality of an investment in the notes, and you should not construe anything in this offering circular as legal, business, financial, tax or other advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the notes. In making an investment decision regarding the notes, you must rely on your own examination of the Issuer and the terms of the offering, including the merits and risks involved.

By accepting delivery of this offering circular, you agree to make no photocopies of this offering circular or any documents referred to herein and not to use any information herein for any purpose other than considering an investment in the notes.

This offering circular is based on information provided by us and other sources that we believe are reliable. The initial purchasers are not making any representation or warranty that this information is accurate or complete and are not responsible for this information. In this offering circular, we have summarized certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of our discussions. In making an investment decision, you must rely on your own examination of our business and the terms of the offering and the notes, including the merits and risks involved.

The information set out in relation to sections of this offering circular describing clearing and settlement arrangements, including the sections entitled "Description of the New First Lien Senior Secured Notes—Book-Entry, Delivery and Form" and "Description of the New First-and-a-Half Priority Lien Notes—Book-Entry, Delivery and Form" is subject to any change in or reinterpretation of the rules, regulations and procedures of The

Depository Trust Company ("*DTC*") currently in effect. While we accept responsibility for accurately summarizing the information concerning DTC, we accept no further responsibility in respect of such information. In addition, this offering circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

By purchasing the notes, you will be deemed to have acknowledged that you have reviewed this offering circular and have had an opportunity to request, and have received, all additional information (including the indenture governing the notes and the intercreditor agreements) that you need from us. No person is authorized in connection with any offering made by this offering circular to give any information or to make any representation not contained in this offering circular and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the initial purchasers.

The information contained in this offering circular is as of the date hereof. Neither the delivery of this offering circular at any time after the date of publication nor any subsequent commitment to purchase the notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this offering circular or in our business since the date of this offering circular.

The notes will be available initially only in book-entry form. We expect that the notes offered hereby will be issued in the form of one or more global notes, which will be deposited with a custodian for DTC. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by DTC and its participants, as applicable. See "Description of the New First Lien Senior Secured Notes—Book-Entry, Delivery and Form" and "Description of the New First-and-a-Half Priority Lien Notes—Book-Entry, Delivery and Form."

This offering circular sets out the procedures of DTC in order to facilitate the original issue and subsequent transfers of interests in the notes among participants of DTC. However, DTC is not under any obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued by either of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the obligations of DTC or its participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use DTC are advised to confirm the continued applicability of its rules, regulations and procedures.

The notes and guarantees of the notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In the United States, the offering of the notes is being made only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act). Prospective purchasers are hereby notified that the initial purchasers of the notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

Neither the United States Securities and Exchange Commission (the "*SEC*"), any state securities commission nor any non-United States securities authority has approved or disapproved of these securities or determined that this offering circular is accurate or complete. Any representation to the contrary is a criminal offense.

The notes are subject to restrictions on transferability and resale, which are described under the caption "Transfer Restrictions." By possessing this offering circular or purchasing any note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this offering circular. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We reserve the right to withdraw this offering of the notes at any time. We and the initial purchasers also reserve the right to reject any offer to purchase the notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the notes sought by it. The initial purchasers and certain of their related entities may acquire, for their own accounts, a portion of the notes.

Application will be made to the Irish Stock Exchange for the notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange-regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. We cannot guarantee that our application to the Irish Stock Exchange for the notes to be admitted to the Official List and to trading on the Global Exchange Market will be approved as of the settlement date for the notes or at any time thereafter, and settlement of the notes is not conditioned on obtaining this admission to trading. Our application for listing on the Irish Stock Exchange will be reviewed by the staff of the exchange and may be reviewed by certain regulatory authorities in Ireland. As part of the listing process, we may provide additional listing information to the Irish Stock Exchange that is not included in this offering circular. If we do not list the notes on the Irish Stock Exchange, we may list the notes on another European stock exchange, such as the London Stock Exchange. We cannot assure you, however, that we will be successful in listing the notes on any European exchange. In addition, if we do not list the notes offered hereby on the Irish Stock Exchange prior to the first interest payment date, interest on the notes offered hereby will be paid subject to U.K. withholding tax (currently 20%), which will, subject to certain exceptions, require us to pay additional amounts as set forth in the indentures governing the notes.

The initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the initial purchasers may over-allot in connection with this offering and may bid for and purchase notes in the open market. For a description of these activities, see "Plan of Distribution."

This offering circular has been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a "*Relevant Member State*") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for the offers of notes. Accordingly, any person making or intending to make an offer in the Relevant Member State of notes which are the subject of the offering contemplated in this offering circular may only do so in circumstances in which no obligation arises for the Issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the initial purchasers have authorized, nor does either authorize, the making of any offer of notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING CIRCULAR, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

NOTICE TO U.S. INVESTORS

Each purchaser of the notes will be deemed to have made the representations, warranties and acknowledgements that are described in this offering circular under "Transfer Restrictions."

The notes offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of any note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offers are being made in reliance on Regulation S under the Securities Act. For a description of certain further restrictions on resale or transfer of the notes, see "Transfer Restrictions."

NOTICE TO CERTAIN EUROPEAN INVESTORS

Austria. No prospectus has been or will be filed with or approved by the Austrian Financial Market Authority (*Finanzmarktaufsicht*) and/or published pursuant to the Austrian Capital Markets Act

(*Kapitalmarktgesetz*), as amended. Neither this document nor any other document or information connected therewith constitutes a prospectus according to the Austrian Capital Markets Act, and neither this document nor any other document or information connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the initial purchasers. No steps have been (or will be) taken that would constitute a public offering of the notes in Austria, and the notes may not be advertised in Austria. If the initial purchasers offer or sell notes in Austria, they shall be solely responsible that any offer and sale takes place in compliance with the provisions of the Austrian Capital Markets Act, the Austrian Securities Supervision Act (*Wertpapieraufsichtsgesetz*) and all other laws and regulations in Austria applicable to the offer and sale of such securities in Austria.

Belgium. No action has been (or will be) taken to permit a public offering of the notes in Belgium in the sense of Article 3, §1 of the Belgian law of 16 June 2006 on the public offering of financial instruments and the admission of financial instruments to trading on regulated markets (the "*Belgian Law on Public Offerings*"). This offering is exclusively conducted under applicable private placement exemptions and has not been and will not be notified to and the offering circular or any other offering material has not been and will not be approved by, the Belgian Financial Services and Markets Authority (Autoriteit voor financiële diensten en markten / Autorité des services et marchés financiers).

Accordingly, neither this offering circular nor any other offering material relating to the notes may be made available to the public or used in connection with any public offering for subscription of the notes in Belgium, and (b) the notes may not be publicly issued, offered or sold in Belgium, other than in the circumstances set out in Article 3, §§2-4 of the Belgian Law on Public Offerings. Such exemptions include, among others, offerings whereby notes are only offered or sold, and/or this offering circular or any other information circular, brochure or similar document is only distributed, directly or indirectly, (a) solely to qualified investors as defined in Article 10 of the Belgian Law on Public Offerings; or (b) solely to investors who acquire securities for a total consideration of at least €100,000 (or its equivalent in other currencies) per investor and per separate offer.

Prospective purchasers shall only acquire notes for their own account. The notes cannot be offered for sale, marketed or sold to any person qualifying as a consumer within the meaning of article 2.3 of the Belgian law of 6 April 2010 on trade practices and consumer protection, as amended from time to time, unless such offer, marketing or sale is made in compliance with this law and its implementing regulation. Belgian investors should seek advice from their own advisers about the consequences of the investment in the notes, including the tax consequences.

Denmark. This offering circular will not be registered with and has not been approved by the Danish Financial Supervisory Authority under the relevant Danish acts and regulations. The offered notes have not been offered or sold and may not be offered or sold or delivered directly or indirectly in Denmark except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in Executive Order No. 643 of 19 June 2012.

France. This offering circular (including any amendment or supplement thereto or replacement thereof) has not been prepared in connection with a public offering of the notes in France and no prospectus nor any other document relating to the notes has been submitted for approval (visa) to the Autorité des marchés financiers. No notes have been offered or sold nor will any notes be offered or sold, directly or indirectly, to the public in France; neither a prospectus, the offering circular nor any other offering material relating to the notes has been distributed or caused to be distributed to the public in France, and a prospectus, the offering circular and any other offering material relating to the notes will not be distributed or caused to be distributed to the public in France; and such offers, sales and distributions have been and shall only be made in France to (a) providers of the investment service of portfolio management for the account of third parties (*gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier. The direct or indirect resale of the Securities to the public in France may be made only as provided by and in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier.

Germany. Any offer, sale, public promotion, advertisement or solicitation of securities in Germany must be in full compliance with (a) the German Securities Prospectus Act (Wertpapierprospektgesetz (the "*WpPG*")), which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, (the "*Prospectus Directive*") into German law and (b) any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities. The offer, sale, public promotion, advertisement and solicitation of securities to the public in Germany requires (a) the prior publication (with specific requirements for a publication being set out in the WpPG) of a prospectus drawn up in accordance with the Prospectus Directive, Commission Regulation (EC) No. 809/2004 (the "*Prospectus Regulation*") and the WpPG approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (the "*BaFin*")) or (b) the notification of a prospectus (drawn up in accordance with the Prospectus Directive, the Prospectus Regulation and the relevant national implementation act of the Prospectus Directive in another EEA Member State and approved by the competent authority in such other EEA Member State) to the BaFin in accordance with Art. 17 and Art. 18 of the Prospectus Directive. This offering circular does not constitute a prospectus as set out in (a) or (b) above and has not been and will not be submitted for approval to the BaFin or any other competent authority. It may not be supplied to the public in Germany or used in connection with any offer for subscription of new securities to the public, any public marketing of new securities or any public solicitation for offers to subscribe for or otherwise acquire new securities in Germany. This offering circular is personally addressed only to a limited number of persons in Germany who are qualified investors (qualifizierte Anleger) as defined in the WpPG, is strictly confidential and may not be distributed to any person or entity other than the designated recipients hereof.

Guernsey. The offering circular and any other offering material relating to the notes will not be distributed or caused to be distributed to the public in Guernsey. Neither CEVA nor this offering circular has been submitted to or approved or authorized by the Guernsey Financial Services Commission. CEVA will not be regulated by the Guernsey Financial Services Commission. To the extent to which any promotion of the notes is deemed to take place in Guernsey, the notes are only being promoted in or from within the Bailiwick of Guernsey either (A) by persons licensed to do so under the Protection of the Investors (Bailiwick of Guernsey) Law, 1987 (as amended) or (B) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000. Promotion is not being made in any other way.

Ireland. This offering circular has been prepared on the basis that any offer of notes in Ireland will be made pursuant to the exemptions in Regulation 9(1)(a), (b) or (d) of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "*Irish Prospectus Regulations*") from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in Ireland of notes which are the subject of the offering contemplated in this offering circular may only do so in circumstances in which no obligation arises for CEVA to publish a prospectus pursuant to Regulation 12 of the Irish Prospectus Regulations or supplement a prospectus pursuant to Regulation 51 of the Irish Prospectus Regulations, in each case, in relation to such offer. Neither CEVA nor the initial purchasers have authorized the making of any offer of notes in circumstances in which an obligation arises for CEVA to publish or supplement a prospectus for such offer.

Italy. This offering of the notes is not being made, directly or indirectly, in or into Italy and this offering circular, and any and all materials related thereto, should not be sent in or into Italy, and the offering of the notes cannot be accepted in or from within Italy. Accordingly, copies of this offering circular and any related materials are not being, and must not be, mailed or otherwise distributed or sent in or into or from Italy and persons receiving any such documents (including custodians, nominees and trustees) must not distribute or send them in, into or from Italy and doing so will render invalid any relevant purported acceptance of the offering of the notes. Furthermore, this offering of the notes and this offering circular have not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* pursuant to Italian laws and regulations.

The Grand Duchy of Luxembourg. In relation to the Grand Duchy of Luxembourg ("*Luxembourg*"), no offer of notes to the public will be made pursuant to this offering circular, except that an offer of notes to the public in Luxembourg may be made at any time:

(a) to any person or legal entity which is a qualified investor as defined in the Prospectus Law; or

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Law); or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 5 of the Prospectus Law.

For the purposes of this provision, the expression "offer of notes to the public" in relation to any notes in Luxembourg means the communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes and the expression "*Prospectus Law*" means the law of 10 July 2005 *relative aux prospectus pour valeurs mobilières*, as amended.

The Netherlands. The notes may not be offered in the Netherlands other than to qualified investors as defined in the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

Portugal. Neither the notes nor this offering circular has been approved by the Portuguese Securities Commission (*Comissão do Mercado de Valores Mobiliários* - the "*CMVM*") or by any other competent authority of another Member State of the European Union and notified to the CMVM. Neither CEVA nor the initial purchasers have, directly or indirectly, offered or sold any notes or distributed or published this offering circular, any prospectus, form of application, advertisement or other document or information in Portugal relating to the notes and will not take any such actions in the future, except under circumstances that will not be considered as a public offering under article 109 of the Portuguese Securities Code (*Código dos Valores Mobiliários*—the "*Cód.VM*") approved by Decree-Law 486/99 of 13 November 1999, as last amended by Decree-Law no. 18/2013, of 6 February 2013. As a result, the notes, and any material relating to the Securities, are addressed solely to, and may only be accepted by, any person or legal entity that is resident in Portugal or that will hold the notes through a permanent establishment in Portugal (each a "*Portuguese Investor*") to the extent that such Portuguese Investor fulfills the following cumulative requirements (each a "*Portuguese Qualified Investor*"): (a) is deemed a qualified investor (*investidor qualificado*) pursuant to paragraph 1 of article 30 of the Cód.VM; (b) is not treated by the relevant financial intermediary as a non-qualified investor (*investidor não qualificado*) pursuant to article 317 of the Cód.VM; and (c) does not request the relevant financial intermediary to be treated as a non-qualified investor (*investidor não qualificado*) pursuant to article 317-A of the Cód.VM. Subject to the approval and entry into force of new regulation by the CMVM under paragraph 4 of article 30 of the Cód.VM (the "*New Regulation*"), entities having special skills and experience in financial instruments (other than those set out in paragraph 1 of article 30 of the Cód.VM) may also be treated as Portuguese Qualified Investors for the purposes of the offer, provided that they fulfill the conditions set out in the New Regulation and the requirements of (b) and (c) above. Each Portuguese Investor in the notes shall represent, acknowledge and agree that it is a Portuguese Qualified Investor and that it will not underwrite the issue of, place, distribute or publish this offering circular or any other offering material relating to the notes otherwise than in conformity with Portuguese laws and regulations and in such circumstances that do not require the approval, filing, publication, disclosure or delivery of any prospectus or other offering materials by CEVA or the initial purchasers.

Spain. The notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and Royal Decree 1310/2005, of 4 November, on admission to trading of securities in official secondary markets, public offerings and prospectus (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended and restated, and their development regulations. The offering or sale of the notes shall not constitute a public offering of securities in Spain, pursuant to article 30 bis 1 of the Spanish Securities Market Law, as amended. As a consequence, this offering circular has not been, and it is not envisaged to be, approved by, registered or filed with, or notified to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). It is not intended for the public offering or sale of the notes in Spain and does not constitute a prospectus (registration document and/or securities note) for the public offering of securities in Spain. Investors in the notes may not sell or offer the notes in Spain other than in compliance with the requirements set out by article 30 bis 1 of the Spanish Securities Market Law, as amended and article 38 of Royal Decree 1310/2005, as amended so that any sale or offering of the notes in Spain is not classified as a public offering of securities in Spain.

Switzerland. The notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this offering circular nor any other offering or marketing material relating to CEVA or the notes constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations, and neither this offering circular nor any other offering material relating CEVA or the notes may be publicly distributed or otherwise made publicly available in Switzerland. CEVA has not applied nor will apply for a listing of the notes on the SIX Swiss Exchange or any other exchange or regulated securities market in Switzerland, and consequently, the information presented in this offering circular or in any other offering material relating to the notes does not necessarily comply with the information standards set out in the applicable Swiss Listing Rules. The notes may only be offered, sold or advertised and the offering circular and other offering material relating to the notes may only be distributed in Switzerland by way of private placement to a limited number of individually selected and approached investors which do not subscribe to the notes with a view to distribution.

United Kingdom. This offering circular has not been and will not be filed with or approved by the United Kingdom Financial Conduct Authority or any other regulatory authority in the United Kingdom. This document has not been approved by an authorized person for the purpose of section 21 of the UK Financial Services and Markets Act 2000. This document and any other material relating to this offering are for distribution only to, and are directed only at, persons who (i) fall within the definition of investment professional under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 of the United Kingdom, as amended (the "*Financial Promotion Order*"), (ii) are high net-worth entities and other persons falling within Article 49(1) of the Financial Promotion Order, (iii) are persons falling within Article 43 of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "*relevant persons*"). This offering circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO CERTAIN INVESTORS IN HONG KONG

The Issuer and each of the initial purchasers have represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, and, notwithstanding the foregoing, in all cases it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes which are regarded as a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

NOTICE TO SINGAPORE INVESTORS

This offering circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "*SFA*"), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to

Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

NOTICE TO AUSTRALIAN INVESTORS

This offering circular is not, and is not intended to be, a disclosure document within the meaning of the *Corporations Act 2001* (Cth) of Australia. No action has been taken by the Issuer that would permit a public offering of the notes in Australia. This offering circular has not been lodged with the Australian Securities and Investments Commission ("*ASIC*"). Accordingly, no offer or invitation for applications for the issue, sale or purchase of the notes may be made in Australia (including an offer or invitation which is received by a person in Australia) and no draft, preliminary or definitive prospectus, offering memorandum, disclosure document, advertisement or other offering material relating to the notes may be distributed or published in Australia unless:

- the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian *Corporations Act 2001* (Cth);
- such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia;
- the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the *Corporations Act 2001* (Cth); and
- such action complies with all applicable laws, regulations and directives in Australia.

PRESENTATION OF FINANCIAL INFORMATION

The obligor of the notes issued in this offering will be CEVA Group Plc (the "*Issuer*"). This offering circular includes the historical consolidated financial statements as of and for the year ended December 31, 2013 and certain financial data of Ceva Holdings LLC ("*Holdings*"), the direct parent of the Issuer, in lieu of the 2013 consolidated financial statements and financial data of the Issuer. This offering circular incorporates by reference the financial statements of the Issuer as of and for the year ended December 31, 2012 from the Issuer's Annual Report for the year ended December 31, 2012 and the financial statements of the Issuer as of and for the year ended December 31, 2011 from the Issuer's Annual Report for the year ended December 31, 2011.

Holdings does not have any material assets or liabilities or operating, investing or financing activities other than being the holding company of the Issuer and the sole holder of the 10% Second Lien Secured PIK Notes due 2023 issued by the Issuer (the "*Second Lien PIK Notes*"). The Second Lien PIK Notes were originally issued to Holdings on May 2, 2013 in the original aggregate principal amount of approximately $689 million. Accordingly, the consolidated balance sheets and results of operations of the Issuer and Holdings are substantially identical for the periods for which financial information of Holdings is presented in this offering circular other than (i) the balance sheet of the Issuer would present the Second Lien PIK Notes as an additional outstanding liability due to Holdings (rather than being eliminated as an intercompany liability in consolidation), (ii) the results of operations of the Issuer would reflect the additional interest expense associated with the Second Lien PIK Notes (rather than being eliminated as intercompany expense by Holdings in consolidation) and (iii) currency translation adjustments due to the Issuer's presentation of its historical consolidated financial statements in euros rather than U.S. dollars. As of December 31, 2013, $724 million in aggregate principal amount of Second Lien PIK Notes was outstanding and held by Holdings. For the three months ended December 31, 2013, approximately $18 million of interest expense had been accrued under the terms of the Second Lien PIK Notes, and approximately $35 million of interest expense had been accrued under the terms of the Second Lien PIK Notes since they were issued on May 2, 2013. We will furnish upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The financial information of the Issuer and Holdings is prepared in accordance with International Financial Reporting Standards ("*IFRS*") as adopted by the European Union (the "*EU*"). IFRS as adopted by the EU differs in certain respects from IFRS as issued by the International Accounting Standards Board ("*IASB*"). However, the Issuer does not believe that its or Holdings' financial statements would be materially different had they been prepared in accordance with IFRS as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU. Neither the Issuer nor Holdings has reconciled its financial statements to U.S. GAAP and neither intends to do so in the future.

We present certain financial measures in this offering circular, including EBITDA, Adjusted EBITDA, Adjusted EBITDA before management fees and net capital expenditure, in each case that are not specifically defined under IFRS or U.S. GAAP. These measures are presented because we believe that they and similar measures are widely used in the supply chain logistics services industry as a means of evaluating a company's operating performance and financing structure, and in the case of Adjusted EBITDA because we believe they present helpful comparisons of financial performance between periods by excluding the distorting effect of non-recurring items. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and they should not be considered as substitutes for the information contained in the Issuer's or Holdings' financial statements.

We also present Pro Forma Adjusted EBITDA, which is not specifically defined under IFRS or U.S. GAAP. This measure is presented as it is defined under the loan agreements governing our Senior Secured Facilities and the indentures governing, or that will govern, the Existing Notes and the notes offered hereby. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles. They should not be considered as substitutes for the information contained in the Issuer's or Holdings' financial statements.

As we operate in over 170 countries, our financial performance is impacted by foreign currency fluctuations, particularly the euro, British pound and Chinese Yuan. Therefore, for comparison purposes, we also report our results on a constant exchange rates basis using prior period exchange rates. From time to time in this offering circular, we group the countries in which we operate into North America, North Europe, South Europe, and

what we refer to as "high-growth geographies," which consist of Asia Pacific (excluding Japan, Korea, Australia and New Zealand), Latin America, Eastern Europe, the Middle East and Africa. We exclude Japan, Korea, Australia and New Zealand as we do not consider them to be high-growth emerging markets based on their respective historical GDP growth rates.

See "Independent Auditor" for a description of the independent auditors' reports to the board of managers of Holdings and the board of directors of the Issuer dated March 7, 2014, May 2, 2013 and March 5, 2012, respectively. The independent auditors' reports state that: the report, including the opinion, has been prepared for and only for Holdings' board of managers or the Issuer's board of directors, as the case may be, and for no other purpose; and the independent auditors do not, in giving the opinion, accept or assume responsibility for any other purpose or to any other person to whom the report is shown or into whose hands it may come save where expressly agreed by their prior consent in writing. The independent auditors' report of March 7, 2014 is included in this offering circular, the independent auditors' report of May 2, 2013 is included in CEVA's Annual Report for the year ended December 31, 2012 which is incorporated in part by reference into this offering circular and the independent auditors' report of March 5, 2012 is included in CEVA's Annual report for the year ended December 31, 2011 which is incorporated in part by reference into this offering circular.

In making these statements, the independent auditors assert that they do not accept or assume any liability to parties such as holders of notes with respect to the report and to the independent auditors' audit work and opinions. The U.S. Securities and Exchange Commission would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act, or in a report filed under the Exchange Act of 1934, as amended (the "*Exchange Act*"). If a U.S. court (or any other court) were to give effect to such limiting language, holders of notes may not have any recourse against the independent auditors based on their report or the consolidated financial statements to which it relates.

MARKET AND INDUSTRY DATA AND FORECASTS

This offering circular and portions of the documents incorporated by reference include estimates of market share and industry data and forecasts that we have obtained from industry publications, surveys and forecasts, as well as from internal company sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Neither we nor the initial purchasers have independently verified any of the data from third-party sources, nor have we or the initial purchasers ascertained the underlying economic assumptions relied upon therein. In addition, this offering circular includes market share and industry data that we have prepared primarily based on our knowledge of the industry in which we operate. All information regarding our market and industry is based on the latest data currently available to us, which in some cases may be several years old or provided in foreign currencies. When necessary, we have converted historical data using our financial statement methodology. For the purposes of this offering circular, certain market and industry data has been translated from euros to U.S. dollars at an exchange rate of €0.7246 = $1.00. Statements as to our market position relative to our competitors are approximated based on 2012 revenues, unless otherwise noted, and such internal analysis and estimates may not have been verified by independent sources. Our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section entitled "Risk Factors."

CERTAIN TERMS

Unless otherwise indicated, or as the context otherwise requires, in this offering circular:

- "*4.00% First Lien Senior Secured Notes*" means CEVA's 4.00% First Lien Senior Secured Notes due 2018 issued May 2, 2013 and July 18, 2013;
- "*8.5% Senior Notes*" means CEVA's 8.5% Senior Unsecured Notes due 2014 (other than the Extended Senior Notes);
- "*8.375% First Lien Senior Secured Notes*" means the 8.375% Senior Secured Notes due 2017 issued December 14, 2010 and February 1, 2012;

- "*11.5% Senior Notes*" means CEVA's 11.5% Junior Priority Senior Secured Notes due 2018 issued March 24, 2010, which became unsecured in connection with the Recapitalization;
- "*12% Second-Priority Notes*" and "*12% Senior Notes*" means CEVA's 12% Second-Priority Senior Secured Notes due 2014, the majority of which were prepaid by CEVA on March 24, 2010 and the remainder of which became unsecured in connection with the March 2010 Transactions;
- "*12.75% Senior Notes*" means CEVA's 12.75% Senior Notes due 2020 issued February 1, 2012;
- "*ABL Facilities*" means the Australian Receivables Facility and the U.S. ABL Facility;
- "*Apollo*" means Apollo Global Management, LLC, together with its affiliates (including investment funds affiliated with, or co-investment vehicles managed indirectly by Apollo Global Management, LLC);
- "*Australian Originators*" means, in relation to the Australian Receivables Facility, CEVA Logistics (Australia) Pty. Ltd. and CEVA Freight (Australia) Pty. Ltd;
- "*Australian Receivables Facility*" means the receivables facility entered into by the Australian SPE in October 2012 that is secured by Australian trade accounts receivable originated by the Australian Originators that have been transferred to the Australian SPE;
- "*Australian SPE*" means CEVA Receivables (Australia) Pty. Ltd., a bankruptcy remote entity formed in connection with the establishment of the Australian Receivables Facility;
- "*Cash Debt Tenders*" means the cash tender offers for the 8.375% First Lien Senior Secured Notes, the Existing First-and-a-Half Priority Lien Notes and the 11.5% Senior Notes;
- "*CEVA*," "*we*," "*us*," "*our*" and the "*Company*" mean CEVA Group Plc, and its predecessors and consolidated subsidiaries, as applicable;
- "*CIL*" means our former parent company, CIL Limited, a Cayman Islands exempted company with limited liability (formerly known as CEVA Investments Limited);
- "*Concurrent Transactions*" means the Cash Debt Tenders, the redemption of any of the Debt Tender Notes not tendered in the Cash Debt Tenders upon expiration of the Cash Debt Tenders, the partial redemption of the Second Lien PIK Notes, the entry into the Senior Secured Facilities and the related transactions (other than this offering);
- "*EBITDA*" means net income plus depreciation, amortization, impairments, taxes and interest;
- "*Existing First Lien Senior Secured Notes*" means the 8.375% First Lien Senior Secured Notes and the 4.00% First Lien Senior Secured Notes;
- "*Existing First-and-a-Half Priority Lien Notes*" means CEVA's 11.625% Senior Secured Notes due 2016;
- "*Existing Notes*" means the Existing Secured Notes and the Existing Unsecured Notes;
- "*Existing Secured Notes*" means the Existing First Lien Senior Secured Notes, the Existing First-and-a-Half Priority Lien Notes and the Second Lien PIK Notes;
- "*Existing Unsecured Notes*" means the 11.5% Senior Notes, the 12% Senior Notes and the 12.75% Senior Notes;
- "*First Lien Intercreditor Agreement*" means the first lien intercreditor agreement, dated as of December 14, 2010, as acceded to by the trustee and collateral agent for the New First Lien Senior Secured Notes on the Issue Date, among the Company, the subsidiary guarantors party thereto, the administrative agent under the Senior Secured Facilities, as representative for the secured parties under the Senior Secured Facilities, and the collateral agent for the Existing First Lien Senior Secured Notes and as acceded to by the collateral agent for the 4.00% First Lien Senior Secured Notes pursuant to the accession agreement dated as of May 2, 2013, as it may be amended, restated, replaced or acceded to from time to time in accordance with its terms;

- "*First/First-and-a-Half Lien Intercreditor Agreement*" means the lien subordination and intercreditor agreement, dated as of October 6, 2009, as acceded to by the trustee and collateral agent for the New First Lien Senior Secured Notes and as acceded to by the trustee and collateral agent for the New First-and-a-Half Priority Lien Notes, in each case; on the Issue Date, among the Company, the subsidiary guarantors party thereto, Credit Suisse, as intercreditor agent, the administrative agent under the Senior Secured Facilities and as representative for the secured parties under the Senior Secured Facilities, and the trustee and collateral agent for the Existing First-and-a-Half Priority Lien Notes, and as acceded to by the trustee and collateral agent for the Existing First Lien Senior Secured Notes on December 14, 2010 and as acceded to by the collateral agent for the 4.00% First Lien Senior Secured Notes pursuant to the accession agreement dated as of May 2, 2013, as it may be amended, restated, replaced or acceded to from time to time in accordance with its terms;
- "*First/Junior Lien Intercreditor Agreement*" means the Lien Subordination and Intercreditor Agreement, dated as of August 13, 2007, as acceded to by the trustee and collateral agent for the New First Lien Senior Secured Notes and the trustee and collateral agent for the New First-and-a-Half Priority Notes, in each case on the Issue Date, among the Issuer, the subsidiaries of the Issuer party thereto, Credit Suisse AG, Cayman Islands Branch, as intercreditor agent, and as acceded to by the trustee and collateral agent for the 8.375% First Lien Senior Secured Notes pursuant to the accession agreement dated December 14, 2010 and as acceded to by the collateral agent for the 4.00% First Lien Senior Secured Notes and the collateral agent for the Second Lien PIK Notes pursuant to the accession agreement dated as of May 2, 2013, as it may be amended, restated or replaced from time to time in accordance with its terms.
- "*Holdings*" means Ceva Holdings LLC, the parent of the Issuer;
- "*Issuer*" means CEVA Group Plc, excluding its subsidiaries;
- "*Originators*" mean the Australian Originators and the US Originators;
- "*PIK Loan Facility*" means the debt instrument agreement entered into by our former parent, CIL, on February 15, 2007 (as amended and restated on June 2, 2008 and on February 1, 2012);
- "*Recapitalization*" means CEVA's financial recapitalization plan that was commenced on April 3, 2013 and closed on May 2, 2013, and which is described more fully under "Certain Relationships and Related Party Transactions—The Recapitalization;"
- "*Second Lien PIK Notes*" means the 10% Second Lien Secured PIK Notes due 2023 issued to Holdings on May 2, 2013;
- "*Senior Secured Facilities*" means the facilities we entered into on November 4, 2006, as amended and restated on January 4, 2007, as further amended and restated on August 2, 2007, and as further amended and restated on December 14, 2010. As part of the Concurrent Transactions, CEVA intends to refinance the facilities and amend and restate its senior secured credit facilities, as described under "—Concurrent Transactions—Refinancing of Senior Secured Facilities," and if successful, "Senior Secured Facilities" shall mean the senior secured credit facilities as amended and restated;
- "*Senior/Subordinated Intercreditor Agreement*" means the amended and restated intercreditor agreement, dated as of December 6, 2006, as acceded to by the trustee and collateral agent for the New First Lien Senior Secured Notes and as acceded to by the trustee and collateral agent for the New First-and-a-Half Priority Lien Notes, in each case; on the Issue Date, among the Company, the subsidiary guarantors party thereto, the administrative agent of the Senior Secured Facilities, the creditors under certain hedging agreements, the administrative agent under the Senior Unsecured Facility, and Credit Suisse, as intercreditor agent, as acceded to by the trustee for the 8.5% Senior Notes on December 6, 2006, as acceded to by the trustee for the Senior Subordinated Notes on December 6, 2006, as acceded to by the trustee and collateral agent for the 10% Second-Priority Senior Secured Notes due 2014 on August 13, 2007, as acceded to by the trustee and collateral agent for the 12% Second-Priority Notes on July 22, 2009, as acceded to by the trustee and collateral agent for the Existing First-and-a-Half Priority Lien Notes on October 6, 2009, as acceded to by the trustee and collateral agent for the 11.5% Senior Notes on March 24, 2010, and as acceded to by the trustee and collateral agent for the 8.375% First Lien Senior Secured Notes on December 14, 2010 and as acceded to by the collateral agent for

the 4.00% First Lien Senior Secured Notes and the collateral agent for the Second Lien PIK Notes pursuant to the accession agreement dated as of May 2, 2013, as it may be amended, restated, replaced or acceded to from time to time in accordance with its terms;

- "*Senior Subordinated Notes*" means CEVA's 10% Senior Subordinated Notes due 2016 (other than the Extended Senior Subordinated Notes);
- "*Senior Unsecured Facility*" means the senior unsecured loan facility we entered into on August 2, 2007 (as amended on April 1, 2008 and as amended on March 24, 2010);
- "*SPEs*" means the Australian SPE and the U.S. SPE;
- "*Transactions*" means the Concurrent Transactions, this offering of the notes and the use of proceeds therefrom.
- "*U.S. ABL Facility*" means the asset-based revolving credit facility entered into by the U.S. SPE on November 19, 2010, as increased on November 30, 2010, and as further amended on December 31, 2013, that is secured by U.S. trade accounts receivable originated by the U.S. Originators that have been transferred to the U.S. SPE;
- "*US Originators*" means, in relation to the U.S. ABL Facility, CEVA Freight, LLC, CEVA International Inc. and CEVA Logistics U.S., Inc.; and
- "*U.S. SPE*" means CEVA US Receivables, LLC, a bankruptcy remote special purpose entity formed in connection with the establishment of the U.S. ABL Facility.

WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE

Rather than include in this offering circular some of the information included in CEVA's annual reports, we are incorporating this information by reference, which means that we are disclosing important information to you by referring you to another document posted on our website and/or filed with the Irish Stock Exchange (the "*ISE*"). The following documents contain important information about us and we incorporate them herein by reference:

- Pages 12 through 69 of CEVA's Annual Report as of and for the year ended December 31, 2012, posted on our website and filed by us with the ISE; and
- Pages 35 through 87 of CEVA's Annual Report as of and for the year ended December 31, 2011, posted on our website and filed by us with the ISE.

Any statement contained in a document incorporated by reference in this offering circular shall be considered to be modified or superseded for purposes of this offering circular to the extent that a statement contained in this offering circular or in any subsequently posted or filed document that is incorporated by reference modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this offering circular.

You can obtain the documents incorporated by reference in this offering circular from our website (http://www.cevalogistics.com/en-US/aboutus/investors/Pages/FinancialInformation.aspx).

Except for the specific pages of the documents expressly incorporated herein by reference, our website and the information contained therein or connected thereto will not be deemed to be incorporated into this offering circular, and you should not rely on any such information in deciding whether to invest in the notes.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

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

Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements are disclosed under the heading "Risk Factors," in the documents incorporated herein by reference and elsewhere in this offering circular, including, without limitation, in conjunction with the forward-looking statements included in this offering circular. All forward-looking statements in this offering circular and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could materially affect our results include:

- our ability to consummate the Transactions, improve our capital structure and realize the expected benefits of the Transactions;
- negative changes in economic conditions, and our inability to reduce costs in the event of economic downturns;
- increased costs or decreased availability of third-party providers of certain transportation services;
- risks that we may be required to bear increases in operating costs under our long-term contracts with customers, or certain fixed costs in the event of early termination of contracts;
- our history of losses and uncertainty regarding our profitability in the future;
- changes in the trend toward outsourcing of logistics activities;
- competition and consolidation in the industries in which we operate;
- our substantial indebtedness and our ability to comply with the terms of our existing and future indebtedness, including limitations on our flexibility in operating our business;
- our ability to maintain and continuously improve our information technology and operational systems and financial reporting and internal controls;
- risks relating to our customers and the industries in which we operate;
- our ability to manage our labor costs and labor relations and attract and retain qualified employees;
- our ability to manage our labor costs and labor relations and attract and retain qualified employees;
- the risks that regulation and litigation pose to our business, including our ability to maintain required licenses and regulatory approvals and comply with applicable laws and regulations, and the effects of potential changes in governmental regulations;
- risks associated with our global operations, including natural disasters and currency fluctuations;
- changes in our effective income tax rate or accounting standards;
- costs or liabilities associated with environmental, health and safety matters;

- the control of a majority of the voting interests of our company by Apollo and conflicts of their interests, including as a holder of certain of our outstanding debt, with our interests or with your interests as a holder of the notes; and
- the other factors presented under the heading "Risk Factors."

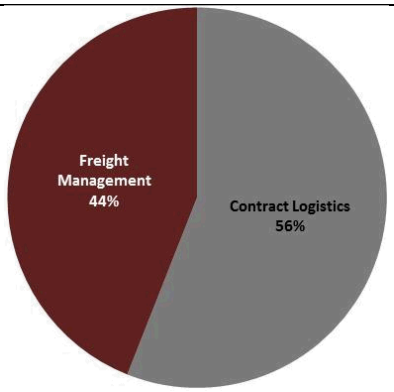
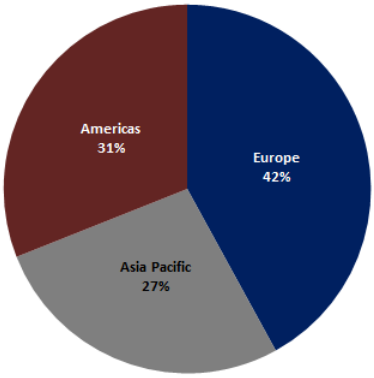
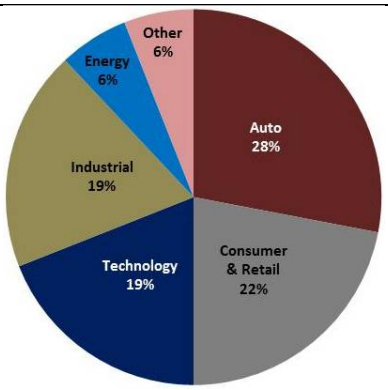
We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained or incorporated by reference in this offering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

SUMMARY

The following summary highlights certain information contained elsewhere or incorporated by reference in this offering circular and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere or incorporated herein by reference. Because this is a summary, it is not complete and may not contain all of the information that may be important to you in making a decision to invest in the notes. Before making an investment decision, you should carefully read the entire offering circular, including under the headings "Risk Factors" and "Disclosure Regarding Forward-Looking Statements" and the consolidated financial statements of Holdings and the Issuer and the notes to those statements included elsewhere in this offering circular or incorporated by reference herein as set forth under "Where You Can Find More Information and Incorporation by Reference."

Company Overview

We are the world's fourth largest fully integrated logistics solution provider, as measured by 2012 revenues. We design, implement and operate complex, end-to-end supply chain solutions using a combination of international and local air, ocean and ground freight forwarding, contract logistics and other value-added services. We operate globally in over 170 countries in more than 1,000 locations, and serve approximately 15,000 customers primarily in five key industries: automotive, consumer and retail, technology, industrial and energy. We leverage our sector-focused expertise, global and local resources and advanced technology systems to deliver a complete spectrum of supply chain services to our clients on a global scale. Our services enable our clients to focus on their core competencies while reducing their costs and inventory levels, shortening their lead time to market, and enhancing their supply chain visibility. Our asset-light strategy enables us to more quickly scale our operations in order to adapt to changing industry conditions and environments and supports our free cash flow generation. In combination with flexible operations, our expansive geographic coverage serves the increasingly international supply chain needs of our customers. We generated approximately 33% of our 2013 revenues from high-growth geographies, including Asia Pacific (excluding Japan, Korea, Australia and New Zealand), Latin America, Eastern Europe, the Middle East and Africa, and have leading positions in North America and Western Europe. With sales generated across a balanced business, geographic and industry mix, we have a well-diversified revenue stream and significant access to growth opportunities. For the fiscal year ended December 31, 2013, we generated $8.5 billion of revenue, $277 million of Adjusted EBITDA (as described under "—Summary Historical Segment Data") and $393 million of Pro Forma Adjusted EBITDA (as described under "—Pro Forma Financial Information and Ratios").

Business Split (2013 Revenues)	**Geographic Split (2013 Revenues)[(1)]**	**Industry Split (2013 Revenues)**
		

(1) Americas includes, among others, the U.S., Canada, Brazil, Argentina and Mexico. Asia Pacific includes, among others, Australia, China, Singapore, Thailand, Malaysia and India. Europe includes, among others, the U.K., Ireland, the Nordics, Benelux, France, Germany, Eastern Europe, Italy, Spain, Turkey, Greece, the Middle East and Africa.

We offer a wide range of services that are classified into two business segments: Freight Management and Contract Logistics. We are one of the leading companies in freight management globally, coordinating the movement of products and materials by air, sea and ground. Our contract logistics business, which provides warehousing and ground-based distribution services, is the second largest in the world, as measured by 2012 revenues. We utilize our full suite of services and leverage synergies between our two segments to deliver integrated end-to-end solutions to our customers. As a result of our strong product mix and global scale, we are able to serve both international and regional customers and benefit from secular trends in the overall globalization of trade and manufacturing.

We have a strong presence in targeted industries where we believe our services are most valued and which have a high potential for growth. Our expertise in these industries has been developed through long-term partnerships with our customers, as evidenced by an average relationship of approximately 19 years (as of December 31, 2013) with our top 20 clients. We serve 23 of the top 25 supply chains in the world, based on operational and financial performance and peer surveys as defined by Gartner. Our customer base includes blue chip clients such as Ford, Heinz, Honda, Procter & Gamble, Lenovo, SAIC, GM, Transocean and GE. Our customer portfolio is also well balanced, with our top 10 customers representing approximately 22% of our 2013 revenues and our largest customer representing approximately 5%.

Our Business

We offer our freight management and contract logistics services on an integrated basis, which allows us to act as a "one-stop" provider for all of our customers' supply chain needs, while also leveraging our in-depth product expertise and global scale.

Our **Freight Management** segment operates in a $174 billion market, as of 2012 according to Transport Intelligence ("*TI*"), driven by global gross domestic product ("*GDP*") growth and growth in global trade of materials and products. We provide asset-light transport solutions that coordinate the movements of products and materials, using our scale and expertise to provide our customers with attractive transportation options in terms of costs, speed, reliability and security. Key services include international and local air, ocean and ground-based freight forwarding, customs brokerage and other value-added services. We operate a structurally flexible and scalable asset-light business model as we do not own aircraft or vessels and instead almost exclusively outsource transportation to third-party carriers. We operate through a network of approximately 250 stations across six continents where our employees organize the consolidation of freight and work with transportation suppliers to arrange for the delivery of our customers' shipments. We are one of the top ten freight forwarders in the world.

Our **Contract Logistics** segment operates in a large and under-penetrated global market worth approximately $1.3 trillion as of 2011 according to TI, of which approximately $213 billion was outsourced. We provide solutions to our clients by assuming control of all or a portion of their supply chain operations, typically under multi-year contracts. Key services include inbound logistics, manufacturing support, outbound/distribution logistics and aftermarket/reverse logistics. We rely on our proprietary information systems, deep industry knowledge and culture of operational excellence to deliver best-in-class supply chain solutions to our customers. Contracts are typically for multiple years (weighted average contract duration is 2.2 years), with high renewal rates (86% in 2013), as switching costs are typically material given our systems and employees are tightly integrated into our customers' operations. Our asset-light business model operates almost exclusively using leased or customer-owned facilities and with minimal net working capital. We manage approximately 600 contract logistics locations across six continents, the majority of which are leased on a back-to-back basis with our customer contracts. According to data reported by TI, we are one of only two companies in the world with top ten market positions in contract logistics in both North America and Europe, and we estimate that we have a top ten position in Asia Pacific (excluding Japan) as well. We believe this is a critical advantage in winning new business given the increasingly global nature of the industry.

Our Strengths

We believe we have the following competitive strengths:

Global scale and capabilities. We are the fourth largest fully-integrated logistics solutions provider in the world, as measured by 2012 revenues, and operate in over 170 countries in more than 1,000 locations. We are one of only four asset-light companies with top 10 global market positions in both freight forwarding and contract logistics. We benefit from a strong product mix serving approximately 15,000 customers around the world, and have significant local market positions across North America, South America, Asia Pacific and Europe. We offer services in six continents with a network of approximately 250 freight management stations and oversight of approximately 100 million square feet of managed, predominantly contract logistics, manufacturing and warehouse space. Our scale and geographic footprint make us a key partner for transportation providers. Our size allows us to attract highly talented and motivated employees who, in partnership with our transportation providers, deliver world-class quality services at competitive prices. Our global capabilities, relationships and local market knowledge in the countries in which we operate are key competitive advantages in selling our services to our customers, whose operations and supply chains are increasingly global in scope. For example, in 2013 we served our top ten customers in an average of 22 countries each, and approximately 83% of our established "Century" accounts (which consist of approximately 80 of our existing top customers) used our services in ten countries or more.

Complexity creates barriers to entry. We have the global scale, relationships and technology systems to oversee and optimize global supply chains in end markets that are increasingly advanced with greater complexity in regulatory requirements. We believe that our ability to provide integrated, end-to-end freight forwarding and contract logistics solutions on a global scale, our expansive geographic footprint, our broad industry expertise, our technology systems and our long-term relationships with our major customers, differentiate us from many of our competitors. We believe that the need to develop some or all of these attributes to be competitive creates high barriers to entry into our industry. As our systems and employees are tightly integrated into our customers' operations, we believe it is difficult for new competitors to enter our market, as evidenced by our 19 year average relationship tenure with our top 20 customers.

Strong industry fundamentals. We operate in the supply chain management industry, which has benefitted from long-term structural trends driving industry growth above GDP, including the ongoing trend of outsourcing logistics to third-party providers and growth in global trade. According to TI, the outsourced supply chain management industry, which includes freight forwarding and contract logistics, was $394 billion in size as of 2012, and is expected to increase to $537 billion by 2016. This industry grew at a 5.4% CAGR from 2004 to 2012, nearly doubling the world's GDP growth rate for the same period, and is expected to grow at a 8.1% CAGR from 2012-2016. We believe the key growth drivers include (i) increasing outsourcing, (ii) globalization leading to increased complexity and length of supply chains, (iii) increasing need for time-definite delivery and (iv) growth in underlying economic activity (GDP growth).

Historically, most companies tended to manage their supply chains in-house. However, an increased focus on outsourcing to reduce cost, increase efficiency and manage growing supply chain complexity has driven many companies to focus on their core operations and procure their supply chain related services from specialist third-party providers. As manufacturing and distribution processes evolve to include an increasing number of participants spread over a broader geographic area, supply chains are becoming more complex. The increasing complexity of supply chains requires service providers such as CEVA, that have the global scale, relationships and technology systems, to oversee and optimize these operations.

Scalable asset-light business model. We operate a scalable business model, delivering our services principally through our people, technology and systems. Our services are of an asset-light nature, as our Freight Management segment does not own aircraft or vessels and instead almost exclusively outsources transportation to third-party carriers, and approximately 97% of our Contract Logistics segment premises are either leased or customer-owned facilities. As a result, as of December 31, 2013, our net tangible assets (defined as total assets less intangible assets and current liabilities) represented only 6.9% of revenues, compared with a peer average of 20.6%, with respect to a peer group comprising Kuehne + Nagel, DSV, Panalpina, Expeditors, UTi Worldwide and Forward Air. This model enables us to quickly scale our operations in order to adapt to changing industry conditions and environments, and supports our free cash flow generation.

"One-stop" provider of integrated end-to-end solutions. We are among a few players of size in the world who are able to offer one-stop, integrated, end-to-end freight forwarding and contract logistics solutions to our customers across multiple geographies. Our ability to provide integrated solutions allows us to play an increasingly integral part in our customers' supply chain operations, which we believe deepens our relationship with our customers and improves our contract renewal rates. As our customers continue to rationalize their logistics network and reduce the number of service providers they engage, we benefit from the increase in our share of the customers' spend on supply chain management. We also benefit from the increase in demand as a result of increasing scale and complexity of our customers' supply chain operations. We have continued to focus on increasing our share of our customers' logistics spend across our full product offering and we estimate that approximately 83% of our established "Century" accounts (which consist of approximately 80 of our existing top customers) used both our Freight Management and Contract Logistics services in 2013.

Long-term, diversified blue chip customer base. We manage our business to develop expertise in a mix of targeted industries, including automotive, technology, consumer & retail, industrial and energy. We work with fourteen of the top fifteen consumer electronics companies in the technology sector, eight of the top ten manufacturers in the automotive sector, seven of the top ten retailers, and four of the top five independent off-shore drillers in the energy sector. We have focused our resources on industries where we believe the supply chain is most complex, global in scale and critical to the customer's core business, which creates opportunities to become an integral part of our customers' operations. Our sector expertise and resulting operational excellence are consistently recognized by our clients. As a result, we have long-term partnerships with many of our clients, with an average 19-year relationship with our top 20 customers. We have also received numerous awards including Freight Forwarder of the Year 2013 - Supply Chain Asia Awards (2013; China), Best Logistics and Operational Excellence Award – ARILOG (2013; Romania), Secure Warehouse Award – Shanghai Pudong Airport Cargo Zone (2013; China), Lean & Green Star Award (2013; the Netherlands), Lear's "Logistics Services Supplier of the Year" (2012; global), Lenovo's "Global Supplier of the Year" (2011; China), "Innovation and Operations Excellence" award (2011 and 2012; North America), GM's Certificate of Merit for Quality, Service, Technology and Price (2012, Brazil) and Autodata's "Best Logistics Provider" for our work in Brazil (2013).

World-class, experienced and incentivized management team. Our management team has substantial experience and is committed to further enhancing our reputation for excellence in the global supply chain management market. Xavier Urbain joined the company as CEO in January 2014, bringing a long and outstanding career in the supply chain industry to us, having served on the Management Board and Board of Directors and in several senior executive positions of Kuehne + Nagel and as CEO of ACR Logistics. Our management team also includes individuals who have held leadership roles at other logistics companies, such as DHL and Exel, as well as leading global corporations such as Dell, IBM, and Whirlpool. Equity awards have been granted to over 200 of our senior managers and all members of our management group of over 900 employees have compensation packages tied to key performance metrics, creating an alignment of interests between our employees and stakeholders.

Our Strategy

Our strategy is based on the following guiding principles:

Drive density of operations across our logistics network. We believe we are well positioned on key trade lanes across all of our operational geographies to significantly increase profitability over the near to medium term through a focus on operational efficiency and augmenting our established "Century" accounts (which consist of approximately 80 of our existing top customers) with an increasing penetration of small to medium sized enterprises ("*SME*"). We have strengthened and re-focused our tendering and sales teams and processes to deliver incremental SME volumes that will provide more operational flexibility to drive a greater density of volumes within the network. This increased density of operations should directly benefit profitability through optimizing consolidation activities and increasing the balance of cargo flows across individual trade lanes. Given fixed network costs, increased density should have a leveraging effect on our profitability and cash flow generation.

Our operations are specifically targeted toward a mix of industries that we believe will benefit from global trends, such as accelerated consumer spending in high-growth geographies and the continuing globalization of manufacturing and distribution. Through refining our customer focus, we believe that we are well positioned to deliver revenue and profit growth.

Increase share of our existing customers' logistics spend. Our customers include blue chip global companies and emerging companies that are gaining share in their respective markets. As these customers continue to grow and their supply chains increase in size and complexity, we are focused on expanding the range of services that they rely on us to provide and increasing our share of their overall freight forwarding and contract logistics spend. One way we do this is through our Century Program, which we introduced in 2008 to provide global account management for approximately 80 of our existing top customers, driven by increasing our share of their logistics spend and cross-selling our range of services. A key part of this strategy is growing with existing customers in new geographies, which we are well positioned to do given our global footprint. Examples of recent new business wins with existing customers in new geographies include contracts with Procter & Gamble in Vietnam and Indonesia, GE Healthcare and Terex in Brazil, Honeywell in Mexico, Caterpillar in India and Transocean in Africa.

Win new outsourcings and capture attractive new clients. With approximately 84% of contract logistics and half of freight forwarding still managed in-house globally, there is a significant opportunity to grow our revenues by capturing new high margin outsourcings. Opportunities to increase market penetration exist not just in emerging markets like China (where 97% of contract logistics was still in-house in 2011, according to TI), but also in developed markets like the U.S. (79% in-house in 2011) and Germany (65% in-house in 2011), which are underpenetrated compared to market leaders in outsourcing such as the U.K. (51% in-house in 2011). Examples of our recent wins of newly outsourced business include Mach 2 Libri in Italy and Bodybuilding.com in the Netherlands.

Continually develop and expand our service offering. We continually seek to strengthen our service offering by enhancing our existing services, developing new products and creating integrated end-to-end solutions for our customers. One approach is industry-focused innovation. For example, we have grown a global healthcare logistics business with revenues exceeding $500 million through understanding the specific requirements of customers in the sector and operating facilities meeting the stringent requirements of the Good Distribution Practice guidelines.

Another approach involves enhancing our product range with new complementary service offerings and expanding our existing capabilities. Examples include adding charter and courier capabilities to our freight forwarding offering, as well as investing in our sales force, solutions and systems in order to accelerate growth in our ocean freight forwarding business. In 2008, we recruited an industry leading team of end-to-end ocean specialists from our competitors. Subsequently, our total ocean freight forwarding volume from 2009 to 2013 grew by 10.7% CAGR compared to market growth of 7.6%, based on data from Alphaline, a leading shipping consulting firm. According to the latest report by TI, we are one of the top ten ocean freight forwarders globally by volume, and given our competitive strengths and our growth trajectory, our goal is to become one of the top five in the medium term.

Leverage our investments in systems, processes and other cost saving initiatives. We continually work to make our operations more cost efficient and effective in order to improve our profitability and drive above-market earnings growth. For example, in 2012 we substantially completed two projects to upgrade our systems and processes: (i) Project UNO, the streamlining of our Freight Management systems and processes, which enabled a productivity improvement equivalent to approximately 600 full-time equivalent employees ("*FTEs*") and (ii) Project ACE, the outsourcing and optimization of our financial processes, enabling the outsourcing of 544 FTEs. We continue to focus on releasing the financial benefits from these two major projects. Project UNO has generated cost savings through a combination of station consolidations, costing and billing automation, processes standardization and tenders and on-boarding improvements, and has facilitated the closure of 17 sites. Project ACE generated cost savings through a combination of headcount reduction, outsourcing of labor, collections and procurement and audit and other savings. In addition, in 2013, we implemented a new comprehensive plan to reduce costs and improve contract performance with a targeted net benefit of approximately $136 million. Key elements of the program include headcount reduction focused on SG&A and management levels, consolidation of our European business into a single management structure, addressing identified underperforming contracts and reviewing our presence in non-strategic countries. We continue to see opportunities to improve productivity or reduce cost across our business.

Strong expected improvements over time in free cash flow will support significant deleveraging. We intend to continue our focus on reducing our financial leverage as we grow our business and generate free cash flow. In addition to the growth strategies outlined above, we continue to focus on all cash flows of the Company. In 2013,

we drove significant improvements in working capital, resulting in $147 million of cash flow generation. We estimate that over two-thirds of this improvement was driven by sustainable changes in reducing overdue customer accounts and accelerating invoicing processes. Our CEO and CFO held weekly calls covering our top 30 and next 100 customers, requiring detailed action plans to reduce overdue customer accounts and drive improvements. A similar level of rigor has been applied to our capital expenditures, which require (depending on the spend) CEO, CFO or board approvals. The successful completion of our May 2013 recapitalization reduced annual cash interest expense by approximately 50% and created a capital structure that positions the Company to generate cash (as evidenced by our positive cash flow in 2013).

Our Industry

We operate in the supply chain management industry, which we believe benefits from long-term structural trends driving market growth above GDP, including the ongoing trend towards outsourcing of logistics and growth in global trade. We believe we are positioned to continue to gain market share as we are one of few players able to offer integrated end-to-end freight forwarding and contract logistics solutions globally, with significant exposure to high growth geographies and industries.

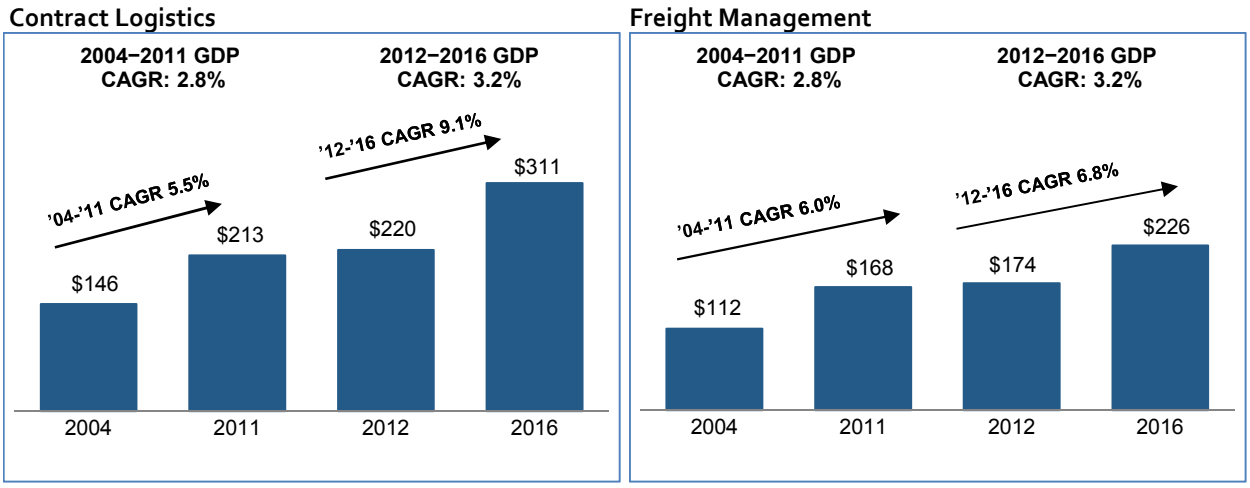
Companies in our industry provide outsourced supply chain management and transportation solutions to local, regional and international customers. The industry is divided into two broad sub-sectors—freight forwarding and contract logistics—which are highly complementary services and can be provided together as integrated supply chain solutions.

- *Freight forwarders* serve their customers by arranging and overseeing the transportation of products and materials by air, ocean and ground. Freight forwarders organize and consolidate shipments, procure and track transportation, and provide ancillary value-added services such as preparation and submission of documentation, oversight of customs and other clearance processes, and warehousing and auditing of shipments. The total global freight forwarding market was $174 billion in 2012, based on estimates by TI. We estimate that approximately half of the global air and ocean freight market was managed by third-party service providers such as CEVA, and believe this share will continue to increase as companies increasingly look to outsource these services to specialists.

- *Contract logistics* providers manage their clients' supply chain operations, typically under multi-year contracts in which the contract logistics company's systems and employees are integrated into and take over responsibility of critical logistics functions. Responsibilities include organizing and optimizing warehousing, transport routes and providers—whether inbound, outbound or dealing with aftermarket returns—kitting and sequencing unassembled parts, providing support during manufacturing, picking and packing finished goods, and providing quality control and other value-added services. According to TI, the total global contract logistics market was approximately $1.3 trillion in 2011, of which only $213 billion, or 16%, was outsourced to third-party contract logistics providers. Opportunities to increase market penetration exist not just in emerging markets like China (where 97% of contract logistics was in-house in 2011, according to TI), but also in developed markets like the U.S. (79% in-house in 2011) and Germany (65% in-house in 2011), which are underpenetrated compared to market leaders in outsourcing such as the U.K. (51% in-house in 2011).

We believe growth in our industry is driven by GDP, plus (i) globalization of international trade, which increases the scale and number of global shipments and supply chains; plus (ii) increased outsourcing to third-party supply chain managers, which increases the addressable market for our services. For example, from 2004 to 2011 global GDP growth was 2.8% per year, global trade growth was 5.8%, and the outsourced freight forwarding and contract logistics markets grew at CAGRs of 6.0% and 5.5%, respectively. With approximately 84% of contract logistics and half of freight forwarding still managed in-house globally as of 2011, we expect these trends to continue as outsourcing allows our customers to focus on their core operations and improve supply chain costs and performance by leveraging the scale, experience and systems of service providers. The outsourced freight forwarding and contract logistics markets are expected to grow at CAGRs of 6.8% and 9.1% respectively from 2012 to 2016, according to data reported by TI.

($ in billions)



Source: Transport Intelligence. Report (Contract Logistics: June 2013 and Freight Forwarding: July 2013, Contract Logistics: May 2012 and Freight Forwarding July 2012) and IHS.

In addition to the above industry growth characteristics, we expect the global leaders in our industry to continue to gain market share, especially those who can provide integrated end-to-end solutions. The increasingly global footprint of our customers' supply chains and end markets require service providers who have the global scale, relationships and technology systems to oversee and optimize these operations. We also see increasing demand from companies looking for "one-stop" providers, such as CEVA, who are able to offer integrated end-to-end freight forwarding and contract logistics solutions, which optimize the performance, cost and cash flow of their supply chains, and provide greater visibility. There are few truly integrated players of size able to offer combined freight forwarding and contract logistics solutions, and we are one of only four companies who achieved a top ten global market position in both sub-sectors in 2012, according to TI.

Asset intensity varies across the industry; however we are an asset-light company. When providing freight forwarding services we almost exclusively outsource transportation to third-party carriers. In our contract logistics operations, 97% of our facilities and equipment are either customer owned or leased. Other supply chain companies may provide some asset-light services but have significant asset intensive business lines, such as owning and operating trucks, airplanes, ships or other equipment. We are one of only two asset-light companies with top ten global positions in both freight forwarding and contract logistics in 2012, according to TI.

Concurrent Transactions

Cash Debt Tenders. On March 4, 2014, we commenced a cash tender offer and consent solicitation for any and all of our outstanding 8.375% First Lien Senior Secured Notes, Existing First-and-a-Half Priority Lien Notes and 11.5% Senior Notes. The Cash Debt Tenders will be financed with the proceeds of this offering and our Senior Secured Facilities, and we expect that the early payment date related thereto will occur substantially concurrently with the closing of this offering. See "Use of Proceeds."

The total consideration for the 8.375% First Lien Senior Secured Notes, Existing First-and-a-Half Priority Lien Notes and 11.5% Senior Notes (collectively, the ("*Debt Tender Notes*") pursuant to the Cash Debt Tenders is $1,067.50, $1,064.50 and $1,063.75, in each case, per $1,000 principal amount tendered and accepted for purchase (the "*Total Consideration*"). In addition, holders will be entitled to accrued and unpaid interest up to, but not including, the applicable payment date.

Each holder who validly tenders its Debt Tender Notes and delivers consents to the proposed amendments described below prior to 5:00 p.m., New York City time, on March 17, 2014 is eligible to receive an early consent payment of $30 per $1,000 principal amount of Debt Tender Notes (the "*Consent Payment*"), which is included in the Total Consideration described above. Each holder who validly tenders its Debt Tender Notes after the early consent date but prior to the expiration date is eligible to receive the Total Consideration less the Consent Payment.

The Cash Debt Tenders will expire at 11:59 p.m., New York City time, on March 31, 2014, unless extended or earlier terminated.

In addition, as part of the Cash Debt Tenders for the 8.375% First Lien Senior Secured Notes and the Existing First-and-a-Half Priority Lien Notes, we are soliciting consents to (i) eliminate substantially all of the restrictive covenants and certain events of default and related provisions contained in the indentures governing the 8.375% First Lien Senior Secured Notes and the Existing First-and-a-Half Priority Lien Notes, (ii) provide for the release of all liens on the collateral that secures our obligations under such notes and to (iii) reduce from 30 days to 3 business days the minimum notice period for optional redemptions contained in the indentures governing such notes (collectively, the "*Secured Notes Proposed Amendments*"). As part of the Cash Debt Tender for the 11.5% Senior Notes, we are soliciting consents to reduce from 30 days to 3 business days the minimum notice period for optional redemptions contained in the indenture governing the 11.5% Senior Notes (together with the Secured Notes Proposed Amendments, the "*Proposed Amendments*"). If we fail to receive the consent of 90% of the outstanding aggregate principal amount of each of the 8.375% First Lien Senior Secured Notes and the Existing First-and-a-Half Priority Lien Notes, the applicable supplemental indentures will effect each of the Proposed Amendments other than the release of all liens on the relevant collateral.

Upon receipt of the requisite consents to the Proposed Amendments, we intend to enter into supplemental indentures with the respective indenture trustees effecting the Proposed Amendments. The Proposed Amendments will become operative immediately following the early acceptance date for the Cash Debt Tenders. Accordingly, immediately following the early acceptance date for the Cash Debt Tenders, any 8.375% First Lien Senior Secured Notes and the Existing First-and-a-Half Priority Lien Notes that remain outstanding will no longer have the benefit of substantially all the restrictive covenants contained in the indentures, and will no longer be secured by liens on the collateral that will secure the notes offered hereby. If we fail to receive the consent of 90% of the outstanding aggregate principal amount of each of the 8.375% First Lien Senior Secured Notes and the Existing First-and-a-Half Priority Lien Notes, the applicable supplemental indentures will effect each of the Proposed Amendments other than the release of all liens on the relevant collateral.

The consummation of the Cash Debt Tenders is conditioned upon, among other things, the receipt of sufficient funds in this offering and the refinancing of the Senior Secured Facilities to pay the consideration described above. This offering circular is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of consents with respect to the Debt Tender Notes. The Cash Debt Tenders have been made solely pursuant to the Offer to Purchase and Consent Solicitation Statement dated March 4, 2014 (the "*Statement*") and the related Consent and Letter of Transmittal.

Redemptions. We will redeem any Debt Tender Notes not tendered pursuant to the Cash Debt Tenders, and the 12% Senior Notes following the expiration of the Cash Debt Tenders and the indentures governing the Debt Tender Notes and the 12% Senior Notes will be discharged. The redemption prices for the 8.375% First Lien Senior Secured Notes, Existing First-and-a-Half Priority Lien Notes, 11.5% Senior Notes and 12% Senior Notes are as follows, plus in each case, accrued and unpaid interest up to, but not including, the redemption date: 106.281% of the principal amount of the 8.375% First Lien Senior Secured Notes, 105.813% of the principal amount of the Existing First-and-a-Half Priority Lien Notes, 105.750% of the principal amount of the 11.5% Senior Notes and 100% of the principal amount of the 12% Senior Notes. In addition, concurrently with the closing of this offering, we will repurchase approximately $93 million principal amount of the Second Lien PIK Notes held by Holdings at a price of 100% of the principal amount thereof plus accrued and unpaid interest up to, but not including, the repurchase date. Holdings will use all of the cash proceeds from such repurchase of the Second Lien PIK Notes to make a contribution to the capital of CEVA (the "*Holdings Contribution*") such that Holdings will not receive, on a net basis, any cash proceeds from this offering. We will use the proceeds of such contribution to partially finance the Cash Debt Tenders and redemptions described above. The Holdings Contribution will not increase the amount available for restricted payments under the indentures governing the notes (and the repurchase of Second Lien PIK Notes will not reduce the amount available).

Refinancing of Senior Secured Facilities. In connection with this offering, we will be amending and restating our Senior Secured Facilities, the closing of which is a condition to the closing of this offering and the Cash Debt Tenders. We expect to increase our revolving credit facility from $247 million to $250 million, our term loan from $536 million to $809 million and our synthetic letter of credit facility from $169 million to $275 million,

extend the maturity thereof and, with respect to the term loan and synthetic letter of credit facility, remove the financial maintenance covenants. For a description of our amended and restated Senior Secured Facilities, see "Description of Other Indebtedness—Senior Secured Facilities."

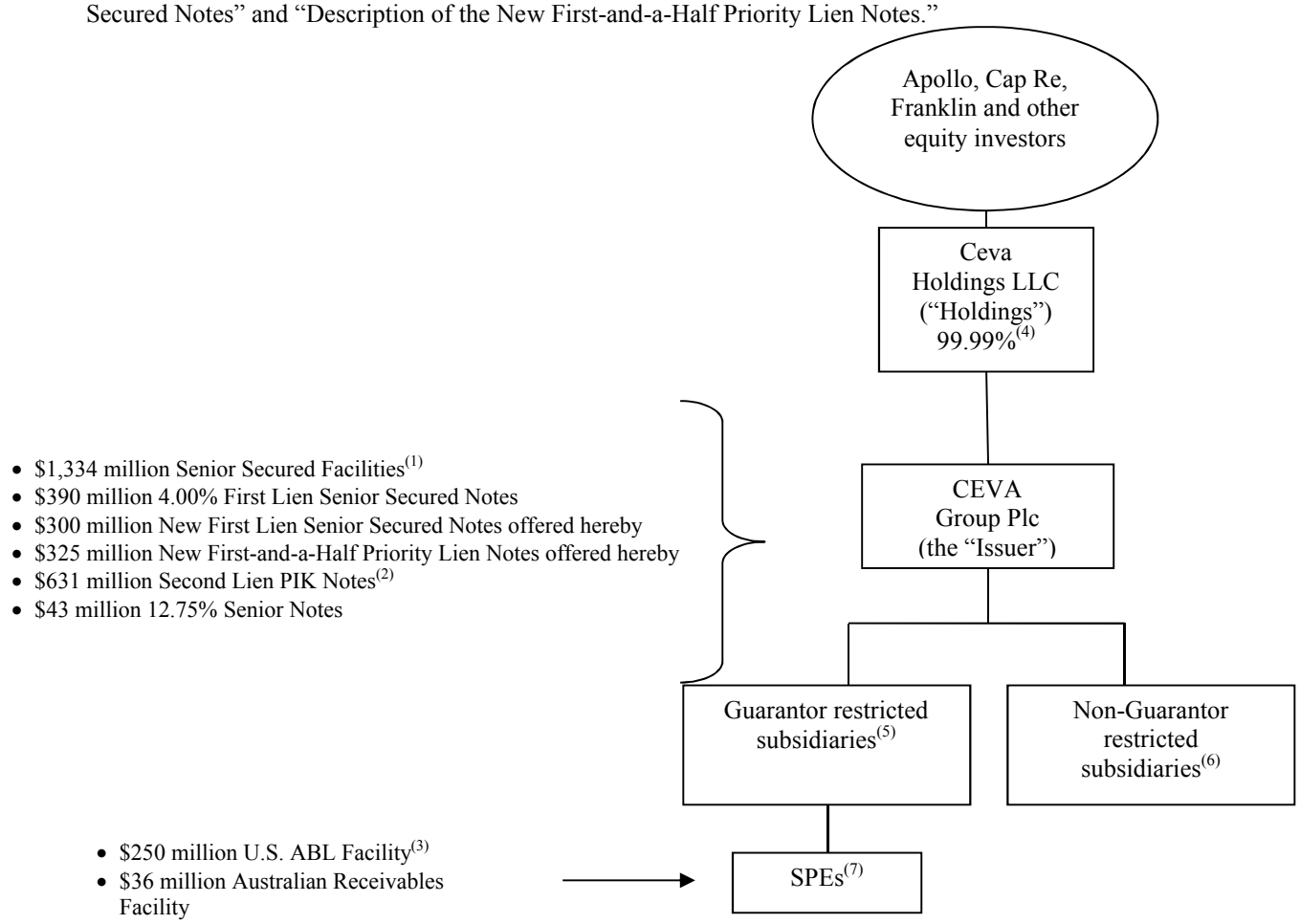
Offering and Use of Proceeds

We estimate that we will receive net proceeds of approximately $614 million from the issuance of the notes after deducting discounts to the initial purchasers and estimated fees and expenses. We intend to use the net proceeds of the offering of the notes, the net proceeds from the Senior Secured Facilities and the Holdings Contribution to fund the Cash Debt Tenders, the refinancing of the Senior Secured Facilities and the repurchase or redemption of the 12% Senior Notes, the redemption of any of the Debt Tender Notes not tendered pursuant to the Cash Debt Tenders and the repurchase of a portion of the Second Lien PIK Notes. The closing of this offering is conditioned upon the consummation of the Concurrent Transactions. We may use any remaining net proceeds from the issuance of the notes for general corporate purposes, which may include repurchases or redemptions of our other outstanding indebtedness.

Organizational Structure

The following diagram summarizes our corporate structure and principal outstanding financing (excluding debt issuance costs) arrangements as of December 31, 2013 after giving pro forma effect to the Transactions as if they had been completed as of December 31, 2013, based on the assumptions set forth under "Capitalization."

After giving pro forma effect to the Transactions, certain of our borrowings will be denominated in currencies other than U.S. dollars, primarily denominated in euro. We have provided the approximate U.S. dollar equivalent of such amounts below or in the footnotes to this diagram. For a summary of certain debt obligations referenced in this diagram, see "Description of Other Indebtedness," "Description of the New First Lien Senior Secured Notes" and "Description of the New First-and-a-Half Priority Lien Notes."



(1) The Senior Secured Facilities are expected to consist of (a) a term loan facility due March 2021 comprised of $740 million of term loans denominated in U.S. dollars and €50 million of term loans denominated in euros, (b) a revolving credit facility due March 2019 in the amount of $250 million and (c) a synthetic letter of credit facility due March 2021 in the amount of $275 million. The Senior Secured Facilities will be secured on a *pari passu* basis with the 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes offered hereby and senior to the New First-and-a-Half Priority Lien Notes offered hereby and the Second Lien PIK Notes, in each case, by substantially all of the Issuer's assets and the assets of the guarantor restricted subsidiaries, other than the trade accounts receivables originated by the Originators that have been transferred to the SPEs, and are guaranteed by the Issuer and the guarantor restricted subsidiaries. Certain guarantor restricted subsidiaries of the Issuer will also be borrowers under the Senior Secured Facilities.

(2) The entire principal amount of the Second Lien PIK Notes is held by Holdings, and therefore the Second Lien PIK Notes are eliminated on Holdings' balance sheet as a result of consolidation.

(3) As of December 31, 2013, (a) the total outstanding borrowings under the U.S. ABL Facility was $153 million, and the committed amount was $250 million and (b) the total outstanding borrowings under the Australian Receivables Facility was $35 million, and the committed amount was $36 million (using the exchange rate in effect on December 31, 2013 of A$1.114 = US$1.00.

(4) Holdings own 99.99% of the Issuer. CIL and Louis Cayman Second Holdco Limited own the remaining 0.01% of the Issuer.

(5) CEVA and certain of CEVA's operating subsidiaries located in Australia, Belgium, Brazil, the Cayman Islands, Canada, England and Wales, Germany, Luxembourg, Hong Kong, The Netherlands and California, Delaware and Texas in the U.S. will guarantee the notes. As of and for the year ended December 31, 2013, CEVA's subsidiaries that will guarantee the notes accounted for (a) $10,226 million, or 76%, of CEVA's total assets before intercompany eliminations, (b) $160 million, or 55%, of CEVA's property, plant and equipment, (c) $13 million, or 76%, of CEVA's inventory, (d) $1,012 million, or 42%, of CEVA's accounts receivable before intercompany eliminations, (e) $2,509 million, or 89%, of CEVA's total long-term debt before intercompany eliminations, (f) $4,819 million, or 56%, of CEVA's total revenue before intercompany eliminations and (g) $160 million, or 58%, of CEVA's total Adjusted EBITDA, and $118 million, or 54%, of CEVA's total EBITDA. After giving pro forma effect to the Transaction, the guarantors of the notes will also guarantee our Senior Secured Facilities and the 4.00% First Lien Senior Secured Notes on a senior secured basis (secured on a basis *pari passu* with the guarantees of the New First Lien Senior Secured Notes), the New First-and-a-Half Priority Lien Notes on a senior secured basis (secured on a basis junior to the guarantee of the New First Lien Senior Secured Notes, the 4.00% First Lien Senior Secured Notes and the Senior Secured Facilities), the Second Lien PIK Notes on a senior secured basis (secured on a basis junior to the guarantees of the New First Lien Senior Secured Notes, the 4.00% First Lien Senior Secured Notes, the New First-and-a-Half Priority Lien Notes and the Senior Secured Facilities). Not all of the guarantors will be borrowers under the Senior Secured Facilities.

(6) As of and for the year ended December 31, 2013, CEVA's subsidiaries that will not guarantee the notes accounted for (a) $3,160 million, or 24%, of CEVA's total assets before intercompany eliminations, (b) $131 million, or 45%, of CEVA's property, plant and equipment, (c) $4 million, or 24%, of CEVA's inventory, (d) $1,397 million, or 58%, of CEVA's accounts receivable before intercompany eliminations, (e) $313 million, or 11%, of CEVA's total long-term debt before intercompany eliminations, (f) $3,746 million, or 44%, of CEVA's total revenue before intercompany eliminations and (g) $117 million, or 42%, of CEVA's total Adjusted EBITDA, and $101 million, or 46%, of CEVA's total EBITDA.

(7) Each of the U.S. SPE and the Australian SPE does not guarantee the notes offered hereby or any other indebtedness of us or our subsidiaries, is an unrestricted subsidiary under the indentures governing the notes offered hereby and the Existing Notes and under the Senior Secured Facilities and is a receivables subsidiary under the indentures governing the notes offered hereby and the Existing Notes. See footnote (3) above for the amounts outstanding under the ABL Facilities.

Apollo

Apollo is a leading global alternative asset manager with offices in New York, Los Angeles, London, Singapore, Hong Kong, Frankfurt, Luxembourg and Mumbai. As of December 31, 2013, Apollo had assets under management of approximately $161 billion in its private equity, capital markets and real estate businesses.

CapRe

Capital Research and Management Company ("*CapRe*") is a global asset manager based in Los Angeles, California with offices across the globe. It is part of the Capital Group, which, as of December 31, 2013, had $1.25 trillion of assets under management.

Franklin

Franklin Advisers, Inc. and Franklin Templeton Investments Corp. (together, "*Franklin*") are part of a global investment management organization headquartered in San Mateo, California with offices in 35 countries. Franklin manages $844.7 billion in assets as of December 31, 2013, comprising mutual funds and other investment alternatives for individuals, institutions, pension plans, trusts, partnerships and others.

Risk Factors

Investing in the notes involves substantial risk. The risks described under the heading "Risk Factors" immediately following this summary may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. You should carefully consider all of the information included or incorporated by reference in this offering circular, including matters set forth under the heading "Risk Factors."

Summary of the Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see "Description of the New First Lien Senior Secured Notes" and "Description of the New First-and-a-Half Priority Lien Notes."

Issuer	CEVA Group Plc
Notes offered	$300 million aggregate principal amount of 7.0% First Lien Senior Secured Notes due 2021, which we refer to in this offering circular as the New First Lien Senior Secured Notes. $325 million aggregate principal amount of 9.0% Senior Secured Notes due 2021, which we refer to in this offering circular as the New First-and-a-Half Priority Lien Notes.
Issue date of the notes	Delivery of the notes in book-entry form will occur on or about March 19, 2014.
Maturity	The New First Lien Senior Secured Notes will mature on March 1, 2021. The New First-and-a-Half Priority Lien Notes will mature on September 1, 2021.
Interest payment dates	The Issuer will pay interest on the New First Lien Senior Secured Notes on March 1 and September 1, beginning on September 1, 2014. Interest on the New First Lien Senior Secured Notes will accrue from the issue date. The Issuer will pay interest on the New First-and-a-Half Priority Lien Notes on June 1 and December 1, beginning on December 1, 2014. Interest on the New First-and-a-Half Priority Lien Notes will accrue from the issue date.
Guarantees	The notes will be jointly and severally guaranteed on a senior basis by the same existing and future wholly owned subsidiaries that guarantee our 4.00% First Lien Senior Secured Notes and Senior Secured Facilities. If we fail to make payments on the notes, our guarantors must make them instead. As of and for the year ended December 31, 2013, CEVA's subsidiaries that will guarantee the notes accounted for (a) $10,226 million, or 76%, of CEVA's total assets before intercompany eliminations, (b) $160 million, or 55%, of CEVA's property, plant and equipment, (c) $13 million, or 76%, of CEVA's inventory, (d) $1,012 million, or 42%, of CEVA's accounts receivable before intercompany eliminations, (e) $2,509 million, or 89%, of CEVA's total long-term debt before intercompany eliminations, (f) $4,819 million, or 56%, of CEVA's total revenue before intercompany eliminations and (g) $160 million, or 58%, of CEVA's total Adjusted EBITDA and $118 million, or 54%, of CEVA's total EBITDA. The laws of certain jurisdictions may limit the enforceability of certain guarantees. See "Risk Factors." Each guarantee will be released in accordance with the provisions of the indenture governing the notes described under "Description of the New First Lien Senior Secured Notes—Note Guarantees" and "Description of the New First-and-a-Half Priority Lien Notes—Note Guarantees" and the Intercreditor Agreements described under "Description of Other Indebtedness—Intercreditor Agreements."
Ranking	The New First Lien Senior Secured Notes will be the Issuer's senior secured obligations, are intended, as of the issue date, to be secured by security interests (i) senior in priority to the security interests securing our New First-and-a-Half Priority Lien Notes offered hereby, Second Lien PIK Notes and any unsecured indebtedness, and (ii) equal in priority to the security interests securing our 4.00% First Lien Senior Secured Notes and Senior Secured Facilities, and will, as of the issue date:

- rank senior in right of payment to our future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the New First Lien Senior Secured Notes;

- rank equally in right of payment to all of our existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the New First Lien Senior Secured Notes, including the 4.00% First Lien Senior Secured Notes, the Senior Secured Facilities, the New First-and-a-Half Priority Lien Notes, the Second Lien PIK Notes and the 12.75% Senior Notes;

- be structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the New First Lien Senior Secured Notes, including obligations of the SPEs under the ABL Facilities;

- be effectively equal in priority to all of our existing and future debt secured by a *pari passu* lien, including the 4.00% First Lien Senior Secured Notes and the Senior Secured Facilities, in each case, to the extent of the value of the assets securing the New First Lien Senior Secured Notes; and

- be effectively senior to all of our existing and future debt secured by a junior priority lien and existing and future unsecured senior debt and other unsecured obligations (including the New First-and-a-Half Priority Lien Notes, the Second Lien PIK Notes and the 12.75% Senior Notes), in each case, to the extent of the value of the assets securing the New First Lien Senior Secured Notes.

Similarly, the guarantees of the New First Lien Senior Secured Notes will be senior secured obligations of the guarantors and will, as of the issue date:

- rank senior in right of payment to all of the applicable guarantors' future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the guarantees;

- rank equally in right of payment to all of the applicable guarantors' existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the guarantees, including such guarantors' guarantee under the 4.00% First Lien Senior Secured Notes, the Senior Secured Facilities, the New First-and-a-Half Priority Lien Notes, the Second Lien PIK Notes and the 12.75% Senior Notes;

- be structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the New First Lien Senior Secured Notes, including obligations of the SPEs under the ABL Facilities;

- be effectively equal in priority to all of the applicable guarantors' existing and future debt secured by a *pari passu* lien, including such guarantors' guarantee under the 4.00% First Lien Senior Secured Notes and the Senior Secured Facilities, in each case, to the extent of the value of the assets securing the New First Lien Senior Secured Notes; and

- be effectively senior to all of the applicable guarantors' existing and future debt secured by a junior priority lien and existing and future unsecured senior debt and other unsecured obligations (including such guarantors' guarantee under the New First-and-a-Half Priority Lien Notes, the Second Lien PIK Notes and the 12.75% Senior Notes), in each case, to the extent of the value of the assets securing the New First Lien Senior Secured Notes.

The New First-and-a-Half Priority Lien Notes will be the Issuer's senior secured obligations, and will, as of the issue date:

- rank senior in right of payment to our future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the New First-and-a-Half Priority Lien Notes;

- rank equally in right of payment to all of our existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the New First-and-a-Half Priority Lien Notes, including the 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes, the Senior Secured Facilities, the Second Lien PIK Notes and the 12.75% Senior Notes;

- be structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the New First-and-a-Half Priority Lien Notes, including obligations of the SPEs under the ABL Facilities;

- be effectively junior in priority to all of our existing and future secured debt secured on a first priority basis, including the 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes and the Senior Secured Facilities, in each case, to the extent of the value of the assets securing such debt; and

- be effectively equal in priority to any of our future debt secured by a pari passu lien to the extent of the value of the assets securing the New First-and-a-Half Priority Lien Notes; and

- be effectively senior to all of our existing and future debt secured by a junior priority lien and existing and future unsecured senior debt and other unsecured obligations (including the Second Lien PIK Notes and the 12.75% Senior Notes), in each case, to the extent of the value of the assets securing the New First-and-a-Half Priority Lien Notes.

Similarly, the guarantees of the New First-and-a-Half Priority Lien Notes will be senior secured obligations of the guarantors and will, as of the issue date:

- rank senior in right of payment to all of the applicable guarantors' future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the guarantees;

- rank equally in right of payment to all of the applicable guarantors' existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the guarantees, including such guarantors' guarantee under the 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes, the Senior Secured Facilities, the Second Lien PIK Notes and the 12.75% Senior Notes;

- be structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the New First-and-a-Half Priority Lien Notes, including obligations of the SPEs under the ABL Facilities;

- be effectively junior in priority to all of the applicable guarantors' existing and future secured debt secured on a first priority basis, including such guarantors' guarantee under the 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes and the Senior Secured Facilities, in each case, to the extent of the value of the assets securing such debt;

  be effectively equal in priority to all of the applicable guarantors' future debt

secured by a *pari passu* lien to the extent of the value of the assets securing the applicable guarantors' guarantee of the New First-and-a-Half Priority Lien Notes such debt; and

- be effectively senior to all of the applicable guarantors' existing and future debt secured by a junior priority lien and existing and future unsecured senior debt and other unsecured obligations (including the guarantors' guarantee under the Second Lien PIK Notes and the 12.75% Senior Notes), in each case, to the extent of the value of the assets securing the applicable guarantors' guarantee of the New First-and-a-Half Priority Lien Notes.

Optional Redemption

We may redeem some or all of the New First Lien Senior Secured Notes prior to March 1, 2017 by paying 100% of the principal amount of such New First Lien Senior Secured Notes, plus accrued and unpaid interest, if any, plus a make-whole premium. At any time on or after March 1, 2017, we may redeem some or all of the New First Lien Senior Secured Notes at the redemption prices set forth in this offering circular. Additionally, at any time on or prior to March 1, 2017 we may redeem up to 40% of the aggregate principal amount of the New First Lien Senior Secured Notes with the net cash proceeds of certain public equity offerings at a price equal to 107.000%, plus accrued interest, if at least 60% of the originally issued aggregate principal amount of the New First Lien Senior Secured Notes remains outstanding. In addition, during any twelve-month period prior to March 1, 2017, we may redeem in the aggregate up to 10% of the aggregate principal amount of the New First Lien Senior Secured Notes at a price equal to 103% of the aggregate principal amount of the New First Lien Senior Secured Notes redeemed, plus accrued and unpaid interest, if any, with the ability to carryforward if unused. See "Description of the New First Lien Senior Secured Notes—Optional Redemption."

We may redeem some or all of the New First-and-a-Half Priority Lien Notes prior to March 1, 2017 by paying 100% of the principal amount of such New First Lien Senior Secured Notes, plus accrued and unpaid interest, if any, plus a make-whole premium. At any time on or after March 1, 2017, we may redeem some or all of the New First-and-a-Half Priority Lien Notes at the redemption prices set forth in this offering circular. Additionally, at any time on or prior to March 1, 2017 we may redeem up to 40% of the aggregate principal amount of the New First-and-a-Half Priority Lien Notes with the net cash proceeds of certain public equity offerings at a price equal to 109.000%, plus accrued interest, if at least 60% of the originally issued aggregate principal amount of the New First Lien Senior Secured Notes remains outstanding. In addition, we may redeem all (but not less than all) of the New First-and-a-Half Priority Lien Notes before September 1, 2015 with the net cash proceeds from certain equity offerings at a redemption price of 106.750% of their principal amount, plus accrued and unpaid interest, if any. See "Description of the New First-and-a-Half Priority Lien Notes—Optional Redemption."

Change of Control

Upon the occurrence of certain change of control events, each holder of notes may require us to repurchase all or a portion of its notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued interest.

Asset Sales

If we sell assets, under certain circumstances we will be required to make an offer to purchase the notes with excess proceeds from the sale of the assets. See "Description of the New First Lien Senior Secured Notes—Certain Covenants—Asset Sales" and "Description of the New First-and-a-Half Priority Lien Notes—Certain Covenants—Asset Sales."

Collateral Securing the New First Lien Senior Secured Notes

The New First Lien Senior Secured Notes and the New First-and-a-Half Priority Lien Notes and the related guarantees will be secured by security interests in:

- 100% of the capital stock or other equity interests of certain existing and certain future subsidiaries of the Issuer that are owned directly by the Issuer or any guarantors, subject to certain exceptions (including the exception of the SPEs); and

- substantially all of the other property and assets, in each case, that are held by the Issuer or any of the guarantors, other than the Australian and U.S. trade accounts receivables originated by the Originators that have been transferred to the SPEs, to the extent that such assets secure obligations under our Senior Secured Facilities and Existing First Lien Senior Secured Notes.

See "Risk Factors—Risks Related to the Notes."

As of December 31, 2013, we had property, plant and equipment with a book value of $291 million and intangible assets (excluding goodwill) with a book value of $408 million. In addition, as of December 31, 2013, our current assets consisted mainly of accounts receivable, which accounts receivable had a book value of $1,241 million, only some of which accounts receivable will secure the notes. See "Description of the New First Lien Senior Secured Notes—Security," "Description of the New First-and-a-Half Priority Lien Notes," "Risk Factors—Risks Related to the Notes—There may not be sufficient collateral to satisfy our obligations under all or any of the notes" and "Risk Factors—Risks Related to the Notes—Indebtedness under the ABL Facilities will be structurally senior to the notes, and any future accounts receivable sold or contributed to the SPEs will not constitute collateral for the notes."

As of the issue date, we will be required to provide the holders of the notes with the benefit of security interests in all but an immaterial amount of the aggregate value of the same collateral that secures the Existing First Lien Senior Secured Notes and the Senior Secured Facilities. Accordingly, at the issue date, the holders of the notes may not have the benefit of security interests in an immaterial amount of the aggregate value of such collateral. However, we are required to use commercially reasonable efforts to secure enforceable security interests in any remaining portion of the collateral securing the Existing First Lien Senior Secured Notes and the Senior Secured Facilities as promptly as practicable following the issue date. See "Risk Factors—Risks Related to the Notes—As of the closing date holders of the notes may not have the benefit of security interests in certain of the collateral, which may adversely affect the rights of the holders of the notes."

Intercreditor Agreements

As of the issue date after giving effect to the Transactions, the collateral agent and the trustee under the indenture governing the New First Lien Senior Secured Notes will become parties to (i) an intercreditor agreement that establishes the relative priority of the liens securing the obligations under the indentures governing the 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes and the agreement governing the Senior Secured Facilities, (ii) an intercreditor agreement that establishes the relative rights of certain of the Issuer's creditors under its existing and future financing arrangements, (iii) a lien subordination and intercreditor agreement that establishes the relative rights of the lenders under the Senior Secured Facilities, the holders of the 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes and the New First-and-a-Half Priority Lien Notes, on one hand, and the Second Lien PIK Notes, on the other hand, in the collateral securing the obligations under the indenture governing the New First Lien Senior Secured Notes and (iv) a lien subordination and intercreditor agreement that establishes the relative rights of the lenders under the Senior Secured Facilities, the holders of the 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes, on one hand, and the holders of the New First-and-a-Half Priority Lien Notes, on the other hand, in the collateral securing the obligations under the indenture governing the New First-and-a-Half Priority Lien Notes. See "Description of Other Indebtedness—Intercreditor Agreements," "Description of the New First Lien Senior Secured Notes—Security Documents and Intercreditor Agreements" and "Description of the New First-and-a-Half Priority Lien Notes—Security Documents and Intercreditor Agreements."

Certain Covenants

The indentures governing the notes will contain covenants that, among other things, will limit our ability and the ability of our subsidiaries to:

- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- in the case of our restricted subsidiaries, enter into arrangements that restrict dividends or other payments to us;
- guarantee or secure debt;
- engage in transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

When the notes are issued, all of our subsidiaries (other than the SPEs) will be restricted subsidiaries, as defined in the indentures governing the notes. These covenants are subject to important exceptions and qualifications.

These covenants are subject to a number of important limitations and exceptions as described under "Description of the New First Lien Senior Secured Notes—Certain Covenants" and "Description of the New First-and-a-Half Priority Lien Notes—Certain Covenants." Certain covenants will cease to apply to the notes at all times after (and the covenant described under "—Change of Control" may be suspended as long as) such notes have investment grade ratings from both Moody's Investors Service, Inc., or

	"*Moody's*," and Standard & Poor's Ratings Group, or "*S&P*;" provided that no event of default has occurred and is continuing.
Additional Amounts	Any payments made by us with respect to the notes will be made without withholding or deduction for taxes imposed by any relevant taxing jurisdiction unless required by law. If we are required by law to withhold or deduct for such taxes with respect to a payment to the holders of notes, we will pay, subject to certain exceptions, the additional amounts necessary so that the net amount received by the holders of notes after the withholding is not less than the amount that they would have received in the absence of the withholding. See "Description of the New First Lien Senior Secured Notes—Withholding Taxes" and "Description of the New First-and-a-Half Priority Lien Notes—Withholding Taxes."
Redemption for Taxation Reasons	In the event that we become obligated to pay additional amounts (as described above) to holders of the notes as a result of changes affecting withholding taxes applicable to payments on the notes, we may redeem the notes in whole, but not in part, at any time at 100% of the principal amount of the notes plus accrued interest to the date of redemption. See "Description of the New First Lien Senior Secured Notes—Redemption for Taxation Reasons" and "Description of the New First-and-a-Half Priority Lien Notes—Redemption for Taxation Reasons."
Use of Proceeds	We intend to use the net proceeds of the offering of the notes, the net proceeds from the Senior Secured Facilities and the Holdings Contribution to fund the Cash Debt Tenders, the refinancing of the Senior Secured Facilities, the repurchase or redemption of the 12% Senior Notes, the redemption of any of the Debt Tender Notes not tendered pursuant to the Cash Debt Tenders and the repurchase of a portion of the Second Lien PIK Notes. See "Use of Proceeds."
Transfer Restrictions	The notes have not been registered, and we will not be obligated to register the notes, under the Securities Act or any state securities laws. Accordingly, unless the notes are registered, they may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "Notice to Investors" and "Transfer Restrictions."
No Established Market for the Notes	The notes are a new issue of securities, and currently there is no market for them. Application will be made to the Irish Stock Exchange for the notes to be admitted to trading on the Global Exchange Market thereof. The initial purchasers of the notes have advised us that they or their affiliates intend to make a market in the notes as permitted by applicable law. The initial purchasers are not obligated, however, to make a market in the notes, and any market-making activity may be discontinued at any time at their sole discretion without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.
Tax Consequences	For a discussion of the possible U.S. federal income tax and United Kingdom tax consequences of an investment in the notes, see "Certain United States Federal Income Tax Consequences" and "United Kingdom Taxation." You should consult your own tax advisor to determine the U.S. federal, state, local, United Kingdom and other tax consequences of an investment in the notes.
Governing Law	The indentures governing the notes, the security documents, the intercreditor agreements and the notes will be governed by, and construed in accordance with, the laws of the State of New York (or, to the extent required, the laws of the jurisdiction in which the collateral securing the notes is located).

Summary Historical Financial Data

The following tables set forth summary historical financial data of (i) Holdings and its consolidated subsidiaries as of and for the years ended December 31, 2013 and 2012 and (ii) CEVA and its consolidated subsidiaries for the years ended December 31, 2012 and 2011.

The summary historical IFRS consolidated financial data as of and for the years ended December 31, 2013 and 2012 of Holdings, and as of and for the years ended December 31, 2012 and 2011 of CEVA are derived from the audited consolidated financial statements and notes thereto prepared in accordance with IFRS and included in or incorporated by reference into this offering circular. See "Presentation of Financial Information." For the purposes of this offering circular, certain unaudited financial data of Holdings for the three months ended December 31, 2013 and the three months ended December 31, 2012 has been presented.

Pro forma net debt and related ratios have been prepared for illustrative purposes. Pro forma net debt and related ratios are based on assumptions and should not be considered indicative of actual results that would have been achieved had the Transactions been consummated as of the date indicated and do not purport to indicate balance sheet data or results of operations as of any future date or for any future period.

Pro Forma Adjusted EBITDA has been prepared by management reflecting their best estimates and judgments, and to the best of management's knowledge and opinion has been prepared on a reasonable basis and represents the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. For further information see "Risk Factors—The calculation of Pro Forma Adjusted EBITDA pursuant to our debt facilities permits certain estimates and assumptions that may differ materially from actual results and certain expected cost savings may not be achieved."

For the purposes of this offering circular, CEVA financial data as of and for the year ended December 31, 2011 has been translated from Euros to U.S. dollars using the following exchange rates:

- the balance sheet of CEVA as of December 31, 2011 has been translated into U.S. dollars at an exchange rate at the balance sheet date of €0.7732 = $1.00; and

- the income statement of CEVA for the year ended December 31, 2011 has been translated into U.S. dollars at an average exchange rate of €0.7191 = $1.00.

You should regard the summary financial information below only as an introduction and should base your investment decision on a review of the entire offering circular, including the information incorporated by reference herein. In particular, you should read the following data in conjunction with "Operating and Financial Review and Prospects" and all of the historical consolidated financial statements and notes thereto included in or incorporated by reference in this offering circular.

Summary Historical Statements of Income Data

	CEVA		Holdings	
	Year ended December 31,		Year ended December 31,	
	2011	2011[1]	2012	2013
	(€ millions)	*($ millions)*	*($ millions)*	
Revenue	**6,895**	**9,589**	**9,285**	**8,517**
Work contracted out	(3,516)	(4,890)	(4,769)	(4,309)
Personnel expenses	(1,966)	(2,734)	(2,657)	(2,525)
Other operating expenses	(1,168)	(1,624)	(1,639)	(1,485)
Total operating expenses (excluding depreciation, amortization and impairment)	**(6,650)**	**(9,248)**	**(9,065)**	**(8,319)**
Other income	—	—	—	21
EBITDA	**245**	**341**	**220**	**219**
Specific items	(76)	(106)	(101)	(58)
Adjusted EBITDA	**321**	**446**	**321**	**277**
Depreciation, amortization and impairments	(170)	(236)	(642)	(217)
Operating profit/(loss)	**75**	**104**	**(422)**	**2**
Specific items	(76)	(106)	(511)	(58)
Operating profit before specific items	**151**	**210**	**89**	**60**
Net financial expense (including foreign exchange movements)	(266)	(370)	(450)	(62)
(Loss)/profit before income taxes	**(191)**	**(266)**	**(872)**	**(60)**
Specific items	(75)	(104)	(559)	171
(Loss) before income taxes before specific items	**(116)**	**(161)**	**(313)**	**(231)**
Income taxes	(25)	(35)	(16)	13
(Loss) for the period	**(216)**	**(300)**	**(888)**	**(47)**
Specific items	(68)	(95)	(550)	196
(Loss) for the period before specific items	**(148)**	**(206)**	**(338)**	**(243)**

(1) Recalculated from euros to U.S. dollars applying the 2011 average exchange rate of €0.7191 = $1.00.

Summary Historical Cash Flow Data

	CEVA		Holdings	
	Year ended December 31,		Year ended December 31,	
	2011	2011[1]	2012	2013
	(€ millions)	*($ millions)*	*($ millions)*	
Cash generated from operations	217	281	183	292
Net cash flows from interest, taxes paid and sales of derivative financial instruments	(260)	(336)	(410)	(235)
Net cash provided (used in)/by operating activities	(43)	(56)	(227)	57
Net cash provided (used in)/by investing activities	(56)	(72)	(103)	106
Net cash provided by/(used in) financing activities	97	125	391	81

(1) Recalculated from euros to U.S. dollars applying the 2011 average exchange rate of €0.7732 = $1.00.

Summary Historical Balance Sheet Data

	CEVA		Holdings	
	As at December 31,		As at December 31,	
	2011	2011[3]	2012	2013
	(€ millions)	*($ millions)*	*($ millions)*	
Cash and cash equivalents	217	281	339	574
Intangible assets	1,999	2,586	2,008	1,899
Property, plant and equipment	309	400	338	291
Total assets	3,889	5,030	4,732	4,369
Total debt[1]	2,991	3,869	3,640	2,125
Net debt[2]	2,774	3,587	3,301	1,551

(1) Total debt represents long-term debt plus short-term debt, including finance lease obligations, unamortized debt issuance costs of $45 million at December 31, 2013, $92 million at December 31, 2012 and €79 million at December 31, 2011.

(2) Net debt represents total debt as defined above less cash and cash equivalents.

(3) Recalculated from euros to U.S. dollars applying the 2011 average exchange rate of €0.7732 = $1.00.

Summary Historical Segment Data

The following tables depict our revenues and Adjusted EBITDA by business and geographical segment for the periods presented:

	CEVA		Holdings	
	Year ended December 31,		Year ended December 31,	
Amounts in accordance with IFRS	**2011**	**2011[3]**	**2012**	**2013**
	(€ millions)	*($ millions)*	*($ millions)*	
Revenue:				
Freight Management	3,152	4,383	4,292	3,775
Contract Logistics	3,743	5,205	4,993	4,742
Total revenue	**6,895**	**9,588**	**9,285**	**8,517**
Adjusted EBITDA:[1]				
Freight Management	124	172	130	42
Contract Logistics	197	274	191	235
Adjusted EBITDA	**321**	**446**	**321**	**277**
Management fees	5	7	5	—
Adjusted EBITDA before management fees	**326**	**453**	**326**	**277**

	CEVA		Holdings	
	Year ended December 31,		Year ended December 31,	
	2011	**2011[3]**	**2012**	**2013**
	(€ millions)	*($ millions)*	*($ millions)*	
Revenue:				
Europe [2]	2,908	4,044	3,775	3,544
Americas	2,061	2,866	2,799	2,641
Asia Pacific	1,926	2,678	2,711	2,332
Total Revenue	**6,895**	**9,588**	**9,285**	**8,517**
Adjusted EBITDA:				
Europe	130	181	121	129
Americas	91	126	89	108
Asia Pacific	100	139	111	40
Total Adjusted EBITDA	**321**	**446**	**321**	**277**

(1) Adjusted EBITDA is calculated as EBITDA adjusted to remove certain specified amounts, which we believe to be non-recurring. Adjusted EBITDA is equivalent to the "EBITDA before specific items" stated in our previously published annual and quarterly reports (although the corporate head office costs are now allocated to the respective segments). EBITDA is defined as profit/(loss) for the period from continuing operations before net financial expense, income taxes, and depreciation, amortization and impairments. EBITDA, Adjusted EBITDA and Adjusted EBITDA before management fees are not presentations defined by IFRS, are not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to net income profit/(loss) determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. Additionally, each of Adjusted EBITDA and Adjusted EBITDA before management fees is not intended to be a measure of free cash flow for management's discretionary use, as it does not take into account certain items such as investments in our associates, interest and principal payments on our indebtedness, depreciation and amortization expense (because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate revenue), working capital needs, tax payments (because the payment of taxes is part of our operations, it is a necessary element of our costs and ability to operate), non-recurring expenses and capital expenditures. We believe that inclusion of each of Adjusted EBITDA and Adjusted EBITDA before management fees is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. We additionally believe that issuers of high yield debt securities present EBITDA, Adjusted EBITDA, Adjusted EBITDA before management fees or similarly entitled measures because investors, analysts and rating agencies consider these measures useful in measuring the ability of those issuers to meet debt service obligations. In addition, our presentation of Adjusted EBITDA is included because we believe it presents a helpful comparison of financial performance between periods by excluding the distorting effect of non-recurring items. Because not all companies calculate Adjusted EBITDA or similarly entitled measures identically, this presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. The calculation of EBITDA in this offering circular is different from the calculation of EBITDA under the indentures governing the notes. For the calculation of EBITDA under the indentures governing the notes, see the calculation of Pro Forma Adjusted EBITDA in note (2) under "—Pro Forma Financial Information and Ratios."

(2) With respect to 2011, Europe includes Europe, Middle East and Africa.

(3) Recalculated from euros to U.S. dollars applying the 2011 average exchange rate of €0.7191 = $1.00.

The following table reconciles our Adjusted EBITDA calculations presented above to our EBITDA for the periods presented:

	CEVA		Holdings	
	Year ended December 31,		Year ended December 31,	
	2011	2011[h]	2012	2013
	(€ millions)	*($ millions)*	*($ millions)*	
EBITDA	245	341	220	219
Antitrust investigation[a]	12	17	(3)	1
Cost reduction programs[b]	47	65	57	10
Redundancy and restructuring cost[c]	—	—	10	46
Other items[d]	17	24	37	22
Other income[e]	—	—	—	(21)
Adjusted EBITDA	**321**	**446**	**321**	**277**
Management fees[f]	5	7	5	—
Adjusted EBITDA before management fees[g]	**326**	**453**	**326**	**277**

(a) Represents expenses incurred in connection with the antitrust investigations, including the U.S. Department of Justice plea agreement.

(b) Represents expenses incurred in relation to cost reduction programs such as IT outsourcing, ACE and UNO.

(c) Redundancy and restructuring cost including severance payments for redundancy programs, costs relating to shipping station consolidations and reorganizations such as those driven by UNO, and costs incurred in the integration of country freight management and contract logistics operations and outsourcing of finance functions such as those driven by ACE.

(d) Other significant non-recurring items, including gains or losses from the disposal of significant businesses or material assets such as properties and excess pension income or charges arising from a change in legislation or from curtailments of pension plans (including those related to *Trattamento di Fine Rapporto* legislation in Italy).

(e) Represents the gain on disposal realized on the sale of CEVA's European Container Logistics business and Asia Pacific Pallecon business completed on January 2, 2013.

(f) Represents fees and expenses payable to Apollo pursuant to a service agreement for the provision of management and support services. The annual fee is equal to the greater of €3.0 million and 1.5% of Pro Forma Adjusted EBITDA. No fees were paid in 2013. See "Certain Relationships and Related Party Transactions."

(g) Certain of our subsidiaries have a functional currency other than the US dollar, and their results are translated into US dollar based on the average exchange rate during the applicable period. If results of those subsidiaries had instead been translated into US dollar based on a constant 2012 exchange rate, our Adjusted EBITDA before management fees for the twelve months ended December 31, 2013 would have been $282 million. Such translation should not be construed as a representation of actual or expected results for any period.

(h) Recalculated from euros to U.S. dollars applying the 2011 average exchange rate of €0.7191 = $1.00.

Summary Fourth Quarter Historical Segment Income Statement Data

	Holdings	
	Three months ended December 31,	
	2012[1]	2013
	($ millions)	
Revenue:		
Freight Management	1,122	941
Contract Logistics	1,260	1,208
Total revenue	2,382	2,149
Adjusted EBITDA:		
Freight Management	43	14
Contract Logistics	42	76
Central Costs[2]	(36)	(13)
Adjusted EBITDA	**49**	**77**

(1) Adjusted for business disposals completed January 2, 2013 in the amounts of $128 million of revenue and $36 million of Adjusted EBITDA.

(2) Central Costs represents corporate overhead costs, comprising mainly salary expenses.

Pro Forma Financial Information and Ratios

	Pro forma at and for the year ended December 31, 2013[1]
	($ millions)
Adjusted EBITDA	277
Pro Forma Adjusted EBITDA[2]	393
Pro forma cash and cash equivalents	574
Pro forma gross debt[3]	2,232
Pro forma net first lien secured debt[4]	1,145
Pro forma net secured debt[5]	1,470
Pro forma net debt[6]	1,658
Pro forma cash interest expense	189
Ratio of pro forma net first lien secured debt to Pro Forma Adjusted EBITDA	2.9x
Ratio of pro forma net secured debt to Pro Forma Adjusted EBITDA	3.7x
Ratio of pro forma net debt to Pro Forma Adjusted EBITDA	4.2x

(1) Pro forma gives effect to the Transactions (based on the assumptions set forth under "Capitalization" and assuming that there will be no original issue discount in connection with the notes offered hereby) as if they had been completed as of December 31, 2013 for all pro forma debt amounts and gives effect to the Recapitalization and the Transactions as if they had occurred on January 1, 2013 for all pro forma cash interest expense amounts. See "Use of Proceeds."

(2) Pro Forma Adjusted EBITDA is calculated as Adjusted EBITDA for the year ended December 31, 2013 adjusted to remove or add certain specific amounts in accordance with the calculation of EBITDA under the indentures governing, or that will govern, the notes and the Existing Notes, and corresponds with the calculation of EBITDA under the loan agreement governing the Senior Secured Facilities. See "Risk Factors—The calculation of Pro Forma Adjusted EBITDA pursuant to our debt facilities permits certain estimates and assumptions that may differ materially from actual results and certain expected cost savings may not be achieved."

Pro Forma Adjusted EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to loss for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. Additionally, Pro Forma Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not take into account certain items such as investments in our associates, interest and principal payments on our indebtedness, depreciation and amortization expense (which, because we use capital assets, is a necessary element of our costs and ability to generate revenue), working capital needs, tax payments (which, because the payment of taxes is part of our operations, is a necessary element of our costs and ability to operate), non-recurring or unusual expenses and capital expenditure. We believe that inclusion of Pro Forma Adjusted EBITDA in this offering circular is appropriate to provide additional information to investors about our operating performance and to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. In addition, Pro Forma Adjusted EBITDA is utilized to determine our compliance with certain covenants including the fixed charge coverage ratio used for purposes of debt incurrence under the indentures governing, or that will govern, the notes and the Existing Notes. Because not all companies calculate Pro Forma Adjusted EBITDA, this presentation of Pro Forma Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following table reconciles our Adjusted EBITDA calculations presented above to our Pro Forma Adjusted EBITDA:

	As at and for the twelve months ended December 31, 2013
	($ millions)
Adjusted EBITDA	**$ 277**
Optimization programs[(a)]	60
Management savings programs[(b)]	56
Pro Forma Adjusted EBITDA	**$ 393**

(a) Represents projected and forecasted cost savings from our LEAN and central procurement functions and other cost reduction initiatives. Our LEAN program seeks to reduce costs by training experts to perform site assessments that target waste reduction and identify specific and sustainable operational improvements, while our central procurement function seeks to reduce costs by seeking to maximize our worldwide purchasing power. We expect these initiatives to deliver approximately $60 million in annualized cost savings in addition to the savings that have already been realized.

(b) Represents projected and forecasted headcount and benefit reductions, network optimization and other overhead reductions, such as a cost reduction program announced in late 2012, Asia Pacific transformation and site closures/consolidation and other headcount reduction initiations. We expect these initiatives to deliver approximately $56 million in annualized savings in addition to the savings that have already been realized. See "Risk Factors—Risks Related to Our Business—Despite the large variable cost component of our business model, we may not be able to reduce our costs as much or as quickly as we would like, including in the event of future economic downturns or other changes in economic conditions."

(3) Pro forma gross debt is total borrowings excluding unamortized debt issuance costs and debt issuance costs relating to the Transactions. Pro forma gross debt, pro forma net first lien secured debt, pro forma net secured debt and pro forma net debt excludes letters of credit, including letters of credit issuable under our $275 million synthetic letter of credit facility, which we do not account for as debt, although letters of credit are treated as "indebtedness" under the indentures governing the notes, and excludes the $631 million aggregate principal amount of Second Lien PIK Notes outstanding on a pro forma basis, which have been eliminated as an intercompany liability in consolidation.

(4) Pro forma net first lien secured debt consists of debt secured by first-priority liens, including the Senior Secured Facilities ($809 million term loan facility), the ABL Facilities ($188 million), the 4.00% First Lien Senior Secured Notes ($342 million, which represents the carrying value at December 31, 2013 versus a principal amount of $390 million), the New First Lien Senior Secured Notes offered hereby ($300 million) and $80 million of finance leases and other secured debt, excluding unamortized debt issuance costs, minus pro forma cash and cash equivalents ($574 million).

(5) Pro forma net secured debt consists of all secured debt, including pro forma net first lien secured debt and the New First-and-a-Half Priority Lien Notes offered hereby, excluding unamortized debt issuance costs, minus pro forma cash and cash equivalents, and excludes the $631 million aggregate principal amount of Second Lien PIK Notes outstanding on a pro forma basis, which have been eliminated as an intercompany liability in consolidation.

(6) Pro forma net debt is total borrowings excluding unamortized debt issuance costs, minus pro forma cash and cash equivalents, and excludes the $631 million aggregate principal amount of Second Lien PIK Notes outstanding on a pro forma basis, which have been eliminated as an intercompany liability in consolidation.

RISK FACTORS

Investing in the notes involves a high degree of risk. You should carefully consider the following risk factors and all other information contained and incorporated by reference in this offering circular, including "Operating and Financial Review and Prospects" and our consolidated financial statements of CEVA and Holdings included or incorporated by reference in this offering circular and the related notes, before investing in the notes. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of the following risks materialize, our business, results of operations and financial condition could be materially and adversely affected. In that case, you may lose some or all of your investment.

This offering circular and the information incorporated by reference herein also contain forward-looking statements that involve risks and uncertainties. See "Disclosure Regarding Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors.

Risks Related to the Notes

The notes will mature after a substantial portion of our other indebtedness.

The New First Lien Senior Secured Notes will mature on March 1, 2021, and the New First-and-a-Half Priority Lien Notes will mature on September 1, 2021. A majority of our existing indebtedness will mature prior to the maturity dates for the notes. In particular, the 4.00% First Lien Senior Secured Notes, the 12.75% Senior Notes, some or all of the loans under the Senior Secured Facilities, the U.S. ABL Facility and the Australian Receivables Facility mature before the notes mature. If we do not have sufficient cash to repay our debt when it matures, we will need to refinance such indebtedness. There can be no assurance that we will have the ability to borrow or otherwise raise the amounts necessary to repay such amounts. We may not be able to refinance such indebtedness on satisfactory terms, if at all, and would be required to do so prior to the maturity of the notes. As a result, we may not have sufficient cash to repay all amounts owing on the notes at maturity.

As a holding company with no independent operations, our ability to repay our debt, including the notes, depends upon the performance of our subsidiaries.

We are a holding company with no independent operations. All of our operations are conducted by our subsidiaries, and we have no significant assets other than the equity interests in our subsidiaries. As a result, our cash flow and the ability to service our indebtedness, including our ability to pay the interest and principal amount of the notes when due, depend on the performance of our subsidiaries and the ability of those entities to distribute funds to us.

Accordingly, repayment of our indebtedness, including the notes, depends on the generation of cash flow by our subsidiaries and (if they are not guarantors of the notes) their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indentures that govern the notes will limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our non-guarantor subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

In addition, any payment of interest, dividends, distributions, loans or advances by our operating subsidiaries to us could be subject to restrictions on dividends or repatriation of distributions under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which the

subsidiaries operate or under arrangements with local partners. For example, our Dutch subsidiaries may only distribute dividends to the extent they have sufficient distributable reserves, and in Australia a company must not pay a dividend unless its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend, the payment of the dividend is fair and reasonable to the company's shareholders as a whole, and the payment of the dividend does not materially prejudice the company's ability to pay its creditors. In addition, payments of dividends may be subject to dividend withholding tax where an Australian entity pays unfranked dividends to a non-Australian shareholder.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under the terms of our indebtedness that may not be successful.

Our ability to generate cash depends on many factors beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us, in an amount sufficient to fund our liquidity needs, including the payment of principal and interest on the notes. In the event that we have insufficient cash to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

These alternative measures may not be successful, and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate these dispositions for fair value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due.

Most recently, in May 2013, we completed the Recapitalization, which reduced our consolidated net debt by approximately $1.6 billion and annual cash interest expense by approximately $170 million or approximately 50%. Most of our debt outstanding prior to the Recapitalization was converted into equity of our parent, Holdings. See "Certain Relationships and Related Party Transactions—The Recapitalization." We can make no assurance that we will not have to undergo a recapitalization again in the future.

If we default on our obligations to pay our other indebtedness, including our Senior Secured Facilities, our business, results of operations and financial condition may be adversely affected and we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under the Senior Secured Facilities, that is not waived by the required lenders thereunder and the remedies sought by the holders of such indebtedness, could prohibit us from making payments of principal, premium, if any, or interest on the notes and could substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including the Senior Secured Facilities), we could be in default under the terms of the agreements governing such indebtedness. In addition, we expect that, to the extent that the aggregate amount of outstanding revolving loans exceed 30% of the revolving commitments under the Senior

Secured Facilities, the agreement governing the Senior Secured Facilities will require us to maintain a ratio of net first lien secured debt to EBITDA (as defined in the agreement governing our Senior Secured Facilities) of no more than 5.35 to 1.0, tested on a quarterly basis.

In the event of any default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest. More specifically, the lenders under our revolving credit facility could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. With respect to a breach of our senior secured leverage ratio, our parent company will have the right, but not the obligation, to cure such default through the contribution of additional cash to the Issuer. If a breach of the senior secured leverage ratio covenant is not cured, or if any other event of default under our Senior Secured Facilities occurs, the lenders under the credit agreement could elect, among other things, (i) to declare all borrowings outstanding under the term loan facility, revolving credit facility, and the synthetic letter of credit facility, together with accrued and unpaid interest and fees, due and payable and could demand cash collateral for all letters of credit issued thereunder, and/or (ii) to require us to apply all of our available cash to repay these borrowings, either of which could result in an event of default under the Existing Notes and the notes.

If the indebtedness under our Senior Secured Facilities, the Existing Notes or the notes were to be accelerated after an event of a default, our assets may not be sufficient to repay such indebtedness in full and our lenders could foreclose on our pledged assets. Under these circumstances, we cannot give assurance that a refinancing would be possible or that any additional financing could be obtained on acceptable terms or at all and we may be forced to explore other alternatives, which could include a potential reorganization or restructuring. See "Description of Other Indebtedness," "Description of the New First Lien Senior Secured Notes" and "Description of the New First-and-a-Half Priority Lien Notes."

Despite our substantial indebtedness, we and our subsidiaries may still be able to incur significantly more debt.

The provisions contained or to be contained in the agreements relating to our indebtedness, including the Existing Notes, the notes and the Senior Secured Facilities do not completely prohibit our ability to incur additional indebtedness, and the amount of additional indebtedness that we could incur could be substantial. Accordingly, we or our subsidiaries could incur significant additional indebtedness in the future, much of which could constitute secured or senior indebtedness.

The notes will be structurally subordinated to all of the debt and liabilities of our non-guarantor subsidiaries, including the SPEs.

Some of our wholly owned subsidiaries, including the SPEs and all of our wholly owned subsidiaries organized under the laws of the Republic of Italy, will not guarantee the notes. In addition, our joint ventures will not guarantee notes. Generally, claims of creditors (both secured and unsecured) of a non-guarantor subsidiary, including trade creditors and claims of preference shareholders (if any) of the subsidiary (or the equivalent of any of the foregoing under local law), will have priority with respect to the assets and cash flow of the non-guarantor subsidiary over the claims of creditors of its parent entity. In the event of a bankruptcy, liquidation or reorganization or other bankruptcy or insolvency proceeding of any of these non-guarantor subsidiaries (or the equivalent of any of the foregoing under local law), holders of the notes will participate with all other holders of our indebtedness in the assets remaining and dividended or otherwise paid to the Issuer or the guarantors after the subsidiaries involved in such proceedings have paid all of their debts and liabilities. In any of these cases, the relevant subsidiaries may not have sufficient funds to make payments to us, and holders of the notes may receive less, ratably, than the holders of debt of our subsidiaries.

As of and for the year ended December 31, 2013, CEVA's subsidiaries that will guarantee the notes accounted for, in accordance with IFRS only, $118 million, or 54%, of CEVA's total EBITDA and $160 million, or 58%, of CEVA's total Adjusted EBITDA. However, as of such date, such subsidiaries accounted for, in accordance with IFRS, (a) $10,226 million, or 76%, of CEVA's total assets before intercompany eliminations, (b) $160 million, or 55%, of CEVA's property, plant and equipment, (c) $13 million, or 76%, of CEVA's inventory, (d) $1,012 million, or 42%, of CEVA's accounts receivable before intercompany eliminations, (e) $2,509 million, or

89%, of CEVA's total long-term debt before intercompany eliminations, (f) $4,819 million, or 56%, of CEVA's total revenue before intercompany eliminations.

As of and for the year ended December 31, 2013, CEVA's subsidiaries that will not guarantee the notes accounted for, in accordance with IFRS, (a) $3,160 million, or 24%, of CEVA's total assets before intercompany eliminations, (b) $131 million, or 45%, of CEVA's property, plant and equipment, (c) $4 million, or 24%, of CEVA's inventory, (d) $1,397 million, or 58%, of CEVA's accounts receivable before intercompany eliminations, (e) $313 million, or 11%, of CEVA's total long-term debt before intercompany eliminations, (f) $3,746 million, or 45%, of CEVA's total revenue before intercompany eliminations and (g) $117 million, or 42%, of CEVA's total Adjusted EBITDA, and $101 million, or 46%, of CEVA's total EBITDA.

Indebtedness under the ABL Facilities will be structurally senior to the notes, and any future accounts receivable sold or contributed to the SPEs will not constitute collateral for the notes.

Certain of our U.S. subsidiaries maintain the U.S. ABL Facility under which we contribute or sell substantially all of our U.S. trade accounts receivable to the U.S. SPE. The obligations of the U.S. SPE as borrower under the U.S. ABL Facility are secured on a first-priority basis by all currently owned and subsequently acquired assets of the U.S. SPE, including, but not limited to, all of the receivables transferred to it. Under the terms of the Receivables Transfer Agreement, the US Originators will contribute or sell all of their U.S. trade accounts receivable to the U.S. SPE as they are originated. Similarly, certain of our Australian subsidiaries maintain the Australian Receivables Facility under which the Australian Originators will contribute or sell substantially all of their trade accounts receivable to the Australian SPE as they are originated. The obligations of the Australian SPE as seller under the Australian Receivables Facility are secured on a first-priority basis by all currently owned and subsequently acquired assets of the Australian SPE, including, but not limited to, all of the receivables transferred to it.

The SPEs will not guarantee the notes. Further, the notes and related guarantees are not secured by a lien on any assets of the SPEs, including, but not limited to, the receivables transferred to it. Therefore, any U.S. and Australian trade accounts receivable that are contributed or sold to the SPEs will not constitute collateral for the notes. Any rights to payment and claims by the holders of the notes are, therefore, effectively junior to any rights of payment or claims by our creditors under the ABL Facilities. In addition, we may enter into other receivables facilities in the future with respect to other special purpose entities that also would not guarantee the Notes. We are not required to offer to pay or repurchase the Notes with the proceeds of any receivables facility or reinvest in assets that constitute Collateral.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

After giving pro forma effect to the Transactions, a substantial portion of our borrowings, primarily under our Senior Secured Facilities, are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our annual debt-service obligations on the variable rate indebtedness would increase, and could increase significantly, even though the amount borrowed remained the same, and our net income would decrease.

A downgrade in our debt ratings could restrict our access to, and negatively impact the terms of, current or future financings.

S&P and Moody's maintain credit ratings on the Issuer and certain tranches of our debt. Each of these ratings is currently below investment grade. Any decision by these ratings agencies to downgrade such ratings in the future could restrict our access to, and negatively impact the terms of, future financings.

European Union savings directive.

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide the tax authorities of another Member State details of payments of interest or other similar income payments ("*Savings Income*") made by a person within its jurisdiction to or collected by such a person for an

individual or to certain other persons, resident in that other Member State (interest payments on the notes will for these purposes be Savings Income). However, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at 35% (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld—see below). The termination of such transitional period is dependent upon the conclusion of certain other agreements by certain other countries relating to the exchange of information relating to such payments. Luxembourg has announced that it will cease to withhold from January 1, 2015 and instead it will provide the required information.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding) in relation to payments of Savings Income made by a person within its jurisdiction to an individual, or to certain other persons, resident in a Member State. In addition, Member States have entered into reciprocal arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments of Savings Income made by a person in a Member State to an individual, or to certain other persons, resident in certain dependent or associated territories or non-EU countries.

Where an individual holder receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual holder may be able to elect not to have tax withheld. The formal requirements may vary slightly from jurisdiction to jurisdiction. They generally require the individual holder to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. Provided that the other Tax Authority receives all of the necessary information the payment will not suffer a withholding under EC Council Directive 2003/48/EC or the relevant law conforming with the directive in a dependent or associated territory.

The directive is currently the subject of a review which may lead to it being amended and which may broaden the scope of the requirements described above. Any changes could apply to notes that have already been issued at the date of the amendment of the directive.

Change of tax law.

Statements in this offering circular concerning the taxation of noteholders are of a general nature and are based upon current tax law and published practice in the jurisdictions stated. Such law and practice is, in principle, subject to change, possibly with retrospective effect, and any such change could adversely affect noteholders. In addition, any change in the Issuer's tax status or in taxation legislation or practice in a relevant jurisdiction could adversely impact the ability of the Issuer to service the notes and the market value of the notes.

We may not be able to repurchase the notes upon a change of control.

Upon a change of control as defined in the indentures that will govern the notes, we will be required to make an offer to repurchase all outstanding notes at 101% of their principal amount, plus accrued and unpaid interest, unless we have previously given notice of our intention to exercise our right to redeem the notes. A change of control under the indentures that will govern the notes would also constitute a change of control under the indentures governing the Existing Notes (to the extent outstanding after consummation of the Transactions). We may not have sufficient financial resources to purchase all notes and/or the Existing Notes that are tendered upon a change of control offer or, if then permitted under the indentures governing, or that will govern, the notes and the Existing Notes, to redeem the notes or the Existing Notes. A failure to make the applicable change of control offer or to pay the applicable change of control purchase price when due would result in a default under the indentures governing, or that will govern, the notes and the Existing Notes. The occurrence of a change of control would also constitute an event of default under our Senior Secured Facilities and may constitute an event of default under the terms of our other indebtedness. The terms of the credit agreement governing our Senior Secured Facilities limit our right to purchase or redeem certain indebtedness. In the event any purchase or redemption is prohibited, we may seek to obtain waivers from the required lenders under our Senior Secured Facilities to permit the required repurchase or redemption, but the required lenders have no obligation to grant, and may refuse to grant, such a waiver. A change of control will be defined in the indentures that will govern the notes and would not include all transactions that could involve a change of control of our day-to-day operations, including a transaction involving

the Management Group as defined in the indentures that will govern the notes. See "Description of the New First Lien Senior Secured Notes—Change of Control" and "Description of the New First-and-a-Half Priority Lien Notes—Change of Control."

The calculation of Pro Forma Adjusted EBITDA pursuant to our debt facilities permits certain estimates and assumptions that may differ materially from actual results and certain expected cost savings may not be achieved.

Although Pro Forma Adjusted EBITDA is derived in part from our financial statements, the calculation of Pro Forma Adjusted EBITDA pursuant to the indentures governing, or that will govern, the Existing Notes and the notes and the loan agreement governing the Senior Secured Facilities permit certain estimates and assumptions that may differ materially from actual results. For example, management adjusts EBITDA to reflect the full-year impact of cost saving initiatives already undertaken by management. Although our management believes these estimates and assumptions are reasonable, investors should not place undue reliance upon the calculation of Pro Forma Adjusted EBITDA given how it is calculated and the possibility that the underlying estimates and assumptions may ultimately not reflect actual results. Although these estimated cost savings increase our Pro Forma Adjusted EBITDA by the amount of savings expected to be achieved, these cost savings are merely estimates and may not actually be achieved in the timeframe anticipated, which may be in the future, or at all. The investments for these cost savings are ongoing and generally are treated as specific items when calculating our Adjusted EBITDA. Further, no third party, including PricewaterhouseCoopers LLP and each of the initial purchasers, has compiled, reviewed or performed any assurance procedures with respect to these estimated cost savings, or has expressed an opinion or given any other form of assurance on these estimated cost savings or their achievability. In addition, the indentures governing, or that will govern, the Existing Notes and the notes and the loan agreement governing the Senior Secured Facilities permit us to adjust EBITDA for items that would not meet the standards for inclusion in pro forma financial statements under accounting regulations and the other SEC rules. Some of these adjustments may be too speculative to merit adjustment under accounting regulations; however, the indentures governing, or that will govern, the Existing Notes and the notes and the loan agreement governing the Senior Secured Facilities would permit such adjustments for purposes of determining Pro Forma Adjusted EBITDA. As a result of these adjustments, we may be able to incur more debt or pay dividends or make other restricted payments in greater amounts than would otherwise be permitted without such adjustments.

Potential investors should regard the assumptions and projections with considerable caution and are urged to evaluate the potential for any assumption to deviate from those set out in "Summary—Summary Historical and Pro Forma Consolidated Financial Data—Pro Forma Financial Information and Ratios" and the implications of deviations in different assumptions on other assumptions and the income and cash flows of the Issuer.

You may not be able to enforce, or recover any amounts under, the guarantees of, and, as applicable, security interests granted by or in, the German subsidiaries due to restrictions on enforcement reflecting German corporate law.

The enforcement of the guarantees and, as applicable, security interests provided by our German subsidiaries will be limited by language reflecting the capital maintenance rules imposed by German corporate law, which prohibit the direct or indirect repayment of a German limited liability company's stated share capital to its direct or indirect shareholders (including payments pursuant to guarantees in favor of the debts of such shareholders). Payments under the guarantees and/or, as applicable, enforcement of security interests will be limited if, and to the extent, such payments/enforcement would cause a German subsidiary's net worth to fall below the amount of its stated share capital.

The net worth of each of our German subsidiaries is measured at the time of enforcement of the guarantee after taking into account, among other things, the direct debt and other obligations of the relevant German subsidiary. Because our German subsidiaries are also guarantors of all obligations under the Senior Secured Facilities and the Existing Notes and will also owe other obligations, we cannot assure you that the excess of the net worth of each German subsidiary over its stated share capital will be adequate to cover any or all of the amounts outstanding under any guarantee provided by the relevant German subsidiary.

In addition, the respective direct or indirect shareholders of our German subsidiaries must not, under German law, jeopardize the existence of a German subsidiary, and in particular, such shareholders must not deprive

the German subsidiaries of the assets necessary to meet the German subsidiaries' payment obligations. For this reason, we cannot assure you that the respective shareholders of the German subsidiaries will have the assets available to cover any or all of the amounts owed by them under the guarantees.

German capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of its subsidiaries constituted in the form of a limited liability company or of a limited partnership, the general partner or general partners of which is, or are, a limited liability company, which can negatively affect our ability to make payment on the notes or of the subsidiaries to make payments on the guarantees.

There are also risks regarding the enforceability of the pledges of the shares of our German subsidiaries for the benefit of the notes. Under German law, a security interest created pursuant to a share pledge for the benefit of a beneficiary who is not a direct party to the relevant pledge agreement creating the security interest may not be enforceable. The indentures that govern the notes will provide for the creation of "parallel debt obligations," pursuant to which the collateral agent on behalf of the holders of the notes will become the holders of secured claims equal to each amount payable by an obligor under the indentures that govern the notes which are to be secured by the relevant share pledge. The parallel debt obligation procedure has not been tested under German law, and we cannot assure the holders of the notes that it will eliminate or mitigate the risk of unenforceability posed by German law.

Further, creating a trust in respect of the parallel debt obligations or any German law security interests or transferring German law security interests to a trust may, depending on the security interest and the circumstances, affect the validity of the security interest or the validity of its transfer to the trust. Pursuant to the indentures that govern the notes, the parallel debt obligations and German law security interests are carved out from the property to be held on trust. However, in the case of an insolvency of the collateral agent, the relevant insolvency laws applicable to the collateral agent (and not the governing laws of the Security Documents or the German law security interests) may govern whether the parallel debt obligations and German law security interests will form part of any trust or any similar arrangement or of the collateral agent's insolvency estate.

You may not be able to enforce, or recover any amounts under, the guarantees of, and, as applicable, security interests granted by or in, our Belgian subsidiaries

The enforcement of the guarantees and, as applicable, security interests provided by our Belgian subsidiaries will be limited by guarantee limitation language in line with Belgian market practice which provides that payments under the guarantees and/or, as applicable, enforcement of security interests will be limited to an amount equal to the higher of:

(a) that Belgian subsidiary's indirect and direct borrowings (whether or not such intra-group loan is retained by the relevant Belgian subsidiary for its own purposes or on-lent) as at the date on which the guarantee is called; or

(b) the higher of an amount equal to 90% of that Belgian subsidiary's net assets ("*netto actief/actif net*" as determined in accordance with article 617 of the Belgian Company Code and Belgian GAAP, but not taking intra-group debt into account as debt) as calculated on the basis of its most recent audited annual financial statements at (i) the date of the guaranteed obligations and (ii) the date on which the guarantee is called.

In addition, the guarantee obligations of the Belgian subsidiaries will not extend to include any obligations or liabilities if this would constitute a breach of the financial assistance prohibitions contained in article 329 or 629 of the Belgian Company Code.

There are also risks regarding the enforceability of the pledges of the shares of our Belgian subsidiaries for the benefit of the notes. Under Belgian law, a security interest created pursuant to a share pledge for the benefit of a beneficiary who is not a direct party to the relevant pledge agreement creating the security interest may not be enforceable. The indentures that govern the notes will provide for the creation of "parallel debt obligations,"

pursuant to which the collateral agent on behalf of the holders of the notes will become the holder of secured claims equal to each amount payable by an obligor under the indentures that govern the notes which are to be secured by the relevant share pledge. The parallel debt obligation procedure has not been tested under Belgian law, and we cannot assure the holders of the notes that it will eliminate or mitigate the risk of unenforceability posed by Belgian law.

Further, creating a trust in respect of the parallel debt obligations or any Belgian law security interests or transferring Belgian law security interests to a trust may, depending on the security interest and the circumstances, affect the validity of the security interest or the validity of its transfer to the trust.

Guarantees granted by Luxembourg entities could be subject to certain defenses that may limit their validity and enforceability.

CEVA Freight Holdings Luxembourg S.à r.l. will guarantee certain obligations of the Issuer and other group companies. The Luxembourg Act dated August 10, 1915 on commercial companies, as amended does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group. It is generally held that within a group of companies, the corporate interest of each individual corporate entity could, to a certain extent, be tempered by and subordinated to the interest of the group. A reciprocal assistance from one group company to another does not necessarily conflict with the interest of the assisting company. However, this assistance must be temporary, in proportion with the real financial means of the assisting company or have a reciprocal character.

A company may give a guarantee provided that the giving of the guarantee is covered by the company's corporate object and in the best corporate interest of the company. The test regarding the guarantor's corporate interest is whether the company that provides the guarantee receives some consideration in return (such as an economic or commercial benefit) and whether the benefit is proportionate to the burden of the assistance. A guarantee that substantially exceeds (each of) the guarantor company's ability to meet its obligations to the beneficiary of the guarantee and to its other creditors would expose its directors or managers to personal liability and could be voided, considering Belgian and French case law on which Luxembourg courts may rely. The guarantee granted by CEVA Freight Holdings Luxembourg S.à r.l. will be subject to a guarantee limitation language that will limit it to a certain percentage of, among others, such company's net worth. Whether guarantee limitation language such as this one constitutes an adequate limitation has not been confirmed as such language has not been tested before Luxembourg courts.

Because each guarantor's liability under its guarantee or security may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.

Holders of the notes will have the benefit of guarantees and security of certain of our subsidiaries. However, the guarantees will be limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor's liability under its guarantee could be reduced to zero, depending on the amount of other obligations of such guarantor. Furthermore, under the circumstances discussed more fully below, a court under applicable fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. In addition, holders of the notes could lose the benefit of a particular guarantee and security if it is released under certain circumstances described under "Description of Other Indebtedness—Intercreditor Agreements—Senior/Subordinated Intercreditor Agreement—Release of Guarantees and Security," "Description of the New First Lien Senior Secured Notes—Note Guarantees," and "Description of the New First-and-a-Half Priority Lien Notes—Note Guarantees."

As a result, a guarantor's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in the company's corporate interests, the burden of which exceeds the benefit to the company, or which is entered into within a certain period prior to insolvency or bankruptcy, may not be valid and enforceable. It is possible that a guarantor, a creditor of a guarantor or the insolvency administrator in the case of an insolvency of a guarantor, may contest the validity and enforceability of the guarantee and that the applicable court may determine the guarantee should be limited or voided. In the event that any guarantees are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee obligation apply, the

notes would be effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor.

Enforcement of guarantees and security in some jurisdictions may be restricted by foreign exchange controls. For example, companies in Brazil may only remit funds out of Brazil and/or convert such funds into hard currency in strict compliance with foreign exchange rules, and there can be no assurance that such companies would have the ability to convert Brazilian reals into dollars or euro, nor that such companies would be able to remit such funds out of Brazil.

See "Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of Security Interests."

Relevant local insolvency laws and other local law limitations on the validity and enforceability of security interests may not be as favorable to you as comparable provisions of U.S. law and may preclude holders of notes from recovering payments due.

We and certain of the guarantors are incorporated under the laws of England and Wales. Therefore, any insolvency proceedings commenced by or against us or such guarantors may proceed under, and be governed by, English insolvency laws. The other guarantors are organized in Australia, Belgium, Brazil, Canada, the Cayman Islands, Germany, Hong Kong, Luxembourg, The Netherlands and the United States. The procedural and substantive provisions of English, Australian, Belgian, Brazilian, Canadian, Cayman, German, Hong Kong, Luxembourg and Dutch insolvency laws and other local law limitations on the validity and enforceability of security interests may not be as favorable to creditors as comparable provisions of U.S. law.

See "Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of Security Interests" for a description of the insolvency laws and other local laws in Australia, Belgium, Brazil, Canada, the Cayman Islands, England and Wales, Germany, Hong Kong, Luxembourg, The Netherlands and the United States which could limit the validity and enforceability of the guarantees and security.

In the event that any one or more of us, the guarantors, any future guarantors, or any other of our subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such insolvency or similar proceedings. Pursuant to the EC Regulation on Insolvency Proceedings 2000 (EC Regulation No. 1346/2000), any insolvency proceedings commenced in respect of us or any guarantor located within the European Union (excluding Denmark which has not adopted the EC Regulation on Insolvency Proceedings 2000) would most likely be commenced in, proceed under and be governed by the insolvency laws of the jurisdiction of our or the relevant guarantor's "centre of main interests" (which will not necessarily be the country in which it is incorporated). There are a number of factors that are taken into account when ascertaining an entity's centre of main interests. An entity's centre of main interests should correspond to the place where the entity conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The jurisdiction in which an entity's registered office is located is presumed to be its centre of main interests in the absence of proof to the contrary. The point at which this issue falls to be determined is the time at which the relevant insolvency proceedings are opened. We cannot assure you as to how the EC Regulation on Insolvency Proceedings 2000 will be applied in the event that insolvency proceedings are commenced in respect of us or any guarantor in multiple jurisdictions within the European Union. Similarly, pursuant to local legislation implementing the provisions of the UNCITRAL Model Law on Cross-Border Insolvency, a foreign court not subject to the EC Regulation on Insolvency Proceedings 2000 may have jurisdiction to open insolvency proceedings in respect of an entity where that entity has its centre of main interests in such foreign jurisdiction or an "establishment" (being a place of operations where it carries out non-transitory economic activities with human means and assets or services) in such foreign jurisdiction.

Guarantees provided by entities organized in jurisdictions not summarized in this offering circular are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the guarantees and security after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors,

ability to obtain post-petition interest, and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the guarantees in these jurisdictions and limit any amounts that you may receive.

U.S. federal and state fraudulent transfer laws may permit a court to void the notes and the guarantees and security interests, and, if that occurs, you may not receive any payments on the notes or may be required to return payments made on the notes.

The issuance of the notes and the guarantees may be subject to review under U.S. federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future date by us, by the guarantors or on behalf of our unpaid creditors or the unpaid creditors of a guarantor. While the relevant laws may vary from state to state, under such laws the payment of consideration in certain transactions could be considered a fraudulent conveyance if (1) the consideration was paid with the intent of hindering, delaying or defrauding creditors or (2) we or any of our guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing notes, a guarantee or a security interest, and, in the case of (2) only, one of the following is also true:

- we or any of our guarantors were or was insolvent or rendered insolvent by reason of issuing notes or the guarantees;
- payment of the consideration left us or any of our guarantors with an unreasonably small amount of capital to carry on our or its business; or
- we or any of our guarantors intended to, or believed that we or it would, incur debts beyond our or its ability to pay as they mature.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes, the guarantees or the related security agreements or further subordinate the notes or such guarantee to existing and future indebtedness of ours or such guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our other debt and that of our guarantors that could result in acceleration of such debt. The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the laws of the jurisdiction that is being applied. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the issuance of the notes and the guarantees would not be subordinated to our or any guarantors' other debt.

If the guarantees were legally challenged, any guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees and security documents, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of the notes.

Enforcing your rights as a holder of the notes or under the guarantees or security documents across multiple jurisdictions may be difficult.

We are incorporated under the laws of England and Wales, and the guarantors are incorporated under the laws of Australia, Belgium, Brazil, Canada, the Cayman Islands, England and Wales, Germany, Hong Kong, Luxembourg, The Netherlands and certain states of the United States. In the future, subsidiaries in other jurisdictions may become guarantors. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the notes. Your rights under the notes, the guarantees and the security documents will thus be subject to the laws of several jurisdictions, and you may not be able to effectively enforce your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights.

In addition, the bankruptcy, insolvency, administrative and other laws of the respective guarantors' jurisdictions of incorporation may be materially different from, or in conflict with, one another and those of the United States or United Kingdom in certain areas, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the notes and the guarantees and security.

The beneficial owners of the notes will not be party to any of the security documents relating to the notes. Therefore, in certain jurisdictions, such as Germany and The Netherlands, there are risks regarding the enforceability of the security interests granted by the guarantors of the notes in favor of the holders of the notes. In order to mitigate the risk, the collateral agent will enter into an abstract acknowledgment of indebtedness agreement and a parallel debt undertaking pursuant to which the collateral agent will become the holder of the secured claims equal to the principal amount of the applicable series of notes plus certain other amounts for the benefit of the trustees and the holders of the applicable series of notes. Accordingly, the rights of the holders of the notes will not be directly secured by the pledges of the collateral, but through this parallel claim. This parallel claim will be acknowledged by the applicable grantor by way of an abstract acknowledgment of indebtedness or a parallel debt undertaking to the applicable collateral agent. The abstract acknowledgement of debt and parallel debt undertaking secures the notes, and the collateral secures claims under the abstract acknowledgement of debt and parallel debt undertaking. There is uncertainty as to the enforceability of this procedure in many jurisdictions, including Germany and The Netherlands. For example, this procedure has not yet been tested under German and Dutch law, and we cannot assure the holders of the notes that it will eliminate or mitigate the risk of unenforceability posed by German or Dutch law. See "Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of Security Interests."

The security interests in the collateral located in Italy or governed by Italian law may be limited by Italian law or subject to certain limitations or defenses that may adversely affect their validity and enforceability.

The ability of the collateral agent to enforce the collateral located in Italy or governed by Italian law is subject to mandatory provisions of Italian law. Enforcement of the collateral may also be subject to certain statutory limitations and defenses or to limitations contained in the terms of the security documents designed to ensure compliance with applicable statutory requirements.

Under Italian law, the beneficiary of a security interest must be clearly identified and indicated in the relevant security instrument. Due to the difficulty of clearly identifying and keeping track of the names of the individual holders of the notes over time, there is a risk that holders of the notes who are not identified in the relevant security instrument as registered holders may not be able to validly enforce their security interests in the collateral.

Security trust and parallel debt structures may not assist in mitigating such limitations. For a more detailed description, please see "Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of Security Interests."

You may be unable to enforce judgments obtained in U.S. and foreign courts against us, certain of the guarantors or their directors and executive officers.

Certain of our directors and executive officers and certain of the guarantors are, and will continue to be, non-residents of the United States, and most of the assets of these companies are located outside of the United States. As a consequence, you may not be able to effect service of process on these non-U.S. resident directors and officers in the United States or to enforce judgments of U.S. courts in any civil liabilities proceedings under the U.S. federal securities laws. There is also uncertainty about the enforceability in the courts of certain jurisdictions, including judgments against us and certain of the guarantors obtained in the United States, whether or not predicated upon the federal securities laws of the United States. See "Enforcement of Civil Liabilities."

Investors in the notes may have limited recourse against PricewaterhouseCoopers LLP.

See "Independent Auditor" for a description of the independent auditors' reports to the board of managers of Holdings dated March 7, 2014 and the board of directors of CEVA dated May 2, 2013. The independent auditors' reports state that the reports, including the opinion, have been prepared for and only for Holdings' board of managers or CEVA's board of directors, as the case may be, and for no other purpose; and the independent auditors do not, in giving the opinion, accept or assume responsibility for any other purpose or to any other person to whom the report is shown or into whose hands it may come save where expressly agreed by their prior consent in writing. The independent auditors' report of March 7, 2014 is included in this offering circular, the independent auditors' report of May 2, 2013 is included in CEVA's Annual Report for the year ended December 31, 2012, which is incorporated in part by reference into this offering circular, and the independent auditors' report of March 5, 2012 is included in CEVA's Annual Report for the year ended December 31, 2011, which is incorporated in part by reference into this offering circular.

In making these statements the independent auditors assert that they do not accept or assume any liability to parties such as holders of notes with respect to the report and to the independent auditors' audit work and opinions. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act, or in a report filed under the Exchange Act. If a U.S. court (or any other court) were to give effect to such limiting language, holders of notes may not have any recourse against the independent auditors based on their report or the consolidated financial statements to which it relates.

There may be no active trading market for the notes, and if one develops, it may not be liquid.

The notes will constitute new issues of securities for which there is no established trading market. Although we will apply for admission to the Irish Stock Exchange ("*ISE*") for trading of the notes on the Global Exchange Market thereof, we cannot assure you that any market for the notes will develop or, if a market does develop, the liquidity of such market, your ability to sell your notes or the price at which you may be able to sell your notes. Future trading prices of the notes will depend on many factors, including:

- prevailing interest rates,
- our operating performance and financial condition or prospects;
- the interest of securities dealers in making a market; and
- the overall market for similar securities.

As a result, we cannot assure you that an active trading market will actually develop for the notes. Accordingly, you may be required to bear the financial risk of your investment in the notes to maturity. In addition, if we do not list the notes on the ISE prior to the first interest payment date, interest on the notes will be paid subject to U.K. withholding tax (currently 20%), although we may, under certain circumstances, be obligated to pay additional amounts under the terms of the indentures governing the notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of

securities similar to the notes. The market, if any, for the notes may be subject to similar disruptions. Any such disruptions may adversely affect the value of the notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may be subject to similar disruptions. Any such disruptions may adversely affect the value of the notes.

Our financial statements are being presented on a consolidated basis, and permission is being sought from the ISE (i) for a derogation from the ISE's normal requirement that individual guarantor financial statements be set out in the listing particulars and (ii) for a derogation to provide Holdings' consolidated financial statements in lieu of those of the Issuer. We cannot assure you that we will be successful. A failure to receive either such derogation could prevent our listing the notes on the ISE and adversely affect the liquidity for the notes.

We will not offer to register the notes or exchange the notes in a registered exchange offer.

We will not register the notes under the Securities Act or under the securities laws of any other jurisdiction. Unless so registered, the notes may not be reoffered or resold except under certain exemptions from the registration requirements of the Securities Act or the securities laws of any other jurisdiction. We will not offer to exchange the notes in an exchange offer registered under the Securities Act or the securities laws of any other jurisdiction. As a result, we will not be subject to the reporting requirements of the Exchange Act, including the requirements of the Sarbanes-Oxley Act of 2002, and holders of notes will only be entitled to receive the information about us specified under "Description of the New First Lien Senior Secured Notes—Certain Covenants—Reports and Other Information" and "Description of the New First-and-a-Half Priority Lien Notes—Certain Covenants—Reports and Other Information" including the information required by Rule 144A(d)(4) under the Securities Act. As such, our management will not be required to comply with various requirements applicable to U.S. public companies, including the requirement of management to certify the effectiveness of our disclosure controls and accounting controls and procedures.

There are restrictions on your ability to resell your notes.

The notes have not been registered under the Securities Act or any state securities laws. The notes are being offered and sold pursuant to an exemption from registration under U.S. and applicable state securities laws. As a result, the notes may be transferred or resold only in transactions registered under, or exempt from, U.S. and applicable state securities laws. Therefore, you may be required to bear the risk of your investment for an indefinite period of time. See "Notice to Investors."

The consolidated financial statements of Holdings may be of limited use in assessing the financial position of the Issuer and the guarantors.

The accounts of the note guarantors as listed under "Admission to Trading and General Information—Information about the Guarantors" have been included in the consolidated accounts of Holdings, which are included herein. However, as the non-guarantor subsidiaries represent more than 25% of the consolidated EBITDA of Holdings and more than 25% of the net assets of Holdings, the consolidated financial statements of Holdings may be of limited use in assessing the financial position of the guarantors of the notes. We are applying to the ISE for a derogation from their normal requirement that individual guarantor accounts be set out in the offering circular of an issuer of securities listed on that exchange.

In addition, the consolidated balance sheets and results of operations of the Issuer and Holdings are substantially identical for the periods for which financial information of Holdings is presented in this offering circular; but the following differences exist: (i) the balance sheet of the Issuer would present the Second Lien PIK Notes as an outstanding liability (rather than being eliminated as an intercompany liability in consolidation), (ii) the results of operations of the Issuer would reflect the interest expense associated with the Second Lien PIK Notes (rather than being eliminated as intercompany expense in consolidation) and (iii) currency translation adjustments due to the Issuer's presentation of its historical consolidated financial statements in euros rather than U.S. dollars.

There may not be sufficient collateral to satisfy our obligations under all or any of the notes.

Indebtedness under the Senior Secured Facilities, the 4.00% First Lien Senior Secured Notes and the Second Lien PIK Notes is or will be secured by, among other things, a pledge of substantially all of our assets and substantially all of the assets of certain of our guarantors, other than, as described above, the U.S. and Australian trade accounts receivables originated by the Originators that have been transferred to the SPEs. As of the Issue Date, the New First Lien Senior Secured Notes will be secured by a pledge of such assets that will be equal in priority to the security interests granted to secure the 4.00% First Lien Senior Secured Notes and the Senior Secured Facilities and the New First-and-a-Half Priority Lien Notes will be secured by a pledge of such assets that will be junior to such security interests and senior to the security interests granted to secure the Second Lien PIK Notes, although at the issue date holders of the notes may not have the benefit of security interests in an immaterial amount of the aggregate value of all the collateral expected to secure the notes. See "—As of the closing date holders of the notes may not have the benefit of security interests in certain of the collateral, which may adversely affect the rights of the holders of the notes" below. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, (i) the proceeds of the assets securing the New First Lien Senior Secured Notes will be used first to pay indebtedness with a senior lien on the collateral, if any, and then to pay, on a *pari passu* basis, the 4.00% First Lien Senior Secured Notes, the Senior Secured Facilities, the New First Lien Senior Secured Notes and any other indebtedness with a *pari passu* lien on the collateral and (ii) the proceeds of the assets securing the New First-and-a-Half Priority Lien Notes will be used first to pay indebtedness with a senior lien on the collateral in full before making any payments on the New First-and-a-Half Priority Lien Notes. With respect to the New First Lien Senior Secured Notes, after the proceeds of the collateral have been used to satisfy the 4.00% First Lien Senior Secured Notes, the Senior Secured Facilities, the New First Lien Senior Secured Notes and any other indebtedness with a *pari passu* or senior lien on the collateral, any New First Lien Senior Secured Notes remaining outstanding will be general unsecured claims that will be equal in right of payment with our and the guarantors' indebtedness secured by an equal or junior priority lien, including the New First-and-a-Half Priority Lien Notes and the Second Lien PIK Notes, or unsecured unsubordinated indebtedness. With respect to the New First-and-a-Half Priority Lien Notes, after the proceeds of the collateral have been used to satisfy the 4.00% First Lien Senior Secured Notes, the Senior Secured Facilities, the New First Lien Senior Secured Notes, the New First-and-a-Half Priority Lien Notes and any other indebtedness with a *pari passu* or senior lien on the collateral, any New First-and-a-Half Priority Notes remaining outstanding will be general unsecured claims that will be equal in right of payment with our and our guarantors' indebtedness secured by an equal or junior priority lien, or unsecured unsubordinated indebtedness.

The notes will be structurally subordinate to indebtedness of our non-guarantor subsidiaries, including the SPEs. The New First Lien Senior Secured Notes will be effectively senior in right of payment to all of our existing and future indebtedness secured by a junior priority lien, including the New First-and-a-Half Priority Lien Notes and the Second Lien PIK Notes, and unsecured senior debt and other obligations that are not, by their terms, subordinated in right of payment to the New First Lien Senior Secured Notes to the extent of the value of the assets securing the New First Lien Senior Secured Notes. The New First-and-a-Half Priority Lien Notes will be effectively senior in right of payment to all of our existing and future indebtedness secured by a junior priority lien, including the Second Lien PIK Notes, and unsecured senior debt and other obligations that are not, by their terms, subordinated in right of payment to the New First-and-a-Half Priority Lien Notes to the extent of the value of the assets securing the New First-and-a-Half Priority Lien Notes. However, the indentures that govern the notes, like the indentures governing the 4.00% First Lien Senior Secured Notes and the Second Lien PIK Notes, permit the release of all of the collateral with the consent of a majority in aggregate principal amount of the then-outstanding notes issued under such indenture. If in the future we seek and receive the consent of holders of a majority in aggregate principal amount of the notes issued under the indentures governing the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes, as applicable, to the release of all of the collateral securing the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes, as applicable, then the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes, as applicable, will become our general unsecured obligations and will no longer be effectively senior in right of payment to our indebtedness secured by a junior priority lien and unsecured senior debt and other obligations that are not, by their terms, subordinated in right of payment to the New First Lien Senior Secured Notes. See "—Holders of the notes will not control certain decisions regarding collateral" for other circumstances in which the collateral securing the notes may be released.

In addition to borrowings under the Senior Secured Facilities, the indentures that will govern the notes will allow a significant amount of other indebtedness and other obligations to be secured by a senior priority lien on the

collateral securing obligations under such indentures or secured by a lien on such collateral on an equal and ratable basis with the obligations under such indenture, provided that, in each case, such indebtedness or other obligation could be incurred under the debt incurrence covenants contained in such indenture. Any additional obligations secured by a senior or equal priority lien on the collateral securing the obligations under such indenture will adversely affect the relative position of the holders of such notes with respect to the collateral securing the obligations under such indenture and may reduce the recovery of the notes in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us. Further, neither of the indentures that govern the notes, nor the First Lien Intercreditor Agreement or the First/First-and-a-Half Lien Intercreditor Agreement prohibits us or our subsidiaries from creating liens on our assets and property that are junior to the security interests in favor of the obligations under such indenture. Any additional obligations secured by such lien on the collateral securing the obligations under such indenture will adversely affect the relative position of the holders of the notes with respect to the collateral securing the obligations under such indenture and may reduce the recovery of the notes in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us. See "Description of the New First Lien Senior Secured Notes—Security—Security Documents and Intercreditor Agreements" for additional information on the intercreditor arrangements with respect to the collateral for the New First Lien Senior Secured Notes and "Description of the New First-and-a-Half Priority Lien Notes—Security—Security Documents and Intercreditor Agreements" for additional information on the intercreditor arrangements with respect to the collateral for the New First-and-a-Half Priority Lien Notes.

No appraisals of the fair market value of any collateral have been prepared in connection with this offering. The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the collateral. As of December 31, 2013, we had property, plant and equipment with a book value of $291 million and intangible assets (excluding goodwill) with a book value of $408 million. In addition, as of December 31, 2013, our current assets consisted mainly of accounts receivable, which accounts receivable had a book value of $1,241 million, only some of which accounts receivable will secure the notes. The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of the foregoing will not constitute collateral for the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes. Accordingly, the value of the collateral for the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes could be substantially less than the aggregate principal amount of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes and our other indebtedness secured by a senior priority or an equal priority lien. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. The value of the assets pledged as collateral for the notes could be impaired in the future as a result of changing economic conditions in multiple jurisdictions, changing legal regimes, our failure to implement our business strategy, competition and other future trends. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the collateral may be insufficient to pay our obligations under the notes in full.

As of the closing date holders of the notes may not have the benefit of security interests in certain of the collateral, which may adversely affect the rights of the holders of the notes.

As of the closing date of this offering, the holders of the notes may not have the benefit of security interests in all of the same collateral that secures the Senior Secured Facilities, 4.00% First Lien Senior Secured Notes and the Second Lien PIK Notes. If this occurs, we are required to use commercially reasonable efforts to secure enforceable security interests for the benefit of the holders of the notes in all of the same collateral that secures the Senior Secured Facilities, the 4.00% First Lien Senior Secured Notes and the Second Lien PIK Notes as promptly as practicable following the closing date. However, if we become insolvent or are liquidated, or if payment under the indentures governing the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes is accelerated and implementation of enforceable security interests in favor of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes has not occurred with respect to any collateral, then the holders of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes, as applicable, will not be entitled to exercise the remedies otherwise available to a secured lender under applicable law with respect to such collateral that did not secure the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes, as applicable, on the closing date. In the case of insolvency or liquidation, the notes will rank *pari passu* with our other senior unsecured debt in respect of collateral that is not subject to an enforceable security interest for the benefit of holders of the notes.

There are circumstances other than repayment or discharge of the notes under which the collateral securing such notes and the related guarantees will be released automatically, without the consent of the holders of such notes or the trustee under the indentures that govern such notes.

Under various circumstances, all or a portion of the collateral may be released, including:

- to enable the sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture, including the sale of any entity in its entirety that owns or holds such collateral; and
- with respect to collateral held by a guarantor, upon the release of such guarantor from its guarantee.

The guarantee of a subsidiary guarantor will be released in connection with a sale of such subsidiary guarantor in a transaction not prohibited by the indentures that govern the notes.

The indentures governing the notes will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the notes issued thereunder as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the notes by such subsidiary or any of its subsidiaries will be released under the applicable indenture. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries.

Holders of the notes will not control certain decisions regarding collateral and will waive certain rights relating to collateral in a bankruptcy or insolvency proceeding.

The collateral agent for the holders of the New First Lien Senior Secured Notes will be a party to the First Lien Intercreditor Agreement. The First Lien Intercreditor Agreement provides, among other things, that the lenders under the Senior Secured Facilities will control substantially all matters related to the collateral that secures the Senior Secured Facilities (which collateral also secures the 4.00% First Lien Senior Secured Notes and will also secure the New First Lien Senior Secured Notes) and the lenders under the Senior Secured Facilities may direct the collateral agent to foreclose on or take other actions with respect to such collateral with which holders of the New First Lien Senior Secured Notes may disagree or that may be contrary to the interests of holders of the New First Lien Senior Secured Notes. In addition, the First Lien Intercreditor Agreement provides that, to the extent any collateral securing our obligations under the Senior Secured Facilities is released to satisfy such creditor's claims in connection with such a foreclosure, the liens on such collateral securing the New First Lien Senior Secured Notes will also automatically be released without any further action by the trustee, collateral agent or the holders of the New First Lien Senior Secured Notes and the holders of the New First Lien Senior Secured Notes agree to waive certain of their rights relating to such collateral in connection with a bankruptcy or insolvency proceeding involving us or any guarantor of such notes. The First Lien Intercreditor Agreement provides that the holders of the New First Lien Senior Secured Notes may not take any actions to direct foreclosures or take other remedial actions following an event of default under the Senior Secured Facilities or the indenture governing the New First Lien Senior Secured Notes for at least 90 days and longer if the administrative agent under the Senior Secured Facilities takes action to direct foreclosures or other actions following such event of default. See "Description of the New First Lien Senior Secured Notes."

After the discharge of the obligations with respect to the Senior Secured Facilities, at which time the parties to the Senior Secured Facilities will no longer have the right to direct the actions with respect to the collateral pursuant to the First Lien Intercreditor Agreement, that right passes to the authorized representative of holders of the next largest outstanding principal amount of indebtedness secured by a first lien on the collateral, which currently is expected to be the trustee and collateral agent for the New First Lien Senior Secured Notes assuming we issue more than $390 million principal amount of such notes. If we issue additional first lien indebtedness in the future in a greater principal amount than the aggregate principal amount of the notes issued under the indenture governing the New First Lien Senior Secured Notes and the principal amount of such notes is less than the $390 million aggregate principal amount of outstanding 4.00% First Lien Senior Secured Notes, then the authorized representative for such

indebtedness would be next in line to exercise rights under the First Lien Intercreditor Agreement, rather than the collateral agent for the New First Lien Senior Secured Notes. Accordingly, the collateral agent under the indenture that governs the New First Lien Senior Secured Notes may never have the right to control remedies and take other actions with respect to the collateral.

In addition, the First Lien Intercreditor Agreement provides that so long as the Senior Secured Facilities are in effect, the lenders under the Senior Secured Facilities may change, waive, modify or vary the security documents (including to release the liens on the collateral) without the consent of the holders of the New First Lien Senior Secured Notes with respect to the shared collateral, provided that any such change, waiver or modification does not materially adversely affect the rights of the holders of the New First Lien Senior Secured Notes and does not affect the other secured creditors in a like or similar manner. See "Description of Other Indebtedness—Intercreditor Agreements."

Similarly, the collateral agent for the holders of the New First-and-a-Half Priority Lien Notes will be a party to the First/First-and-a-Half Lien Intercreditor Agreement. At any time that obligations having the benefit of the priority liens on the collateral (including the Senior Secured Facilities, the 4.00% First Lien Notes and the New First Lien Senior Secured Notes) are outstanding, any actions that may be taken in respect of the collateral securing the New First-and-a-Half Priority Lien Notes, including the ability to cause the commencement of enforcement proceedings against the collateral and to control the conduct of such proceedings, and the approval of amendments to, releases of collateral from the lien of, and waivers of past defaults under, the security documents with respect to the New First-and-a-Half Priority Lien Notes, will be at the direction of the holders of the obligations secured by the priority liens and neither the trustee nor the collateral agent, on behalf of the holders of the New First-and-a-Half Priority Lien Notes, will have the ability to control or direct such actions, even if the rights of the holders of the New First-and-a-Half Priority Lien Notes are adversely affected, subject to certain exceptions. As a result, the lenders under the Senior Secured Facilities (or the collateral agent under the indentures governing the New First Lien Senior Secured Notes and the 4.00% First Lien Senior Secured Notes under certain circumstances) control substantially all matters related to the collateral securing the New First-and-a-Half Priority Lien Notes. The lenders under the Senior Secured Facilities may cause the collateral agent for such facility to dispose of, release or foreclose on, or take other actions with respect to, the collateral with which holders of the New First-and-a-Half Priority Lien Notes may disagree or that may be contrary to the interests of holders of the New First-and-a-Half Priority Lien Notes. To the extent collateral is released from securing the Senior Secured Facilities and the New First Lien Senior Secured Notes and the 4.00% First Lien Senior Secured Notes, the liens on such assets (but not the proceeds therefrom) securing the New First-and-a-Half Priority Lien Notes will also be automatically released. In addition, the First/First-and-a-Half Lien Intercreditor Agreement provides that, so long as the Senior Secured Facilities are in effect, the lenders thereunder may change, waive, modify or vary the security documents without the consent of the holders of the New First-and-a-Half Priority Lien Notes, provided that any such change, waiver or modification does not materially adversely affect the rights of the holders of the New First-and-a-Half Priority Lien Notes and not the other secured creditors in a like or similar manner. Except under limited circumstances, if at any time the Senior Secured Facilities, the New First Lien Senior Secured Notes and the 4.00% First Lien Senior Secured Notes cease to be in effect, the liens securing the New First-and-a-Half Priority Lien Notes will be released and such notes will become unsecured senior obligations.

Furthermore, the security documents generally allow us and our subsidiaries to remain in possession of, retain exclusive control over, to freely operate, and to collect, invest and dispose of any income from, the collateral securing the notes. In addition, to the extent we sell any assets that constitute collateral, the proceeds from such sale will be subject to the lien securing the obligations under such indenture only to the extent such proceeds would otherwise constitute "collateral" securing the obligations under such indenture under the security documents. To the extent the proceeds from any such sale of collateral do not constitute "collateral" under the security documents, the pool of assets securing the obligations under such indenture would be reduced and the obligations under such indenture would not be secured by such proceeds.

In addition, in most cases, the collateral will be taken in the name of a collateral agent for the benefit of the holders of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes and the trustee. As a result, the collateral agent or representative of the collateral agent may effectively control actions with respect to collateral which may impair the rights that a holder of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes would otherwise have as a secured creditor. The collateral agent or representative, as

applicable, may take actions that a holder of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes disagrees with or fail to take actions that a holder of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes wishes to pursue. Furthermore, the collateral agent or representative under the First Lien Intercreditor Agreement or the First/First-and-a-Half Lien Intercreditor Agreement may fail to act in a timely manner which could impair the recovery of holders of the New First Lien Senior Secured Notes and/or the New First-and-a-Half Priority Lien Notes.

Finally, each of the First Lien Intercreditor Agreement and First/First-and-a-Half Lien Intercreditor Agreement provides for a waiver of certain important rights in bankruptcy or insolvency proceedings, including the right to object to debtor-in-possession financing. See "Description of Other Indebtedness—Intercreditor Agreements."

The value of the collateral securing the notes may not be sufficient to secure post-petition interest.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against the guarantors located in the United States, holders of the notes will only be entitled to post-petition interest under Title 11 of the United States Code, as amended (the "*Bankruptcy Code*") to the extent that the value of their security interest in the collateral is greater than their pre-bankruptcy claim. In such event, holders of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes may be deemed to have an unsecured claim to the extent that our obligations in respect of such notes exceed the fair market value of the collateral securing such notes. As a result, holders of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes that have a security interest in collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the Bankruptcy Code. In addition, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes on the date of the bankruptcy filing was less than the then-current principal amount of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes. Upon a finding by a bankruptcy court that the New First Lien Notes or the New First-and-a-Half Priority Lien Notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement on the part of the holders of the New First Lien Notes or the New First-and-a-Half Priority Lien Notes to receive post-petition interest and a lack of entitlement on the part of the unsecured portion of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes to receive other "adequate protection" under U.S. federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to such notes. No appraisal of the fair market value of the collateral has been prepared in connection with this offering and we therefore cannot assure the holders of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes that the value of the interest of the holders of the New First Lien Senior Secured Notes in the collateral equals or exceeds the principal amount of such notes. See "—There may not be sufficient collateral to satisfy our obligations under all or any of the notes." In addition, in certain other jurisdictions, holders of notes may not be entitled to post-petition interest. See "Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of Security Interests."

In the event that the First Lien Intercreditor Agreement, the First/First-and-a-Half Lien Intercreditor Agreement or the First/Junior Lien Intercreditor Agreement are found to be invalid or unenforceable, the liens in favor of the New First Lien Senior Secured Notes in some foreign jurisdictions will not rank pari passu with the liens in favor of the Senior Secured Facilities and the 4.00% First Lien Senior Secured Notes or senior to the liens in favor of the New First-and-a-Half Priority Lien Notes and the Second Lien PIK Notes, as applicable, and the liens in favor of the New First-and-a-Half Priority Lien Notes in some foreign jurisdictions will not rank senior to the liens in favor of the Second Lien PIK Notes.

The security documents that create the liens in favor of the Senior Secured Facilities, the 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes and the liens in favor of the First-and-a-Half Priority Lien Notes with respect to certain foreign collateral rely on the First Lien Intercreditor Agreement, the First/First-and-a-Half Lien Intercreditor Agreement and the First/Junior Lien Intercreditor Agreement, for

establishing the relative priorities of the holders of such notes and the lenders and other secured parties under the Senior Secured Facilities. Because the priority of the New First Lien Senior Secured Notes with respect to the Senior Secured Facilities depends on the enforceability of the First Lien Intercreditor Agreement, if the First Lien Intercreditor Agreement is found to be invalid or unenforceable, the liens in favor of the New First Lien Senior Secured Notes in certain jurisdictions will not rank *pari passu* with the liens in favor of the Senior Secured Facilities. In addition, if the First/First-and-a-Half Lien Intercreditor Agreement and First/Junior Lien Intercreditor Agreement are found to be invalid or unenforceable, (i) the liens in favor of the New First Lien Senior Secured Notes in certain jurisdictions will not rank senior to the liens in favor of the New First-and-a-Half Priority Lien Notes and the Second Lien PIK Notes and (ii) the liens in favor of the New First-and-a-Half Priority Lien Notes in certain jurisdictions will not rank senior to the liens in favor of the Second Lien PIK Notes. In such situations the claims of the holders of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes may be effectively subordinated to claims of the lenders and other secured parties under the Senior Secured Facilities and the applicable junior liens to the extent of the value of the assets secured by such liens.

Rights of holders of notes in the U.S. collateral may be adversely affected by bankruptcy proceedings in the United States.

The right of the security agents to repossess and dispose of the collateral securing the notes upon acceleration is likely to be significantly impaired by U.S. federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after the security agent has repossessed and disposed of the collateral. Under the Bankruptcy Code, a secured creditor, such as the security agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, U.S. bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when the security agents would repossess or dispose of the collateral, or whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the collateral through the requirements of "adequate protection." Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes, the holders of the notes would have "undersecured claims" as to the difference. U.S. federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys' fees for "undersecured claims" during the debtor's bankruptcy case.

The waiver of rights of marshaling may adversely affect the recovery rates of holders of the notes in a bankruptcy or foreclosure scenario.

The New First Lien Senior Secured Notes and the related guarantees will be secured by the collateral on a *pari passu* basis with the Senior Secured Facilities, the 4.00% First Lien Senior Secured Notes and other related obligations. The First Lien Intercreditor Agreement described under "Description of the New First Lien Senior Secured Notes—Security—Security Documents and Intercreditor Agreements" provides that, at any time that obligations under the Senior Secured Facilities are outstanding, the holders of the New First Lien Senior Secured Notes, the trustee under the indenture that governs the New First Lien Senior Secured Notes and the collateral agent may not assert or enforce any right of marshaling as against the lenders under the Senior Secured Facilities. Without this waiver of the right of marshaling, holders of such indebtedness would likely be required to liquidate collateral on which the New First Lien Senior Secured Notes did not have a lien, if any, prior to liquidating the collateral, thereby maximizing the proceeds of the collateral that would be available to repay our obligations under such notes. As a result of this waiver, the proceeds of sales of the collateral could be applied to repay the Senior Secured Facilities before applying proceeds of other collateral securing indebtedness, and the holders of New First Lien Senior Secured Notes may recover less than they would have if such proceeds were applied in the order most favorable to the holders of the New First Lien Senior Secured Notes.

The New First-and-a-Half Priority Lien Notes and the related guarantees are secured by the collateral on a junior priority basis to the Senior Secured Facilities, the New First Lien Senior Secured Notes, the 4.00% First Lien Senior Secured Notes and other related obligations. The First/First-and-a-Half Lien Intercreditor Agreement provides that, at any time that obligations that have the benefit of senior priority liens on the collateral are outstanding, including the holders of the New First-and-a-Half Priority Lien Notes, the trustee under the indenture governing the New First-and-a-Half Priority Lien Notes and the collateral agent may not assert or enforce any right of marshaling accorded to a junior priority lienholder, as against the holders of such indebtedness secured by senior priority liens in the collateral. Without this waiver of the right of marshaling, holders of such indebtedness secured by senior priority liens in the collateral would likely be required to liquidate collateral on which the New First-and-a-Half Priority Lien Notes did not have a lien, if any, prior to liquidating the collateral, thereby maximizing the proceeds of the collateral that would be available to repay our obligations under the New First-and-a-Half Priority Lien Notes. As a result of this waiver, the proceeds of sales of the collateral could be applied to repay any indebtedness secured by senior priority liens in the collateral before applying proceeds of other collateral securing indebtedness, and the holders of New First-and-a-Half Priority Lien Notes may recover less than they would have if such proceeds were applied in the order most favorable to the holders of the New First-and-a-Half Priority Lien Notes.

Lien searches may not identify all liens.

As of the date of this offering circular, we have initiated lien searches on the collateral securing the notes in those jurisdictions where it is possible to conduct such lien searches and where it is customary to conduct such searches. We cannot guarantee that the completed lien searches will reveal all prior liens on the collateral securing the notes or that there are no prior liens in jurisdictions where lien searches are not possible or were not completed. Any prior lien could be significant, could be prior to the liens securing the notes and could have an adverse effect on the ability of the collateral agents to realize or foreclose upon the collateral securing the notes.

Any pledge of collateral might be avoidable by a trustee in bankruptcy.

Any pledge of collateral in favor of the collateral agent, including pursuant to security documents delivered after the date of the indentures governing the notes, might be avoidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period.

Rights of holders of notes in the collateral may be adversely affected by the failure to perfect security interests in certain collateral acquired in the future.

The security interest in the collateral securing the notes includes certain assets, both tangible and intangible, whether now owned or acquired or arising in the future. Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the trustees or the collateral agents will monitor the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the New First Lien Senior Secured Notes or the New First-and-a-Half Priority Lien Notes, as applicable, against third parties.

The collateral is subject to casualty risk.

Even if we maintain insurance, there are certain losses that may be either uninsurable or not economically insurable, in whole or part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any collateral, the insurance proceeds may not be sufficient to satisfy all of our obligations, including the notes and related guarantees.

The disposal of pledged assets under German law will be subject to statutory restrictions and may be delayed.

Since German law does not generally permit for an appropriation of pledged assets by the pledgee upon the occurrence of an enforcement event, an enforcement of a share pledge governed by German law usually requires the sale of the relevant collateral through a formal disposal process involving a public auction. Certain waiting periods and notice requirements may apply to such disposal process.

Security interests governed by German law may be partially released in certain circumstances.

If the realizable value of the security package at any date after entering into the German law security documents permanently exceeds 110% of the amount of the secured obligations, such excessive part of the security must, on request of the respective security provider, be released, which would not affect the validity or enforceability of the remaining security. A security provider will be deemed to have a claim for release of the excess security even if the relevant documents do not expressively provide for release provisions. For practical purposes, such claim is commonly triggered if the market value of the encumbered assets exceeds the amount of the secured obligations by 50%.

Brazilian courts may consider the priority of the security interest in the stock and assets of our Brazilian subsidiaries unenforceable.

Article 1.456 of the Brazilian Civil Code, which expressly contemplates the possibility of multiple pledges over a single credit, is the only provision in the Brazilian Civil Code that specifically allows the creation of degrees of pledges of rights and credit instruments. There is no indication in the Brazilian Civil Code or in any other Brazilian legal statute of a restriction on the creation of degrees of pledges. However, Brazilian courts may consider any subsequent security interest created over the stock and assets of our Brazilian subsidiaries unenforceable and the respective subsequent creditors (other than the original creditor) may face certain obstacles to foreclosure the collateral to that extent.

The collateral agent or representatives under the intercreditor agreements may not be able to possess certain collateral on enforcement and may also be prevented from holding security interests in certain collateral.

Applicable laws may restrict the ability of a foreign entity that holds a security interest in particular collateral from taking possession of that collateral on enforcement. In addition, certain jurisdictions restrict the ability of foreign entities to hold the benefit of security interests over certain assets. This may mean that the collateral agent or representatives under the intercreditor agreements may be unable to benefit from security interests in certain collateral and may also restrict the ability of each of the collateral agent and the representatives under the intercreditor agreements to transfer collateral into its name on enforcement.

Risks Related to Our Business

The supply chain management industry may be materially adversely affected by negative changes in economic conditions.

The supply chain management business is susceptible to trends in economic activity, including but not limited to industrial production, consumer spending and retail activity, and an economic crisis or slowdown may negatively affect our business in a number of ways. In particular, our results of operations and financial condition are directly tied to the purchase and production of goods across the global economy. The primary activity of our Freight Management business is to transport goods, and our Contract Logistics business is an integral part of the production, storage and distribution of goods in many different industries. Changes in economic conditions, including the recent Eurozone issues, could materially adversely impact our customers, which could in turn impact their demand for our services and the terms on which we provide such services to our customers. We derive 11% of our revenues for the year ended December 31, 2013 from countries in Southern Europe, including Italy, Spain, Portugal and Greece. Revenues, particularly in Freight Management, were also negatively impacted by the loss of volume due to uncertainty created during the Recapitalization which was announced and commenced on April 3, 2013 and was closed successfully on May 2, 2013.

Increased costs or decreased availability of third-party providers of certain transportation services could increase our operating expenses, reduce our net income and have a material adverse effect on our financial condition.

We do not in general maintain our own transportation networks. Instead, we rely on third-party transportation service providers for most of our contract logistics transport services and substantially all of our Freight Management services. Our ability to serve some of our customers depends on the availability of air and sea cargo space, including space on passenger and cargo airlines and ocean carriers that service the transportation lanes our customers use. We cannot assure you that we will be able to obtain access to preferred third-party networks at attractive rates or that these networks will have adequate available capacity to meet our needs. In addition, although we seek to pass through third-party transportation rate increases to our customers, in certain instances, we may not be able to raise prices in sufficient amounts or on a sufficiently rapid basis, which could materially adversely affect our profitability and results of operations.

Despite the large variable cost component of our business model, we may not be able to reduce our costs as much or as quickly as we would like, including in the event of future economic downturns or other changes in economic conditions.

In response to the economic downturn of the last five years, we have executed and are continuing to execute a number of initiatives to reduce our costs. Despite this, in 2012 our operating costs increased faster than our revenue growth causing margin declines primarily driven by cost information. In October 2012, a cost reduction program was announced targeting $130 million net cost savings. We cannot assure you that we will achieve these cost savings. Should the economic recovery fail to progress, we may need to implement further cost reduction initiatives to adjust our cost base if revenues decline, but such initiatives may not achieve the cost savings necessary to maintain our margins or offset a decline in revenue or grow slower than costs. Termination of low margin contracts may result in lower revenues and a reduction in volume discounts from carriers. In addition, regardless of prevailing economic conditions, we consistently target incremental cost savings as part of our operational improvements. We may not achieve our targeted cost savings in the amounts or in the time frames expected or at all.

We have multi-year contracts that may require us to bear the risk of increases in our operating costs or to bear certain fixed costs in the event our customers terminate their contracts prior to anticipated expiration dates.

We enter into multi-year contracts with many of our customers. We also enter into contracts with third parties who provide services or property to us in connection with our provision of services under our customer contracts. These supplier contracts may provide for fixed pricing and other terms which we negotiate based on our assumptions regarding our customers' scope of services and volumes, the operational efficiencies and productivity improvements we expect to achieve and other estimates. In contract logistics, specifically, we make assumptions and estimates about the implementation of starting up operations for a new customer, location or service. These assumptions and estimates may prove to be inaccurate as a result of poor information provided by the customer, changes to economic conditions, reductions in volume or termination of customers' activities with us and other developments, and as a result, our operating margins under these customer contracts may be materially adversely affected.

In addition, although we seek to retain flexibility in our contractual arrangements with our customers to adjust pricing terms or terminate contracts that become economically onerous, we sometimes bear a portion of cost increases over the short term. For example, our suppliers pass on increases in fuel prices to us and we generally pass these price increases on to our customers through a surcharge, but in some cases we may not be able to transfer these increases to our customers on a sufficiently rapid basis. Furthermore, our business may be materially adversely affected by macroeconomic risks such as inflation, wage increases and currency exchange rates, due to a limited sharing of such risks in certain of our contracts.

Although we seek to structure our arrangements with third parties on a back-to-back basis with the related customer arrangements—for example, by entering into lease agreements with durations and termination rights that are coterminous with the duration of the customer contracts that the leased property is used to service—or otherwise seek to require our customers to assume these costs and commitments if they prematurely terminate their contracts with us, certain arrangements require us to make investments in property, plant, and equipment and expand our personnel and management, and there may be instances where we are not able to offset or transfer such costs to our

customers. For example, many of our contracts are terminable by our customers with limited advance notice periods, and as a result we may have fixed costs and excess capacity that could materially adversely affect our business, results of operations and financial condition.

We have a history of losses, and we may not be profitable in the future.

Due in part to our high levels of indebtedness, we have had a history of losses. For the year ended December 31, 2011, CEVA generated net losses of €216 million, and for the years ended December 31, 2012 and 2013, Holdings generated net losses of $888 million and $47 million, respectively. Further, we expect that as a result of increasing our available liquidity under the Senior Secured Facilities our outstanding indebtedness may increase following the closing of the Transactions. In addition, our annual cash interest expense is expected to increase slightly. Accordingly, we cannot assure you that we will not continue to report losses in future periods. See "Operating and Financial Review and Prospects" and "Capitalization."

The trend toward outsourcing of supply chain management activities, either globally or within specific industries, may change, thereby reducing demand for our services.

Our growth strategy is partially based on the assumption that the trend toward outsourcing of supply chain management services will continue. Third-party service providers like CEVA are generally able to provide such services more efficiently than otherwise could be provided "in-house," primarily as a result of our expertise, technology and lower and more flexible employee cost structure. However, many factors could cause a reversal in the trend. For example, our customers may see risks in relying on third-party service providers, or they may begin to define these activities as within their own core competencies and decide to perform supply chain operations themselves. If our customers are able to improve the cost structure of their in-house supply chain activities, including in particular their labor-related costs, we may not be able to provide our customers with an attractive alternative for their supply chain needs. If our customers in-source significant aspects of their supply chain operations, or if potential new customers decide to continue to perform their own supply chain activities, our business, results of operations and financial condition may be materially adversely affected.

Changing trends in our customers' preferred modes of freight may materially adversely affect our business.

There are a variety of modes in which freight can be transported, including by air, ocean, road or railroad. We have differing market positions and exposure to various modes of freight, which have differing margin levels and net working capital requirements. While not all of these modes are interchangeable, depending on the origin and destination of freight our customers have substantial flexibility to choose the mode that best suits their needs in terms of type of freight, cost, speed, certainty of arrival time and other factors. Trends in preferred modes may shift over time as their characteristics change or our customers' priorities change. For example, during periods of economic contraction and inventory de-stocking, certain customers may find that speed and certainty of arrival time is less important than when inventory levels were tight. If this is the case, such customers may choose ocean freight as a lower-cost but slower alternative to air freight. In recent years, we experienced a shift in our air freight volumes to ocean freight volumes, particularly in Asia, which contributed to a softening of our overall air freight volumes and negatively impacted our margins and net working capital requirements. While these trends may to some extent be cyclical in nature, there can be no assurance that the trend from air freight to ocean freight does not continue, and we may not be able to prepare for or predict future shifts in demand for particular transportation services, which may have a materially adverse effect on our business.

Competition and consolidation in the freight forwarding and contract logistics industries may materially adversely affect our business.

The freight forwarding and contract logistics industries in which we operate are highly competitive, and we expect them to remain so in the foreseeable future. If we do not have sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete successfully against other companies. The competition we face may also increase as a result of consolidation within the contract logistics and freight forwarding industries. If as a result of such consolidation, our competitors are able to obtain more favorable terms from suppliers, offer more comprehensive services to customers, or otherwise take actions that could increase their

competitive strengths, our competitive position and therefore our business, results of operations and financial condition may be materially adversely affected.

Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations and limit our ability to react to changes in the economy or our industry.

As of December 31, 2013, after giving pro forma effect to the Transactions, we would have had $2,232 million of outstanding total indebtedness excluding unamortized debt issuance costs and debt issuance costs relating to the Transactions. Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt depends on a range of economic, competitive and business factors, many of which are outside our control. Our business may not generate sufficient cash flow from operations to meet our obligations, and currently anticipated cost savings, operating improvements and other cash management initiatives may not be realized on schedule, or at all. In the event we require additional external financing, we would need to seek new commitments from existing or new lenders, and there can be no assurance that such financing will be available on acceptable terms or at all or that we will be permitted to incur such financing under our existing debt agreements. In addition, we expect that, to the extent that the aggregate amount of outstanding revolving loans exceed 30% of the revolving commitments under the Senior Secured Facilities, the agreement governing the Senior Secured Facilities will require us to maintain a ratio of net first lien secured debt to EBITDA (as defined in the agreement governing our Senior Secured Facilities) of no more than 5.35 to 1.0, tested on a quarterly basis. Certain of our other indebtedness contains, or will contain, a number of restrictive covenants that will impose significant operating and financial restrictions on us. See "Description of Other Indebtedness," "Description of the New First Lien Senior Secured Notes" and "Description of the New First-and-a-Half Priority Lien Notes." Our inability to comply with these obligations or generate sufficient cash flow to satisfy our debt, or to refinance our obligations on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations.

Our substantial indebtedness impacts our flexibility in operating our business and could have important consequences for our business and operations, including the following:

- it may limit our flexibility in planning for, or reacting to, changes in our operations or business or developments in market conditions;
- it may make us more vulnerable to downturns in our business or the economy;
- a substantial portion of our cash flows from operations will be dedicated to the repayment of our indebtedness and will not be available for other purposes;
- it may restrict us from making strategic acquisitions, introducing new technologies, or exploiting business opportunities; and
- it may materially adversely affect terms under which suppliers provide material and services to us.

In the event the Company requires additional external financing, there can be no assurance that such financing will be available on acceptable terms or at all.

At December 31, 2013, after giving pro forma effect to the Transactions, we would have had $574 million in cash. In addition to this cash, after giving pro forma effect to the Transactions, we would have had access to $556 million of central credit facilities, of which $274 million was drawn at December 31, 2013. Accordingly, at December 31, 2013, after giving pro forma effect to the Transactions, we would have had total cash and available central credit facilities of $856 million. In the event we are unable to increase the borrowing capacity under the Senior Secured Facilities as part of the Concurrent Transactions or if we require additional external financing following the Transactions, we would need to seek new commitments from existing or new lenders, and there can be no assurance that such financing will be available on acceptable terms or at all or that it will be permitted to incur such financing under our existing debt agreements.

A failure to maintain and continuously improve our information technology and operational systems to support the anticipated growth and improvements in our operations could have a material adverse effect on our business and operations.

To manage our growth and improve our performance, we must maintain and continuously improve our operational systems and processes. Recently, we substantially completed two projects to update our operations: (1) the outsourcing of our financial processes and (2) the streamlining of our Freight Management systems. We cannot assure you that we will be able to develop and implement, on a timely basis, projects, systems, procedures and controls required to support the growth and development of our operations. If we are unable to manage our growth and improve our performance, our business, results of operations and financial condition may be materially adversely affected.

In addition, we expect our customers will continue to demand more sophisticated and fully integrated information technology systems compatible with their own information technology environment. Our information systems must frequently interact with those of our customers and service providers and must function across multiple territories. Our future success will depend on our ability to employ software that meets industry standards and customer demands across multiple territories, and to continue to upgrade and develop our software to ensure it remains state of the art. The failure of the hardware or software that supports our information technology systems or the loss of data in the systems, or the inability to access or interact with our customers electronically, could significantly disrupt customer workflows and cause economic losses for which we could be held liable and that would damage our reputation. If we fail to meet the demands of our customers or protect against disruptions of our own and our customers' operations, we may lose customers, which could materially adversely affect our business, results of operations and financial condition.

We have certain customers and operate in certain industries that represent a considerable portion of our revenues.

Although we have a relatively diversified customer base, with our top 10 customers representing approximately 22% of our revenues in 2013 and our largest customer representing approximately 5% of our revenue, we do have some customers that represent a considerable portion of our revenue. If a major customer decides to terminate or not renew existing contracts or arrangements, decides to reduce the services we provide to them, seeks to renegotiate the terms of our contracts in ways that are adverse to us or becomes bankrupt, insolvent or otherwise unable to pay for our services, this could have a material adverse effect on our business, results of operations and financial condition.

In addition, our services focus on specific industry sectors, and we are therefore directly impacted by market developments and economic conditions in these sectors. Our single largest sector is automotive, which accounted for approximately 28% of our revenues in 2013. Other sectors to which we have substantial exposure include technology, consumer & retail, industrial and energy. Future downturns in any of these sectors, or any other sector that we serve—including plant closings, bankruptcies and consolidations—could materially harm our business, results of operations and financial condition.

Apollo controls us pursuant to the terms of the LLC Agreement and may have conflicts of interest with our investors or us in the future.

Pursuant to contractual arrangements under the Second Amended and Restated Limited Liability Company Agreement of Holdings (the "*LLC Agreement*"), Apollo and its affiliates hold a majority of the share voting power of Holdings and have the right to appoint a majority of the members of the board of managers of Holdings until the Sunset Date (as defined in the LLC Agreement). The LLC Agreement provides that the members of Holdings shall direct the Company to cause the board of directors of the Company to be identical to the board of managers of Holdings; therefore the boards of both Holdings and the Company are identical. See "Management—Board Structure and Non-Employee Director Compensation" for additional discussion of the LLC Agreement. As a result, Apollo controls our ability to enter into any corporate transaction and can prevent any transaction that requires the approval of equity holders, regardless of whether the holders of the notes believe that any such transactions are beneficial to their interests. For example, Apollo could cause us to make acquisitions that increase the amount of indebtedness that is secured on an equal priority basis to the notes or to sell revenue-generating assets, impairing our

ability to make payments under the notes. Additionally, Apollo is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete, directly or indirectly, with us. Apollo may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as Apollo continues to control Holdings pursuant to the LLC Agreement, it will continue to be able to strongly influence or effectively control our decisions. Because our equity securities are not registered under the securities laws of the United States or in any other jurisdiction and are not listed on any U.S. securities exchange, we are not subject to any of the corporate governance requirements of U.S. securities authorities or U.S. securities exchanges.

Following the consummation of this offering and the Concurrent Transactions, the change of control provisions in the indentures governing the notes offered hereby and the Existing Notes and the change of control provisions in the Senior Secured Facilities will not be triggered if Apollo ceases to have the right to appoint a majority of the board of managers of Holdings, which is one of several factors used in determining whether the Sunset Date has occurred. Accordingly, the Sunset Date may occur in the future after the closing of this offering and the Concurrent Transactions. Upon the occurrence of the Sunset Date, the members of the board of managers of Holdings and of CEVA's board of directors may change because Apollo will only have the contractual right to designate one member rather than the majority of the members under the LLC Agreement and Apollo will no longer hold a majority of the share voting power of Holdings.

We are dependent on key members of our leadership team and other qualified personnel, and an inability to attract and retain qualified employees could materially adversely affect us.

Our ability to operate our business and implement our strategies depends, in part, on the efforts of key members of our leadership team and other qualified personnel, and our future success will depend on, among other factors, our ability to attract and retain qualified management, sales representatives, agents, carrier representatives and other qualified personnel. The loss of the services of our key employees or the failure to retain and attract other qualified personnel could have a material adverse effect on our business, results of operations and financial condition. Moreover, the market for qualified individuals may be highly competitive and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees, should the need arise.

We may be required to expend significant time and expense in dealing with our employees, some of whom are subject to stringent local employment laws that are onerous to employers, including with respect to labor and employment litigation.

Some of our employees reside in countries with stringent labor and employment laws that provide significant bargaining or other rights which can be onerous to employers. Compliance with these laws may limit our flexibility in and increase the cost of managing our relations with our employees. For example, many of our employees in Europe are represented by works councils, which have certain rights to approve changes in conditions of employment, including restructuring initiatives and changes in salaries and benefits. While we believe we maintain good relationships with our employees and their representatives, a significant dispute could disrupt our operations, divert management's attention and otherwise hinder our ability to conduct our business or to achieve planned cost savings.

Furthermore, as part of our business development, we may take assignment of employment arrangements from our customers or build up long-term employment records with our employees, which may cause us, in some territories, to assume by operation of law certain rights and obligations relating to such employees. Unanticipated liabilities or extended commitments from such arrangements could materially adversely affect our business, results of operations and financial condition.

Additionally, we have been and currently are subject to numerous proceedings and disputes which allege various causes of action and raise legal challenges to our labor and employment practices, particularly in Brazil and Italy, which have litigious and unpredictable legal environments with respect to employment. These proceedings in Brazil and Italy include individual claims and lawsuits, disputes with unions and governmental or quasi-governmental investigations of our labor practices and in Brazil supervision of our labor practices. Any failure in our ability to manage employment litigation and related regulatory risks in Brazil, Italy or any of the other

jurisdictions in which we operate could have a material adverse effect on our business, results of operations and financial condition.

If we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees were to engage in a strike or other work stoppage, our business and operating results could be materially adversely affected.

As of December 31, 2013, approximately half of our employees were unionized or represented by works councils that have collective bargaining agreements. We cannot assure you that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, or if disputes with our unions arise or our unionized workers engage in a strike or other work stoppage, we could incur higher labor costs or experience a significant disruption of operations, which could have a material adverse effect on our business, results of operations and financial condition.

Our business is subject to various laws and regulations around the world; failure to comply with these provisions, as well as any adverse changes in applicable laws and regulations, may restrict or prevent us from doing business in certain countries or jurisdictions, require us to incur additional costs in operating our business or otherwise materially adversely affect our business.

The supply chain management services we provide are regulated by various governmental authorities around the world. A failure to comply with applicable laws and regulations and maintain appropriate authorizations could result in substantial fines, operational restrictions or possible revocations of authority to conduct operations, which could have a material adverse impact on our business, results of operations and financial condition. Future regulations or changes in existing regulations, or in the interpretation or enforcement of regulations, could require us or our customers to incur additional capital or operating expenses or modify business operations to achieve or maintain compliance. For example, the global responses to terrorist threats have resulted in a proliferation of cargo security regulations which have created a marked difference in the security arrangements required to move shipments around the globe, and we expect regulations to become more stringent in the future.

In addition, due to the cross-border nature of our activities and the large number of countries in which we operate, we must continually monitor our compliance with anti-corruption laws (including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act), trade control and sanctions laws and regulations (including those promulgated and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("*OFAC*") and by other national and supranational institutions) and antitrust and competition laws. Recent years have seen a substantial increase in global enforcement of these laws, with more frequent voluntary self-disclosures by companies, industry-wide investigations and criminal and civil enforcement proceedings by U.S. and other government agencies resulting in substantial fines and penalties.

We may be subject to criminal and civil penalties and other remedial measures as a result of any violation of such laws and regulations, which could have a material adverse effect on our business, results of operations and financial condition. While we have in place policies and procedures relating to compliance with these laws, there can be no assurance that our internal policies or procedures will work effectively to ensure that we comply with such laws and regulations all of the time or to protect us against liability under such laws and regulations for actions taken by our employees or by our third-party service providers (or their subcontractors) with respect to our business, which may be outside our direct control or knowledge.

For example, through an internal review of our global operations, we identified certain transactions in an Initial Notice of Voluntary Self-Disclosure that CEVA filed with OFAC on October 28, 2013. CEVA's review is ongoing. CEVA will file a supplemental voluntary disclosure with OFAC after completing its review. The internal review indicates that in February 2013, CEVA Freight Holdings (Malaysia) SDN BHD ("*CEVA Malaysia*") provided customs brokerage for export and local haulage services for a shipment of polyethylene resin to Iran shipped on a vessel owned and/or operated by HDS Lines, included on the Specially Designated Nationals and Blocked Persons List maintained by OFAC. In September 2013, CEVA Malaysia provided customs brokerage services for the import into Malaysia of fruit juice from Alifard Co. in Iran via HDS Lines. These transactions violate the terms of internal CEVA compliance policies, which prohibit transactions involving Iran. Upon

discovering these transactions, CEVA promptly launched an internal investigation, and is taking action to block and prevent such transactions in the future. CEVA intends to cooperate with OFAC in its review of this matter.

We are or have been subject to investigations into possible price-fixing and other improper collusive activity by various law enforcement authorities, which may form the basis for criminal and/or civil charges and sanctions that could materially adversely affect our business, results of operations and financial condition.

We are or have been subject to, and cooperating with, inquiries and/or investigations by the European Commission ("*EC*") and governmental authorities in certain other jurisdictions regarding possible price fixing and other improper collusive activity. Several investigations (including by the U.S. Department of Justice ("*DOJ*") and by authorities in Canada, Japan, New Zealand and Switzerland) have been resolved. In February 2010, we received a statement of objections from the EC concerning our alleged participation in certain price-fixing cartels in the air freight forwarding business in violation of the European Union antitrust rules. We submitted a response, and on March 28, 2012, the EC issued its ruling. The EC ruled that EGL, Inc. and two of its subsidiaries (now known as CEVA Freight (UK) Limited and CEVA Freight Shanghai Limited) had violated European Union competition law by participating in two infringements of competition law in relation to the pricing of two discrete fees. The EC imposed a total fine of approximately $4 million on EGL, Inc. and its subsidiaries, which we have paid pending our appeal, which has been filed. We have cooperated with the EC throughout its investigation and received substantial reductions in fines as a result. Other jurisdictions in which we are subject to antitrust investigation or inquiry include Brazil and Italy, where we received notice of a fine, which we have paid pending our appeal, and Singapore, where we received a letter of inquiry dated December 14, 2011. In addition, we entered into a settlement agreement in a putative class action lawsuit in the U.S. related to alleged price fixing activities, which the court approved on September 23, 2013 and dismissed the case with prejudice. We have recorded provisions in respect of certain of these matters in our accounts.

Some of these investigations have resulted in, and pending matters could result in, additional impositions of administrative or civil sanctions against us, including fines, penalties, damages and debarment from federal contracting in the U.S. or other sanctions, and could have a material adverse effect on our business, results of operations and financial condition. Additional information on the antitrust investigations and related class-action litigation and certain other legal risks is disclosed under "Business—Litigation and Legal Proceedings—Surcharge Antitrust Investigation and Litigation."

If regulatory authorities or courts determine that our owner-operators are employees, our costs related to tax, unemployment compensation and workers' compensation payments could increase significantly.

Our Freight Management operations in the United States rely primarily on drivers who are independent contractor owner-operators. The owner-operator model is periodically challenged by federal and state governmental and regulatory authorities, including tax authorities, as well as by individual drivers as private plaintiffs, seeking to have drivers reclassified as employees rather than independent contractors. We are currently subject to a lawsuit in California, as well as a regulatory action arising out of an audit by California's Employment Development Department, each in connection with the classification of independent contractor owner-operators. See "Business—Litigation and Legal Proceedings—Independent Contractor-Related Proceedings."

If our independent contractor drivers were to be deemed to be employees, whether due to regulatory or judicial determinations or changes in applicable federal and state laws and regulations, it could, among other things, entitle drivers to reimbursement by us of certain expenses and to the benefit of wage-and-hour laws, subject us to employment and withholding tax and benefit liabilities, significantly increase our unemployment compensation and workers' compensation payments, and have other substantial negative financial, tax and operational impacts on our business, and would require significant changes to how our Freight Management operations are conducted. As a result, our operating costs could increase significantly and our business, results of operations and financial condition could be materially adversely affected.

We may acquire businesses in the future that are difficult to integrate, disruptive to our existing businesses or are based on valuation determinations and projections that prove to be inaccurate.

Acquisition opportunities that we may pursue in the future could subject us to various risks, including (1) difficulties in integrating the acquired business with our existing operations; (2) disruptions to our existing businesses and diversion of management's attention or other resources; (3) failure of the acquired business to achieve anticipated financial results; and (4) unanticipated liabilities of the acquired business. If these factors limit our ability to integrate the acquired operations successfully or on a timely basis, our business, results of operations and financial condition may be materially adversely affected.

We are subject to risks associated with the global scope of our operations.

We have significant operations in multiple jurisdictions throughout the world. Risks inherent in the global scope of our operations include, but are not limited to, changes in local economic conditions, storms, floods, other natural and manmade disasters, riots, fires, sabotage, acts of terrorism, civil commotion or civil unrest, interference by civil or military authorities, expropriation or trade protectionism or other similar government actions and other conflicts or unstable political conditions. For example, recent political turmoil in Thailand, including political demonstrations in Thailand have affected our volumes and business growth in Thailand. In response to these and other political conflicts, the international community may impose stricter import and export controls and economic sanctions which could adversely affect our business in such region. In addition, our global operations require us to comply with various laws such as anticorruption laws and economic laws in various jurisdictions. Any of these factors could materially adversely affect our business, financial condition and results of operations.

We are subject to currency fluctuation risks relating to the different currencies in which we conduct and report the results of our business.

As a result of our global operations, our business, results of operations and financial condition may be materially adversely affected by fluctuations in currency exchange rates. For example, we are subject to currency risks because our revenues may be generated in different currencies from the currencies in which our related costs are incurred, and because our cash flow may be generated in currencies that do not match our debt service obligations. In addition, our reporting currency is the euro, and therefore our reporting results are subject to translational risks relating to currency exchange rate fluctuations. Given the volatility of exchange rates, our failure to effectively hedge or otherwise manage such currency risks effectively may materially adversely affect our financial condition and results of operations.

Changes in our effective income tax rate and results of tax audits could materially adversely impact our results of operations, cash flows and profitability.

As a global company, we generate taxable income in different countries throughout the world, with different effective income tax rates. Our future effective income tax rate will be impacted by a number of factors, including the geographic composition of our worldwide taxable income and our ability to allocate debt effectively. If tax authorities in the jurisdictions in which we operate were to change applicable tax laws or successfully challenge the manner in which our income taxes are currently recognized, our effective income tax rate could increase, which would adversely impact our cash flow and profitability. Furthermore, in many of these jurisdictions, the tax laws are very complex and are open to different interpretations and application. We are regularly under audit by tax authorities within a number of jurisdictions. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our tax provisions and accruals and negatively impact our financial results.

We are a party to several joint ventures, and our ability to manage and develop the businesses conducted by these joint ventures depends on our relationship with our joint venture partners.

We have entered into joint venture arrangements in multiple jurisdictions, including our Anji-CEVA joint venture in China. Under these arrangements, our joint venture partners have certain rights to exercise control or influence over operations and decision-making. Therefore, our ability to manage and develop these operations may

be limited, and we may be unable to prevent actions that we believe are not in our best interests or the best interests of the relevant joint venture. The continued viability of these joint ventures depends on our relationship with, and the cooperation of, our joint venture partners.

We are subject to risks related to legal claims and proceedings filed by or against us, and adverse outcomes in these matters may materially harm our business.

We are subject to various claims, litigation, investigations and other legal proceedings, and we cannot predict with certainty the cost of defense, prosecution or the ultimate outcome of claims filed by or against us. Legal claims and proceedings may relate to labor and employment, commercial arrangements, personal injury and property damage claims (including claims seeking to hold us liable for accidents involving our independent owner-operators), international trade, intellectual property, environmental, health, and safety, tariff enforcement, property damage, subrogation claims and various other matters. Adverse outcomes in these matters may materially adversely affect our business, results of operations and financial condition.

We may face significant costs or liabilities associated with environmental, health and safety matters.

We and many of our customers handle hazardous materials in the ordinary course of operations. In connection with these operations, there have been in the past, and may be in the future, spills or releases of hazardous materials into the environment. At sites we own, lease or operate or have previously owned, leased or operated, or where we have disposed or arranged for the disposal of hazardous materials, we could be liable for historical contamination. We have been, and may in the future be, required to participate in the remediation or investigation of, or otherwise bear liability for, such releases and be subject to claims from third parties whose property damage or personal injury is caused by such releases or other contamination. Furthermore, if we fail to comply with applicable environmental, health and safety laws and regulations, we may face administrative, civil or criminal fines or penalties, including bans on making future shipments in particular geographic areas, and the suspension or revocation of necessary permits, licenses and authorizations, all of which may materially adversely affect our business, results of operations and financial condition.

Current and future environmental, health and safety laws, regulations and permit requirements could require us to make changes to our operations, or incur significant costs relating to compliance. For example, as climate change issues become more prevalent, foreign, federal, state and local governments and our customers have been responding to these issues. National and transnational laws and initiatives to reduce and mitigate the effects of climate change, such as the Kyoto Protocol, could significantly impact transportation modes and the economics of the transportation industry. Environmental laws have tended to become more stringent over time. The increased focus on environmental sustainability may result in new regulations and customer requirements, or changes in current regulations and customer requirements, which could materially adversely affect our business, results of operations and financial condition.

Although we purchase insurance coverage in the ordinary course of our business, it may not address all of our potential exposures or, in the case of substantial losses, may be inadequate.

We purchase insurance coverage to address risks of losses and liability associated with our operations, which primarily relate to equipment and property damage or loss (including damage or loss of goods and property of our customers), bodily injury and workers' compensation claims. However, our insurance coverage may be inadequate in the case of substantial losses, or our insurers may refuse to cover us on specific claims. If we are unable to obtain insurance coverage, whether at an acceptable cost or at all, or if there is an increase in the frequency or amount of claims against us or our liability as a result of these claims, our business, results of operations and financial condition may be materially adversely affected.

Potential future changes in accounting standards may impact reporting of our performance and our financial position.

Future changes in accounting standards or practices, and related legal and regulatory interpretations of those changes, may adversely impact public companies in general, the transportation industry, or our operations

specifically. Our consolidated financial statements are prepared in accordance with IFRS, as promulgated by the IASB. For example, as disclosed on page F-10 herein, beginning on January 1, 2014, we will no longer be consolidating our 50%-owned joint venture in China, Anji Automotive Logistics Company Limited ("*Anji*"), which generated $18 million of EBITDA in 2013, on a proportional consolidation basis and instead will be required to reflect the results of Anji under the equity method of accounting. Accordingly, its assets (including $132 million of current assets, $52 million of which is cash) and its $109 million of current liabilities, as stated on page F-34 herein, will no longer be reflected on our balance sheet and we will record our equity interest in Anji on our balance sheet. Beginning with the March 31, 2014 quarterly report, our consolidated financial statements will reflect this new equity method accounting treatment (and the comparable periods in 2013 will be restated to reflect the same equity method of accounting treatment). The impact of using proportional consolidation for Anji is disclosed in notes 5 and 19 to Holdings' consolidated financial statements included elsewhere herein.

In addition, the IASB recently issued a proposal on lease accounting that could significantly change the accounting and reporting for lease arrangements. We often use operating leases to match the terms of customer contracts. The main objective of the proposed standard is to create a new accounting model that would replace the existing concepts of operating and capital leases with models based on "right-of-use" concepts. The proposed new models would result in the elimination of most off-balance sheet lease financing for lessees, such as operating leases, and would apply to the accounting for all leases, with some exceptions. The draft proposals would bifurcate operating lease payments into rental and interest components, which may increase our reported Adjusted EBITDA, and bring future lease obligations and the leased asset onto the consolidated balance sheet, which may increase our reported debt obligations. If adopted, these potential changes in IFRS regarding how we and our customers are required to account for leases could have a material adverse effect on our business, results of operations and financial condition.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $614 million from the issuance of the notes after deducting discounts to the initial purchasers and estimated fees and expenses. We intend to use the net proceeds of the offering of the notes, the net proceeds from the Senior Secured Facilities and the Holdings Contribution to fund the Cash Debt Tenders, the refinancing of the Senior Secured Facilities, the repurchase or redemption of the 12% Senior Notes, the redemption of any of the Debt Tender Notes not tendered pursuant to the Cash Debt Tenders and the repurchase of a portion of the Second Lien PIK Notes. None of the proceeds from the offering of the New First Lien Senior Secured Notes will be used to fund the refinancing of the Existing First-and-a-Half Priority Lien Notes or the Second Lien PIK Notes. In the Holdings Contribution, Holdings will use all of the cash proceeds from such repurchase of the Second Lien PIK Notes to make a contribution to the capital of CEVA such that Holdings will not receive, on a net basis, any cash proceeds from this offering. We will use the proceeds of the Holdings Contribution to partially finance the Cash Debt Tenders and redemptions described above. The Holdings Contribution will not increase the amount available for restricted payments under the indentures governing the notes (and the repurchase of Second Lien PIK Notes will not reduce the amount available). The closing of this offering is conditioned upon the consummation of the Concurrent Transactions. See "Summary—Concurrent Transactions." We may use any remaining net proceeds from the issuance of the notes for general corporate purposes, which may include repurchases or redemptions of our other outstanding indebtedness.

In connection with the repayment and redemption of the indebtedness set forth above, certain of the initial purchasers and their respective affiliates will receive proceeds from this offering. For additional information, see "Plan of Distribution."

CAPITALIZATION

The following table sets forth Holdings' cash and cash equivalents and capitalization at December 31, 2013, on a historical basis and on a pro forma basis after giving effect to the Transactions as if they had been completed as of December 31, 2013 and assuming that:

- holders of the Debt Tender Notes will validly tender (and not validly withdraw) by 5:00 p.m., New York City time, on March 17, 2014, the consent date for the Cash Debt Tenders:
  - approximately $562 million, or 100%, of the 8.375% First Lien Senior Secured Notes;
  - approximately $210 million, or 100%, of the Existing First-and-a-Half Priority Lien Notes;
  - approximately $12 million, or 100%, of the 11.5% Senior Notes; and
- CEVA will accept for purchase all of the Debt Tender Notes in the Cash Debt Tenders and pay the applicable Total Consideration (plus accrued and unpaid interest to, but not including, March 19, 2014) with respect thereto; and
- CEVA will redeem or repurchase approximately $7 million, or 100%, of the 12% Senior Notes at or prior to their maturity date of September 1, 2014.

Certain of our borrowings are denominated in currencies other than U.S. dollars, mainly denominated in euro. Amounts expressed below represent the approximate U.S. dollar equivalent of such amounts with euro amounts converted into U.S. dollar using the exchange rate in effect on December 31, 2013 of €0.7252 = $1.00. This table should be read in conjunction with "Risk Factors," "Use of Proceeds," "Operating and Financial Review and Prospects," "Description of the New First Lien Senior Secured Notes," "Description of the New First-and-a-Half Priority Lien Notes" and all of the financial statements, including the notes thereto included elsewhere in or incorporated by reference into this offering circular.

	As at December 31, 2013			
	Actual	**Adjustments for the Offering**	**Adjustments for the Concurrent Transactions**	**Pro forma for the Transactions**
		($ millions)		
Cash and cash equivalents[1]	**$ 574**			**$ 574**
Short-term borrowings[2]				
12% Senior Unsecured Notes due 2014[3]	7		(7)	-
Other short-term borrowings[4]	153			153
Total Short-term borrowings	**160**			**153**
Long-term borrowings[5][6]				
Senior Secured Facility—Revolving Loans[1][7]	-			-
Senior Secured Facility—Term Loan due 2016	536		(536)	-
New First Lien Term Loan			809	809
New First Lien Senior Secured Notes offered hereby		300		300
8.375% First Lien Senior Secured Notes	562		(562)	-
4.00% First Lien Senior Secured Notes[8]	342			342
Existing First-and-a-Half Priority Lien Notes due 2016	210		(210)	-
New First-and-a-Half Priority Lien Notes offered hereby		325		325
11.5% Senior Notes due 2018	12		(12)	-
12.75% Senior Notes	43			43
U.S. ABL Facility[1]	153			153
Australian Receivables Facility	35			35
Other long-term borrowings[9]	72			72
Total long-term borrowings	1,965			2,079
Total borrowings[5]	2,125			2,232
Total equity	306			306
Total capitalization	2,431			2,538

(1) Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In addition, on a historical basis, we had access to $178 million of undrawn central credit facilities at December 31, 2013 (including $145 million of the Company's $247 million revolving credit facility and availability under the U.S. ABL Facility). After giving pro forma effect to the Transactions (including the increase in the revolving credit facilities to $250 million), we would have had access to $282 million of undrawn central credit facilities.

(2) Short-term borrowings include bank overdrafts, bank borrowings and finance leases, but exclude amortization payments due on term loans.

(3) On an actual basis, reflects the approximately €5 million outstanding principal amount of the 12% Senior Notes using the exchange rate in effect on December 31, 2013 of €0.7252 = $1.00.

(4) Relates to finance leases and other local short-term debt.

(5) Excludes (i) unamortized debt issuance costs of $45 million at December 31, 2013 and debt issuance costs relating to the Transactions and the notes offered hereby which cannot be determined at this time, (ii) the carrying value, on a historical basis, of $678 million aggregate amount (versus a principal amount of $724 million) of Second Lien PIK Notes outstanding at December 31, 2013 and (iii) the carrying value, on a pro forma basis, of $591 million aggregate amount (versus a principal amount of $631 million) of Second Lien PIK Notes, which, in the cases of clauses (ii) and (iii), have been eliminated as an intercompany liability in consolidation.

(6) Long-term borrowings excludes letters of credit, including letters of credit issuable under our $275 million synthetic letter of credit facility, which we do not account for as debt, although letters of credit are treated as "indebtedness" under the indentures governing the notes. As of December 31, 2013, on a historical basis, $161 million of letters of credit were issued but undrawn under the $169 million synthetic letter of credit facility (which will increase to a $275 million synthetic letter of credit facility after giving pro forma effect to the Transactions).

(7) As of December 31, 2013, we had access to $145 million of the Company's $247 million revolving credit facility under our Senior Secured Facilities (as of December 31, 2013, on a historical basis, $102 million of letters of issued but undrawn letters of credit were outstanding). After giving pro forma effect to the Transactions, we would have had access to $250 million of the $250 million revolving credit facility (with no letters of credit outstanding on a pro forma basis).

(8) Represents the carrying value at December 31, 2013 (versus a principal amount of $390 million).

(9) Relates to finance leases and other local long-term debt.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis is based principally on our historical consolidated financial statements of Holdings as of and for the year ended December 31, 2013 and the historical consolidated financial statements of CEVA as of and for the year ended December 31, 2012 prepared in accordance with IFRS, included in or incorporated by reference into this offering circular. The following discussion is to be read in conjunction with "Summary Historical and Pro Forma Consolidated Financial Data," "Business" and our historical consolidated financial statements and the notes thereto included in or incorporated by reference into this offering circular.

These historical financial statements have been prepared in accordance with IFRS as adopted by the EU. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. However, we do not believe that our financial statements for the periods presented would be materially different had they been prepared in accordance with IFRS as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU.

The following discussion and analysis includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering circular. See "Disclosure Regarding Forward-Looking Statements" and "Risk Factors."

Overview

We are the world's fourth largest fully integrated logistics solution provider, as measured by 2012 revenues. We design, implement and operate complex, end-to-end supply chain solutions using a combination of international and local air, ocean and ground freight forwarding, contract logistics and other value-added services. We operate globally in over 170 countries in more than 1,000 locations, serve approximately 15,000 customers primarily in five key industries: automotive, consumer and retail, technology, industrial and energy. CEVA leverages its sector-focused expertise, global and local resources and advanced technology systems to deliver a complete spectrum of supply chain services to our clients on a global scale. Our services enable our clients to focus on their core competencies while reducing their costs and inventory levels, shortening their lead time to market, and enhance their supply chain visibility. Our asset-light strategy enables us to more quickly scale our operations in order to adapt to changing industry conditions and environments, and supports our free cash flow generation. In combination with flexible operations, our expansive geographic coverage serves the increasingly international supply chain needs of our customers. We generated approximately 33% of the 2013 revenues from high-growth geographies, including Asia Pacific (excluding Japan, Korea, Australia and New Zealand), Latin America, Eastern Europe, the Middle East and Africa, and has leading positions in North America and Western Europe. With sales generated across a balanced business, geographic and industry mix, we have a well-diversified revenue stream and significant access to growth opportunities. For the fiscal year ended December 31, 2013, we generated $8.5 billion of revenue, $277 million of Adjusted EBITDA (as described under "Summary—Summary Historical Segment Data) and $393 million of Pro Forma Adjusted EBITDA (as described under "Summary—Pro Forma Financial Information and Ratios").

We offer a wide range of services that are classified into two business segments: Freight Management and Contract Logistics. We are one of the leading companies in freight management globally, coordinating the movement of products and materials by air, sea or ground. Our contract logistics business, which provides warehousing and ground-based distribution services, is the second largest in the world, as measured by 2012 revenues. We utilize our full suite of services and leverage synergies between our two segments to deliver integrated end-to-end solutions to our customers. As a result of our strong product mix and global scale, we are able to serve both international and regional customers and benefit from secular trends in the overall globalization of trade and manufacturing.

We have a strong presence in targeted industries where we believe our services are most valued and which have a high potential for growth. Our expertise in these industries has been developed through long-term partnerships with our customers, as evidenced by an average relationship of approximately 19 years (as of December 31, 2013) with our top 20 clients. We serve 23 of the top 25 supply chains in the world, based on operational and

financial performance and peer surveys as defined by Gartner. Our customer base includes blue chip clients such as Ford, Heinz, Honda, Procter & Gamble, Lenovo, SAIC, GM, Transocean and GE. Our customer portfolio is also well balanced, with our top 10 customers representing approximately 22% of our 2013 revenues and our largest customer representing approximately 5%.

Key Performance Indicators

In considering the financial performance of the business, management analyzes each of the primary financial performance measures of revenue and Adjusted EBITDA in both of our business segments. Adjusted EBITDA is not a measure defined by IFRS. The most directly comparable IFRS measure to Adjusted EBITDA is our profit or loss for the period.

We believe Adjusted EBITDA, as defined below, is useful to investors as it excludes items which do not impact the day-to-day operations and which management in many cases does not directly control or influence. Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of our company and in comparison to other companies, many of which present an Adjusted EBITDA-related performance measure when reporting their results. Adjusted EBITDA, as defined below, is also a key component of the measures used under the senior secured credit facilities to evaluate compliance with our debt covenants.

Adjusted EBITDA is defined as profit or loss before income taxes, profits from investments in associates, net financial expenses, depreciation, amortization and impairment and specific items. See "Summary—Summary Historical Statements of Income Data." Specific items are excluded from the measure of business performance used by management to monitor its operating and financial performance, because they are considered to be exceptional by virtue of their size, nature or incidence and therefore distort the comparability of our reporting of financial performance from period to period. Management believes that in separately presenting financial performance both before and after specific items, it is easier for investors to read and interpret our financial performance between periods on a comparable basis.

Adjusted EBITDA has limitations as an analytical tool. It is not a recognized term under IFRS and therefore does not purport to be an alternative to profit or operating profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Neither Adjusted EBITDA nor specific items used to calculate Adjusted EBITDA is necessarily comparable to similarly titled measures used by other companies. As a result, you should not consider these performance measures, in isolation from, or as a substitute analysis for, our results of operations.

Key Factors Affecting Our Results of Operations

Macroeconomic Conditions

Our customers are affected by the global macroeconomic environment, as well as localized conditions, and their activity levels affect our volumes.

Freight Management

Our revenue is derived from the spread we charge to our customers over the carriers' charges to us for transporting the shipment, in addition to what we charge for customs brokerage and other value-added services. The majority of our small- and medium-sized customers work with us on a transactional basis and so we are able to rapidly adjust the rates we charge based on changes in carrier rates. Where we do have contracts with our customers, these are generally for 12 months or less. We typically have pass-through mechanisms to allow us to adjust rates for certain variables, such as fuel cost surcharges. We typically pre-book transportation capacity, or "block space," based on a portion of our expected volumes on certain trade lanes, which provides us with guaranteed carrier capacity.

Contract Logistics

The majority of our contracts are based on a price per unit, typically with contractual protections for volume and scope changes and indexation clauses, such as fuel cost pass-through. These contracts are generally

multi-year, with an average duration of two and a half years. When we win new business we typically lease assets and hire employees specifically for that contract. A substantial proportion of our leases are scheduled to terminate in line with contract maturities, which we believe enhances our flexibility and reduces the potential overhead burden of unutilized assets.

Currency

Given our global operations, we receive revenue, pay costs, and record income, assets and liabilities in a number of different currencies, and therefore our results are impacted when these currencies fluctuate in relative value among themselves and against the euro, which is our reporting currency. The most significant currencies for our business are the euro, U.S. dollar, British pound and Chinese yuan.

Seasonality

Our intra-year results are subject to seasonal trends, due to holiday seasons, consumer demand, weather and other intra-year variations. Our Freight Management results are generally stronger in the final three quarters of the calendar year, which is partly offset by our Contract Logistics results, which are often weighted to the first half of the year. Our seasonality is also offset to some extent by our sector diversification, as well as the global nature of our business; however, overall our first quarter is generally the weakest.

Results of Operations

This review provides an overview of our consolidated results and the performance of our two segments, Freight Management and Contract Logistics. In the discussion below, segment revenue refers to revenue from external customers. The comparison of the year ended December 31, 2012 to the year ended December 31, 2013 is based on the consolidated financial statements of Holdings for such periods and is presented in U.S. dollars. The comparison of the year ended December 31, 2011 to the year ended December 31, 2012 is based on the consolidated financial statements of the Issuer for such periods and is presented in euros.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2013

Consolidated Results of Holdings

	Holdings			Holdings		
	Year Ended December 31, 2012			Year Ended December 31, 2013		
	Before specific items	Specific items	Total	Before specific items	Specific items	Total
	($ millions)					
Revenue	**9,285**	**—**	**9,285**	**8,517**	**—**	**8,517**
Work contracted out	(4,769)	—	(4,769)	(4,309)	—	(4,309)
Personnel expenses	(2,618)	(39)	(2,657)	(2,483)	(42)	(2,525)
Other operating expenses	(1,577)	(62)	(1,639)	(1,448)	(37)	(1,485)
Operating expenses excluding depreciation, amortization and impairment	**(8,964)**	**(101)**	**(9,065)**	**(8,240)**	**(79)**	**(8,319)**
Other income	—	—	—	—	21	21
EBITDA	**321**	**(101)**	**220**	**277**	**(58)**	**219**
Depreciation, amortization and impairment	(232)	(410)	(642)	(217)	—	(217)
Operating income/(loss)	**89**	**(511)**	**(422)**	**60**	**(58)**	**2**
Net finance expense	(402)	(48)	(450)	(291)	229	(62)
(Loss)/Profit before income taxes	**(313)**	**(559)**	**(872)**	**(231)**	**171**	**(60)**
Income tax expense	(25)	9	(16)	(12)	25	13
(Loss)/Profit for the period	**(338)**	**(550)**	**(888)**	**(243)**	**196**	**(47)**

Revenue

Revenue decreased by 7.0% excluding the effect of disposals and by 8.3% to $8,517 million in 2013 compared to $9,285 million in 2012 including the impact of disposals. 55.7% of our revenue was generated by our Contract Logistics segment, which in 2013 decreased by 2.6% excluding the effect of disposals compared to 2012.

	Year Ended December 31,		
	2012	2013	Change %
	($ millions)		
Segment Revenue:			
Freight Management	4,292	3,775	(12.0)%
Contract Logistics	4,993	4,742	(5.0)%
Total Revenue	**9,285**	**8,517**	**(8.3)%**

Revenue in Freight Management declined by approximately 12.0% mainly due to lower airfreight volumes. Revenue in Contract Logistics declined by 2.6% excluding the effect of disposals and by 5.0% in 2013 after accounting for disposals. This was mainly a result of lower volumes in some key markets, notably in Europe. Additionally several low margin contracts were terminated as part of the restructuring program that was launched during the last quarter of 2012. Revenues, particularly in Freight Management, were also negatively impacted by the loss of volume due to uncertainty created during the Recapitalization which was announced and commenced on April 3, 2013 and successfully closed on May 2, 2013. See "Certain Relationships and Related Party Transactions—The Recapitalization."

CEVA operates throughout the world and is impacted by foreign currency fluctuations, particularly the euro, the British pound and the Chinese Yuan. At constant 2012 exchange rates, our revenue for the year ended December 31, 2013 would have been $8,561 million (2012: $9,285 million), a decrease of 7.8%.

Operating expenses excluding depreciation, amortization and impairment before specific items

Operating expenses excluding depreciation, amortization and impairment before specific items decreased by 8.1% to $8,240 million in 2013.

Cost of work contracted out decreased by 9.6% to $4,309 million in 2013. The decrease was primarily related to the cost of third-party transportation for our air business, driven by softer air freight volumes experienced across the industry, particularly out of Asia.

Personnel expenses before specific items decreased by 5.2% to $2,483 million in 2013. The decrease was primarily driven by lower headcount due to the softer volumes in the air business in particular. Other operating expenses before specific items decreased by 8.2% to $1,448 million. The decrease was primarily related to lower property and equipment costs driven by several contracts that were terminated as part of the restructuring program that was launched during the last quarter of 2012.

Specific items

Specific items incurred in relation to EBITDA decreased from $101 million in 2012 to $58 million in 2013. Specific items related to personnel expenses were $42 million and other operating expenses $37 million in 2013. Personnel expenses were largely one-time costs incurred in relation to the cost reduction programs, while other operating expenses mainly related to implementation of our programs to outsource finance resources and redesign freight management processes.

Adjusted EBITDA

Adjusted EBITDA decreased by 2.8% excluding the effect of disposals and by 13.7% to $277 million in 2013 compared to $321 million in 2012 including the impact of disposals. The general shift in freight modes from air to ocean contributed to this decline as our ocean product generally has lower margins than our air product. Freight Management Adjusted EBITDA in 2013 decreased by 67.7% compared to 2012, mainly due to weak air freight volumes. Contract Logistics Adjusted EBITDA increased by 51.6% excluding the effect of disposals and by 23.0% in 2013 after accounting for disposals. These improvements were driven by higher margins in the Americas and Europe region and a pension curtailment gain of $21 million in Europe. Additionally several low margin contracts were terminated as part of the restructuring program that was launched during the last quarter of 2012. Adjusted EBITDA, particularly in Freight Management, was also negatively impacted by the uncertainty created by the Recapitalization.

Depreciation, amortization and impairment

Depreciation, amortization and impairment decreased by $425 million to $217 million in 2013. This decrease is mainly related to goodwill impairment charges in 2012. No goodwill impairment charges were recognized for the year ended December 31, 2013 (2012: $410 million) as a result of the annual goodwill impairment testing.

Operating income

An operating income was recorded in 2013 of $2 million compared to operating loss of $422 million in 2012. The increase in operating income was driven by the goodwill impairment in 2012 partially offset by the Adjusted EBITDA decline described above.

Net finance expense

Net finance expense decreased by $388 million to $62 million in 2013. This significant decrease is mainly driven by a gain in 2013 of $127 million arising due to the debt for equity exchange completed as part of the Recapitalization and the reversal of accrued interest expenses of $93 million that had been waived as part of the Recapitalization. Interest expenses in the year ended December 31, 2013 were significantly lower due to lower debt levels as a result of the Recapitalization.

	Year Ended December 31,	
	2012	2013
	(*$ millions*)	
Net interest expense on financing	(330)	(121)
Foreign exchange (losses)	(22)	(35)
Other financial (losses)/gains	(98)	94
Net finance expense	**(450)**	**(62)**

Net interest expense on financing, which includes interest expense on our debt and other liabilities net of interest income on our cash and deposits, decreased by $209 million to $121 million in 2013 as a result of significantly lower debt levels in 2013, due to the Recapitalization. The non-cash revaluation of our foreign currency denominated debt resulted in foreign exchange losses of $35 million compared to a $22 million loss in 2012. Other financial profits/(losses) include a gain of $127 million (net of $45 million of transaction costs) arising due to the debt for equity exchange, plus a gain of $54 million arising due to the completed Recapitalization. The transaction also included the reversal of accrued interest payable of $93 million that had been waived as part of the Recapitalization.

Loss before income taxes

Loss before income taxes decreased to $60 million in 2013 compared to a loss of $872 million in 2012. The decrease was mainly driven by a goodwill impairment of $410 million in 2012 and lower net finance expenses in 2013.

Income tax expense

Income tax income was $13 million in 2013 compared to an income tax expense of $16 million in 2012. Income tax included current tax charges of $33 million and $26 million in 2013 and 2012, respectively, primarily related to tax in certain countries where taxable profits are not offset by interest costs or brought forward losses. Current tax charges were offset by deferred tax credits of $46 million and $10 million in 2013 and 2012, respectively, mainly related to tax losses and deferred tax assets not recognized.

Results of Operations for the Freight Management Segment

The following table summarizes our financial results before specific items for our Freight Management business for the years ended December 31, 2012 and 2013:

	Year Ended December 31,		
	2012	2013	% Change
	($ millions) (before specific items)		
Total Revenue	**4,292**	**3,775**	**(12.0)%**
Operating expenses excluding depreciation, amortization and impairment	(4,162)	(3,733)	(10.3)%
Adjusted EBITDA	**130**	**42**	**(67.7)%**

Revenue

Revenue for the Freight Management segment decreased by 12.0% to $3,775 million in 2013 compared to $4,292 million in 2012, while at constant exchange rates revenue was $3,786 million in 2013. Softness in volumes, mainly Airfreight, as market conditions continued to be challenging, was the main driver of this decline in revenue.

Operating expenses excluding depreciation, amortization and impairment

Operating expenses before specific items excluding depreciation, amortization and impairment decreased by 10.3% to $3,733 million in 2013. The decrease was largely driven by the decrease in personnel expenses, mostly due to a decrease in the number of staff required to handle the lower air freight volumes, as well as decreases in wages and property costs. While transportation cost growth varied between modes of freight, overall they increased slightly year-on-year.

Adjusted EBITDA

Adjusted EBITDA decreased by 67.7% to $42 million in 2013, driven by lower volumes, increases in costs and changes in the customer and freight mode mix.

Results of Operations for the Contract Logistics Segment

The following table summarizes our financial results before specific items for our Contract Logistics business segment for the years ended December 31, 2012 and 2013:

	Year Ended December 31,		
	2012	2013	Change %
	($ millions) (before specific items)		
Revenue	**4,993**	**4,742**	**(5.0)%**
Operating expenses excluding depreciation, amortization and impairment	(4,802)	(4,507)	(6.1)%
Adjusted EBITDA	**191**	**235**	**23.0%**

Revenue

Revenue decreased by 2.6% excluding the effect of disposals and by 5.0% to $4,742 million in 2013 compared to $4,993 million in 2012 including the effect of disposals. At constant exchange rates, revenue was $4,775 million in 2013. This was partly a result of the sale of our Container Logistics activities at the start of 2013 and lower volumes in some key markets, notably in Europe. Additionally several low margin or loss making contracts were terminated as part of the restructuring program that was launched during the last quarter of 2012.

Operating expenses excluding depreciation, amortization and impairment

Operating expenses before specific items excluding depreciation, amortization and impairment decreased by 6.1% to $4,507 million in 2013. The decrease in operating expenses was mostly driven by a decrease in third-party transportation costs and personnel costs due to lower volumes from existing business.

Adjusted EBITDA

Adjusted EBITDA increased by 51.6% excluding the effect of disposals and by 23.0% to $235 million in 2013 compared to $191 million in 2012 including the effect of disposals. This was largely driven by higher margins in the Americas and Europe region, a pension credit and cost savings as part of the restructuring program that was launched during the last quarter of 2012. This was partly offset by the sale of our Container Logistics business at the start of 2013. Additionally several low margin or loss making contracts were terminated as part of the restructuring program that was launched during the last quarter of 2012.

Year Ended December 31, 2011 Compared to Year Ended December 31, 2012

Consolidated Results of CEVA

	CEVA					
	Year Ended December 31, 2011			Year Ended December 31, 2012		
	Before specific items	Specific items	Total	Before specific items	Specific items	Total
	(€ millions)					
Revenue	**6,895**	—	**6,895**	**7,224**	—	**7,224**
Work contracted out	(3,516)	—	(3,516)	(3,711)	—	(3,711)
Personnel expenses	(1,944)	(22)	(1,966)	(2,036)	(30)	(2,066)
Other operating expenses	(1,114)	(54)	(1,168)	(1,226)	(48)	(1,274)
Operating expenses excluding depreciation, amortization and impairment	**(6,574)**	**(76)**	**(6,650)**	**(6,973)**	**(78)**	**(7,051)**
EBITDA	**321**	**(76)**	**245**	**251**	**(78)**	**173**
Depreciation, amortization and impairment	(170)	-	(170)	(182)	(312)	(494)
Operating income/(loss)	**151**	**(76)**	**75**	**69**	**(390)**	**(321)**
Net finance expense	(267)	1	(266)	(311)	(37)	(348)
(Loss) before income taxes	**(116)**	**(75)**	**(191)**	**(242)**	**(427)**	**(669)**
Income tax (expense)/income	(32)	7	(25)	(19)	7	(12)
(Loss) for the period	**(148)**	**(68)**	**(216)**	**(261)**	**(420)**	**(681)**

Revenue

Revenue increased by 4.8% to €7,224 million in 2012. 46.3% of our revenue was generated by our Freight Management segment, which in 2012 was the biggest revenue growth driver with an increase of 6.0%.

	Year Ended December 31,		
	2011	2012	Change %
	(*€ millions*)		
Segment Revenue:			
Freight Management	3,152	3,342	6.0%
Contract Logistics	3,743	3,882	3.7%
Total Revenue	**6,895**	**7,224**	**4.8%**

The growth in revenue was driven by a solid performance in our ocean freight business across all our regions, a strong performance in our Contract Logistics business in Asia Pacific and beneficial currency movements. At constant exchange rates, revenue was in line with 2011 results, with flat Freight Management revenue and a 0.3% increase in our Contract Logistics revenue. Growth in Freight Management revenue was constrained by softer air freight volumes experienced across the industry, particularly out of Asia. In Contract Logistics, revenue growth was hampered by soft conditions across various key markets, most evidently in Southern Europe.

Operating expenses excluding depreciation, amortization and impairment before specific items

Operating expenses excluding depreciation, amortization and impairment before specific items increased by 6.1% to €6,973 million in 2012.

Cost of work contracted out increased by 5.5% to €3,711 million in 2012. The increase was primarily related to the cost of third-party transportation for our ocean business to support the strong organic growth, driven by higher volumes as well as higher third-party transport and fuel prices, which were mostly passed on to our customers.

Personnel expenses before specific items increased by 4.7% to €2,036 million in 2012. The growth was primarily driven by inflationary and performance-based cost increases and increased headcount to support the increased volumes in the ocean business in particular. Other operating expenses before specific items increased by 10.1% to €1,226 million. The increase was primarily related to property and equipment costs driven by inflationary increases and the start of new contracts in our Contracts Logistics segment.

Specific items

Specific items incurred in relation to EBITDA increased from €76 million in 2011 to €78 million in 2012. Specific items related to personnel expenses were €30 million and other operating expenses €48 million in 2012. Personnel expenses were largely one-time costs incurred in relation to the cost reduction programs, while other operating expenses mainly related to implementation of our programs to outsource finance resources and redesign freight management processes.

Adjusted EBITDA

Adjusted EBITDA decreased by 21.8% to €251 million in 2012. Despite our revenue growth during the year, our costs increased at a faster rate resulting in a decrease in margins. The general shift in freight modes from air to ocean contributed to this decline as our ocean product generally has lower margins than our air product. In addition, our Contract Logistics operations were affected by the continuing general economic downturn resulting in lower volumes in various key markets, particularly Southern Europe.

Depreciation, amortization and impairment

Depreciation, amortization and impairment increased by €324 million to €494 million in 2012. This increase is mainly related to goodwill impairment charges of €312 million (2011: nil) as a result of the annual goodwill impairment testing. These non-cash impairment charges were primarily driven by the impact on business valuations reflecting challenging economic and competitive conditions. Depreciation increased by €13 million to €92 million in 2011, and amortization of acquisition-related customer relationships and other intangible assets decreased by €1 million to €90 million.

Operating income/(loss)

An operating loss was recorded in 2012 of €321 million compared to operating income of €75 million in 2011. The decrease in operating income was driven by the goodwill impairment and Adjusted EBITDA decline described above.

Net finance expense

Net finance expense increased by €82 million to €348 million in 2012, driven by higher interest expenses, foreign exchange losses and expenses related to various refinancing transactions that took place in the year.

	Year Ended December 31,	
	2011	2012
	(*€ millions*)	
Net interest expense on financing	(246)	(257)
Foreign exchange gains/(losses)	12	(16)
Other financial losses	(32)	(75)
Net finance expense	**(266)**	**(348)**

Net interest expense on financing, which includes interest expense on our debt and other liabilities net of interest income on our cash and deposits, increased €11 million to €257 million in 2012 as a result of the full year

effect of various transactions that refinanced lower cost debt with nearer-term maturities for longer-term maturities but at a higher annual interest expense. The non-cash revaluation of our foreign currency denominated debt resulted in foreign exchange losses of €16 million compared to a €12 million gain in 2011. Other financial losses increased €43 million to €75 million, primarily due to €42 million of non-cash amortization of debt issuance costs largely consisting of accelerated amortization as a result of the refinancing completed on February 1, 2012.

Loss before income taxes

Loss before income taxes increased to €669 million in 2012 compared to a loss of €191 million in 2011. The increase was driven by the impairment of goodwill, higher net finance expenses and decline in our operating results.

Income tax expense

Income tax expense was €12 million in 2012 compared to €25 million in 2011. Income tax expense included current tax charges of €20 million and €42 million in 2012 and 2011, respectively, primarily related to tax in certain countries where taxable profits are not offset by interest costs or brought forward losses. Current tax charges were offset by deferred tax credits of €8 million and €17 million in 2012 and 2011, respectively, mainly related to tax losses.

Results of Operations for the Freight Management Segment

The following table summarizes our financial results before specific items for our Freight Management business for the years ended December 31, 2011 and 2012:

	Year Ended December 31,		
	2011	**2012**	**% Change**
	(*€ millions*) (*before specific items*)		
Total Revenue	**3,152**	**3,342**	**6.0%**
Operating expenses excluding depreciation, amortization and impairment	(3,028)	(3,240)	7.0%
Adjusted EBITDA	**124**	**102**	**(17.7)%**

Revenue

Revenue for the Freight Management segment increased by 6.0% to €3,342 million in 2012, driven by strong revenue growth in our ocean freight forwarding operations and beneficial currency movements. At constant exchange rates, revenue was in line with 2011 results. We believe our ocean growth was driven by increased market share combined with a modal shift from air to ocean freight and higher transportation costs charged by carriers, which we passed through to our customers. Air revenue was negatively impacted by softer freight volumes experienced across the industry during the year, particularly out of Asia, together with lower transportation costs resulting in lower charges passed on to our customers.

Operating expenses excluding depreciation, amortization and impairment.

Operating expenses before specific items excluding depreciation, amortization and impairment increased by 7.0% to €3,240 million in 2012. The increase was largely driven by the increase in personnel expenses, mostly due to an increase in the number of staff required to handle the strong ocean volume growth, as well as increases in wages and property costs. While transportation cost growth varied between modes of freight, overall they remained relatively flat year-on-year.

Adjusted EBITDA

Adjusted EBITDA decreased by 17.7% to €102 million in 2012, driven by an increase in operating expenses. As we did not react quickly enough to control costs, our Adjusted EBITDA declined despite our growth revenue.

Results of Operations for the Contract Logistics Segment

The following table summarizes our financial results before specific items for our Contract Logistics business segment for the years ended December 31, 2011 and 2012:

	Year Ended December 31,		
	2011	2012	Change %
	(*€ millions*) (*before specific items*)		
Revenue	**3,743**	**3,882**	**3.7%**
Operating expenses excluding depreciation, amortization and impairment	(3,546)	(3,733)	5.3%
Adjusted EBITDA	**197**	**149**	**(24.4)%**

Revenue

Revenue increased by 3.7% to €3,882 million in 2012, or by 0.3% at constant exchange rates. Conditions across various key markets were soft in 2012, most evidently in Southern Europe, compensated by a strong performance in Asia Pacific. Customer volumes were higher in the industrial and automotive sectors, while the technology sector was impacted by fewer new product launches and challenging conditions in the telecommunications market.

Operating expenses excluding depreciation, amortization and impairment

Operating expenses before specific items excluding depreciation, amortization and impairment increased by 5.3% to €3,733 million in 2012. The increase in operating expenses was mostly driven by an increase in third-party transportation costs and personnel costs related to increased volumes from existing business, as well as costs associated with starting up various new contracts.

Adjusted EBITDA

Adjusted EBITDA decreased by 24.4% to €149 million in 2012, as the increase in operating expenses exceeded our modest revenue growth. Our margins declined from 5.3% of revenue in 2011 to 3.8% in 2012 due to the margin pressures from starting up new contracts and the challenging conditions in various key markets.

Liquidity and Capital Resources

Our primary sources of cash flow have historically been cash flows from operating activities and proceeds from debt financing. After giving pro forma effect to the Transactions, we believe that cash flow from operating activities, available cash and cash equivalents, along with our access to borrowing facilities, will be sufficient to fund our liquidity requirements for the coming 12 months and going forward (see "Risk Factors—Risks Related to the Notes—We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under the terms of our indebtedness that may not be successful."). At December 31, 2013, we had $752 million of total liquidity, comprised of $574 million in cash and access to $178 million of undrawn credit facilities held centrally, which consist of our Senior Secured Facilities and the U.S. ABL Facility.

After giving pro forma effect to the Transactions as of December 31, 2013, we had access to $856 million of total liquidity, comprised of $574 million of cash and access to $282 million of undrawn committed credit facilities.

Summary Historical Cash Flow Data

	Year Ended December 31,	
	2012	2013
	($ millions)	
Cash flows from operations	183	292
Net cash flows from interest and taxes paid	(410)	(235)
Net cash (used in) from operating activities	(227)	57
Net cash (used in) from investing activities	(103)	106
Net cash from financing activities	391	81
Net increase in cash and cash equivalents	**61**	**244**

Net cash (used in) from operating activities

Cash flows from operations consists primarily of our net gains or loss offset by changes in working capital, depreciation, amortization and impairment and other non-cash adjustments. Fluctuations in our Adjusted EBITDA have been the largest driver of the changes to cash generated from operations from 2012 to 2013. Due to our continued focus on working capital management, our net working capital as a percentage of gross revenue has been between 0% and (2.2)% at the end of the past two years. Our net cash from operating activities represents our cash flows from operations after cash interest and cash taxes paid. Cash flow from interest and taxes paid has become increasingly positive from 2012 to 2013 given the various refinancing activities that have extended our debt maturities, significantly lowered our debt levels and reduced our interest expenses.

Our 2013 net cash from operating activities was an inflow of $57 million compared to an outflow of $227 million in 2012. Cash flow from operations was higher than the prior year due to a decline in Adjusted EBITDA, lower instruct expenses and significant improvements in our working capital management. Interest payments and taxes paid in 2013 were $175 million lower than the prior year, largely due to significantly lower the interest expense as a result of the Recapitalization.

Net Cash used in Investing Activities

Net cash used in investing activities resulted in an inflow of $106 million in 2013 from an outflow of $103 million in 2012, primarily due to the proceeds from the sale of the European Container Logistics business and Asia Pacific Pallecon business and lower capital expenditures.

Net Cash from Financing Activities

In 2012 and 2013, there were inflows of $391 million and $81 million from financing activities, respectively, which were mainly due to increases in borrowings through refinancing activities, including the transactions in the February 2012 refinancing and the Recapitalization in May 2013, as well as drawing on short term debt facilities.

Capital Expenditures

Our total capital expenditures were $129 million, and $93 million in 2012 and 2013, respectively. However, we believe that net capital expenditure is the most appropriate metric to evaluate our underlying capital expenditure trends because it ensures, for example, that an asset that was not intended as an investment, and which was bought only to be sold and leased back shortly thereafter, is treated similarly to an asset that was leased from the beginning. We made net capital expenditures of $113 million and $80 million in 2012 and 2013, respectively.

The following table provides a breakdown of our capital expenditures for property, plant and equipment by business segment for the periods indicated:

	Year Ended December 31,	
	2012[1]	2013
	($ millions)	
Freight Management	30	23
Contract Logistics	100	70
Total Capital Expenditure	130	93
Finance leases and other	(16)	(13)
Total Net Capital Expenditure	**114**	**80**

(1) Numbers in this table have been adjusted due to rounding.

Generally, new Contract Logistics wins represent the largest component of our capital expenditures, primarily consisting of investments in warehousing, equipment and supplies. We typically attempt to contractually match, on a back-to-back basis, the contractual term, termination rights and other provisions of our contracts with our customers with those of our suppliers. The nature of these capital expenditures is largely driven by contractual requirements and customer preferences. For example, we may perform services for customers within customer owned premises, or alternatively, we may lease and fully fit out a purpose built or leased facility in order to provide services to customers. The nature and types of our historical capital expenditure requirements are generally expected to continue going forward. Net capital expenditure represented 1.2% of revenue in 2012 and 0.9% in 2013.

Existing Financing Arrangements

The summary below sets out the outstanding principal amounts of our indebtedness as of December 31, 2012 and December 31, 2013.

	Currency	Nominal interest rate	Maturity	Amount drawn or outstanding at December 31, 2012	Amount drawn or outstanding at December 31, 2013[1]
				($ millions)	($ millions)
Senior Secured Facilities—Tranche B (EUR)	Euro	EURIBOR + 5%	August 2016	136	143
Senior Secured Facilities—Tranche B (USD)	US dollar	US LIBOR + 5%	August 2016	485	393
Senior Secured Facilities—Revolver (EUR)	Euro	EURIBOR + 4%	November 2015	86	-
Senior Secured Facilities—Revolver (USD)	US dollar	Prime Rate + 1.5%	November 2015	52	-
8.375% First Lien Senior Secured Notes	US dollar	8.375%	December 2017	775	562
Existing First-and-a-Half Priority Lien Notes	US dollar	11.625%	October 2016	210	210
11.5% Senior Notes	US dollar	11.5%	April 2018	702	12
12% Senior Notes	Euro	12%	September 2014	15	7
12.75% Senior Notes	US dollar	12.75%	March, 2020	620	43
Senior Unsecured Facility Extended loan	US dollar	9.75%	June 2018	113	-
4.00% First Lien Senior Secured Notes	US dollar	4%	May 2018	-	390
U.S. ABL Facility	US dollar	US LIBOR	December 2018	164	153
Australian Receivables Facility	AU dollar	BBSY +5.28%	September 2015	41	35
Bank overdrafts	Various	Various	Various	146	114
Finance lease liabilities	Various	Various	Various	62	62
Other loans	Various	Various	Various	32	49

(1) Excludes $724 million aggregate outstanding amount of Second Lien PIK Notes which have been eliminated as an intercompany liability in consolidation.

For further information, see note 4 and note 21 to our consolidated financial statements of Holdings included herein and "Description of Other Indebtedness." For our outstanding indebtedness pro forma for the Transactions, see "Capitalization."

From time to time, depending upon market, pricing and other conditions, as well as our cash balances and liquidity, we or our affiliates, including our shareholders or funds affiliated with or managed by our shareholders, may seek to acquire or sell notes or other indebtedness of ours through open market purchases or sales, privately negotiated transactions, tender offers, redemption or otherwise, upon such terms and at such prices as we or our affiliates may determine (or as may be provided for in the indentures or other documents governing the notes or other indebtedness), for cash or other consideration. In addition, we have considered and will continue to evaluate potential transactions to reduce our outstanding debt (such as debt for debt exchanges and other similar transactions), to extend our debt maturities or enter into alternative financing arrangements, as well as potential transactions pursuant to which third parties, our shareholders or funds affiliated with or managed by our shareholders may provide financing to us or otherwise engage in transactions to provide liquidity to us. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future as the pursuit of any alternative will depend upon numerous factors such as market conditions, our financial performance and the limitations applicable to such transactions under our financing documents.

Debt Covenants

Our debt contains customary covenants and events of default that, among other things, restrict, subject to certain exceptions, our ability and the ability of our subsidiaries, to incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and make dividends and other restricted payments. In addition, we expect that, to the extent that the aggregate amount of outstanding revolving loans exceed 30% of the revolving commitments under the Senior Secured Facilities, the agreement governing the Senior Secured Facilities will require us to maintain a ratio of net first lien secured debt to EBITDA (as defined in the agreement governing our Senior Secured Facilities) of no more than 5.35 to 1.0, tested on a quarterly basis. We expect that the definition of EBITDA allows us to add back certain non-cash or non-recurring charges that are deducted in determining net income (for example, restructuring costs) and to add the future benefit of identified cost reduction programs.

Existing Factoring Arrangements

At December 31, 2013, non-recourse factoring resulted in the derecognition of $97 million (2012: $135 million) of trade receivables. In addition, we had liabilities of $190 million (2012: $209 million) related to factoring which are included in bank borrowings. These relate to arrangements in which we remain exposed to some or all of the bad debt risk related to these trade receivables. Based on the borrowing bases and advance rates of these arrangements, over $230 million (2012: over $251 million) of trade receivables are factored pursuant to these arrangements. We have not derecognized these trade receivables as we may incur losses in respect of poor collection performance and retain the benefits of collections in excess of the factoring liabilities

Contractual Obligations

The following tables summarize our material contractual obligations as of December 31, 2013.

	Expected Cash Payments due by Period as of December 31, 2013				
	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years	Total
			(*$ millions*)		
Loan Notes	7	772	355	43	1,177
Bank borrowings and overdrafts	135	571	176	4	886
Interest on borrowings	132	246	95	7	480
Subtotal	274	1,589	626	54	2,543
Finance leases[(1)]	20	26	9	40	95
Operating leases[(2)]	322	440	274	270	1,306
Purchase commitments[(3)]	2	—	—	—	2
Total[(4)]	**618**	**2,055**	**909**	**364**	**3,946**

(1) Finance leases primarily relate to warehouses in Europe.

(2) Operating leases primarily relate to warehouse rental contracts, trucks and trailers and material handling equipment.

(3) Purchase commitments include commitments in relation to the acquisition of tangible and intangible assets.

(4) Retirement benefit obligations of $120 million are accrued as of December 31, 2013 and are not presented in the contractual obligations table above as the timing of the settlement of this obligation is uncertain.

Off-Balance Sheet Arrangements

As is common in our industry, we have entered into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected in our balance sheets. Our significant off-balance sheet arrangements include liabilities associated with guarantees secured by letters of credit, surety bonds and security time deposits and non-cancelable operating leases. We have not engaged in any off-balance sheet financing arrangements through special purpose entities. Guarantees are described below and operating leases are described in "—Contractual Obligations." We have no other off-balance sheet arrangements.

The total amount of guarantees as of December 31, 2013 was $381 million (2012: $332 million), of which $161 million (2012: $157 million) was issued but undrawn under our synthetic letter of credit facility and $102 million (2012: $69 million) was issued but undrawn under our revolving credit facility. The remaining amount unissued under the synthetic letter of credit facility was $9 million (2012: $9 million).

These guarantees were mainly issued in connection with our operating business obligations under lease contracts, customs duty deferment and central and local credit lines. Certain of the obligations under the guarantees issued by banks and other financial institutions have been secured by certain of our subsidiaries.

Principal Accounting Policies, Critical Accounting Estimates and Key Judgment

Our principal accounting policies are set out in note 2 to the consolidated financial statements of Holdings as of and for the year ended December 31, 2013 included elsewhere in this offering circular. New standards and interpretations not yet adopted are also disclosed in note 2 to the consolidated financial statements of Holdings as of and for the year ended December 31, 2013 included elsewhere in this offering circular. See also "Risk Factors—Risks Relating to our Business—Potential future changes in accounting standards may impact reporting of our performance and our financial position."

Our critical accounting estimates and judgments are set out in note 3 to the consolidated financial statements of Holdings as of and for the year ended December 31, 2013 included elsewhere in this offering circular.

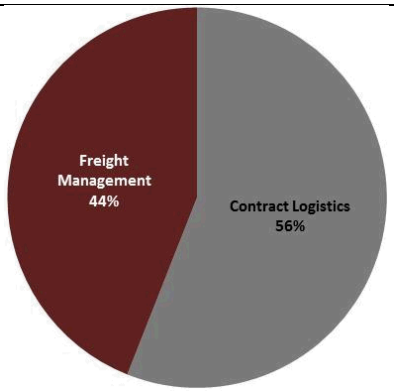
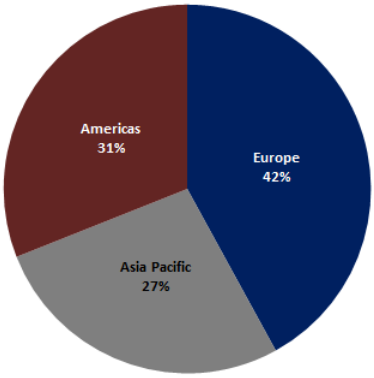
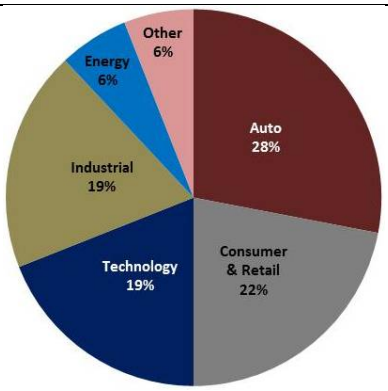
Quantitative and Qualitative Disclosure about Market Risk

Our assessment of financial risk management is set out in note 4 to the consolidated financial statements of Holdings as of and for the year ended December 31, 2013 included elsewhere in this offering circular.

BUSINESS

Company Overview

We are the world's fourth largest fully integrated logistics solution provider, as measured by 2012 revenues. We design, implement and operate complex, end-to-end supply chain solutions using a combination of international and local air, ocean and ground freight forwarding, contract logistics and other value-added services. We operate globally in over 170 countries in more than 1,000 locations, and serve approximately 15,000 customers primarily in five key industries: automotive, consumer and retail, technology, industrial and energy. We leverage our sector-focused expertise, global and local resources and advanced technology systems to deliver a complete spectrum of supply chain services to our clients on a global scale. Our services enable our clients to focus on their core competencies while reducing their costs and inventory levels, shortening their lead time to market, and enhancing their supply chain visibility. Our asset-light strategy enables us to more quickly scale our operations in order to adapt to changing industry conditions and environments and supports our free cash flow generation. In combination with flexible operations, our expansive geographic coverage serves the increasingly international supply chain needs of our customers. We generated approximately 33% of our 2013 revenues from high-growth geographies, including Asia Pacific (excluding Japan, Korea, Australia and New Zealand), Latin America, Eastern Europe, the Middle East and Africa, and have leading positions in North America and Western Europe. With sales generated across a balanced business, geographic and industry mix, we have a well-diversified revenue stream and significant access to growth opportunities. For the fiscal year ended December 31, 2013, we generated $8.5 billion of revenue, $277 million of Adjusted EBITDA (as described under "—Summary Historical Segment Data") and $393 million of Pro Forma Adjusted EBITDA (as described under "—Pro Forma Financial Information and Ratios").

Business Split (2013 Revenues)	Geographic Split (2013 Revenues)[1]	Industry Split (2013 Revenues)
		

(1) Americas includes, among others, the U.S., Canada, Brazil, Argentina and Mexico. Asia Pacific includes, among others, Australia, China, Singapore, Thailand, Malaysia and India. Europe includes, among others, the U.K., Ireland, the Nordics, Benelux, France, Germany, Eastern Europe, Italy, Spain, Turkey, Greece, the Middle East and Africa.

We offer a wide range of services that are classified into two business segments: Freight Management and Contract Logistics. We are one of the leading companies in freight management globally, coordinating the movement of products and materials by air, sea and ground. Our contract logistics business, which provides warehousing and ground-based distribution services, is the second largest in the world, as measured by 2012 revenues. We utilize our full suite of services and leverage synergies between our two segments to deliver integrated end-to-end solutions to our customers. As a result of our strong product mix and global scale, we are able to serve both international and regional customers and benefit from secular trends in the overall globalization of trade and manufacturing.

We have a strong presence in targeted industries where we believe our services are most valued and which have a high potential for growth. Our expertise in these industries has been developed through long-term partnerships with our customers, as evidenced by an average relationship of approximately 19 years (as of December 31, 2013) with our top 20 clients. We serve 23 of the top 25 supply chains in the world, based on operational and financial performance and peer surveys as defined by Gartner. Our customer base includes blue chip clients such as Ford, Heinz, Honda, Procter & Gamble, Lenovo, SAIC, GM, Transocean and GE. Our customer portfolio is also well balanced, with our top 10 customers representing approximately 22% of our 2013 revenues and our largest customer representing approximately 5%.

Our Service Offerings

We design, implement and operate end-to-end integrated solutions using a combination of international air, ocean and domestic freight forwarding, contract logistics, and other value-added services, which we classify into two business segments: Freight Management and Contract Logistics.

Freight Management

Our Freight Management segment operates in a $174 billion market, as of 2012 according to TI, driven by global GDP growth and growth in global trade of materials and products. We provide asset-light transport solutions that coordinate the movements of products and materials, using our scale and expertise to provide our customers with attractive transportation options in terms of costs, speed, reliability and security. Key services include international and local air, ocean and ground-based freight forwarding, customs brokerage and other value-added services. We operate a structurally flexible and scalable asset-light business model as we do not own aircraft or vessels and instead almost exclusively outsource transportation to third-party carriers. We operate through a network of approximately 250 stations across six continents where our employees organize the consolidation of freight and work with transportation suppliers to arrange for the delivery of our customers' shipments. We are one of the top ten freight forwarders in the world.

Our Freight Management revenue mix is more strongly weighted than the overall market to the fast growing Asia Pacific (excluding Japan, Korea, Australia and New Zealand) region. While this region (excluding Japan, Korea, Australia and New Zealand) only represented 24% of the overall market in 2012, we generated 33% of total revenues from Asia Pacific. This positions us well for attractive growth given freight forwarding revenue in this region (excluding Japan, Korea, Australia and New Zealand) is expected to grow at a 12.4% CAGR from 2012 to 2016, based on data from TI.

We operate an asset-light, structurally flexible and scalable business model. We do not own or operate aircraft or vessels, instead contracting asset-intensive third-party carriers (such as airlines or ocean carriers) to ship freight on our behalf. This allows us to tailor our services to our clients' needs by choosing among the various transportation methods and providers available. In addition, by not owning physical assets such as planes and ships, we limit our fixed cost base and capital expenditure, which enables us to more quickly scale our operations, and adapt to changing industry conditions and environments and supports our free cash flow generation. We generally derive our revenues from charging a spread over the carrier's charge to us for transporting the shipment, in addition to charges for customs brokerage and other ancillary services that we are able to sell to our customers. Because of the volume of freight we control and our ability to consolidate shipments, we are generally able to obtain lower rates per kilogram or container than the shipper would be able to procure by going directly to the carrier. Due to our experience in providing these services and our understanding of the global transportation network, we are able to provide our customers with highly effective and flexible solutions.

As a freight forwarder, we typically act as a freight consolidator: we obtain shipments from our customers, consolidate shipments bound for a particular destination, determine the best transportation route for the shipment to its destination, select the carrier on which the consolidated lot is to move and tender each consolidated lot as a single shipment to the carrier for transportation to a destination. We select the carrier for a shipment based on route, service capability, available cargo capacity and cost, and charter cargo aircraft and vessels depending upon seasonality, freight volumes and other factors. At the destination, we or our agent receive the consolidated lot, break it into its component shipments and distribute the individual shipments to the consignees. Occasionally, when the volume on a given route does not warrant consolidation with other shipments or when specifically requested by our customers, we forward the freight individually as an agent of the carrier transporting the shipment. Whether acting as a consolidator or agent, we leverage our scale, global network and local knowledge to provide our customers with optimal transportation execution in terms of cost, speed, reliability, and security.

As part of our Freight Management offering, we also provide worldwide customs brokerage and other ancillary services. In our capacity as a customs broker, key services include preparing and filing formal documentation as well as facilitating customs bonds and the payment of duties and collection of refunds. Our customs brokers and support staff have substantial knowledge of the complex tariff laws and customs regulations in their respective countries, and within the U.S. we employ a significant number of personnel holding individual customs broker licenses. We also provide consulting and other ancillary services to our Freight Management customers, such as picking and packing, labeling and home delivery.

Contract Logistics

Our Contract Logistics segment operates in a large and under-penetrated global market worth approximately $1.3 trillion as of 2011 according to TI, of which approximately $213 billion was outsourced. We provide solutions to our clients by assuming control of all or a portion of their supply chain operations, typically under multi-year contracts. Key services include inbound logistics, manufacturing support, outbound/distribution logistics and aftermarket/reverse logistics. We rely on our proprietary information systems, deep industry knowledge and culture of operational excellence to deliver best-in-class supply chain solutions to our customers. Contracts are typically for multiple years (weighted average contract duration is 2.2 years), with high renewal rates (86% in 2013), as switching costs are typically material given our systems and employees are tightly integrated into our customers' operations. Our asset-light business model operates almost exclusively using leased or customer-owned facilities and with minimal net working capital. We manage approximately 600 contract logistics locations across six continents, the majority of which are leased on a back-to-back basis with our customer contracts. According to data reported by TI, we are one of only two companies in the world with top ten market positions in contract logistics in both North America and Europe, and we estimate that we have a top ten position in Asia Pacific (excluding Japan) as well. We believe this is a critical advantage in winning new business given the increasingly global nature of the

industry. In addition, our Contract Logistics revenue mix is more strongly weighted than the overall market to high-growth geographies. While high-growth geographies only represented 25% of the overall market in 2012, according to TI, we were able to increase our revenue in these regions from 15% to 23% of total contract logistics sales, excluding Anji-CEVA's contribution, from 2008 to 2013. This positions us well for attractive growth given contract logistics revenue in high-growth geographies is expected to grow at a 14.6% CAGR from 2012 to 2016, based on data from TI.

We deliver our services mainly through the provision of people, technology and systems and typically work on leased or customer-owned premises with modest capital expenditures tied to new contract wins. When we win new business, we often lease assets and hire employees specifically for that contract, and the substantial proportion of our leases are scheduled to terminate in line with contract maturities in order to reduce the potential burden of unutilized assets. As of December 31, 2013, our multi-year contracts have a weighted average duration of approximately two and a half years. The majority of our contracts are based on a price per unit of volume, with protections related to volume and scope changes and indexation clauses such as fuel cost pass-through and inflation adjustments. We tend to have high renewal rates as a result of our performance and incumbent advantage related to experience and integration into our customers' operations and systems, which has helped us to build an average relationship of approximately 21 years with our top 15 Contract Logistics customers.

Our Contract Logistics services can be grouped as follows:

- *Inbound Logistics*. We optimize our customers' collection routes, reduce their inventory through warehouse management and consolidation, enhance their production efficiency by kitting and sequencing their unassembled parts, and provide quality control and other value-added services.

- *Manufacturing Support*. We manage our customers' inventory to maintain optimal stock levels for manufacturing, and support product line replenishment and feeding procedures. We also provide customized solutions to package finished goods and facilitate safe transport.

- *Outbound / Distribution Logistics*. We provide dedicated warehousing tailored to individual customer needs and also manage multi-user solutions focused on industry-specific requirements. We also arrange transport between customer locations and coordinate the distribution of our clients' finished products to end customers, typically using third-party local operators. Finally, we provide related services such as picking and packing, home delivery and installation of large items.

- *Aftermarket / Reverse Logistics*. We provide spare parts warehousing and forward stock locations to support aftermarket activities such as swaps, returns and repairs. We also manage call centers to perform diagnostics and coordinate distribution and collection services.

Integrated Business Model and Cross-Selling

Our integrated business model allows us to act as a "one-stop" provider for all our customers' supply chain needs and provide integrated end-to-end solutions that optimize the performance, cost and cash flow of their supply chains. This model facilitates unique cross-selling opportunities and strengthens our relationship with our customers as we become a more integral part of their supply chain.

Our sales staff are trained to sell our full suite of services and are organized by industry sector. We also believe a stronger focus on Freight Management products and dedicated sales teams contribute significant added value to our integrated business model. This helps us to better address each industry's unique requirements and positions us to expand our customer relationships and win more business across their supply chain. The increasing scale and complexity of our customers' operations have driven demand for suppliers that can offer a full spectrum of supply chain management services across multiple geographies. Our ability to manage the complete supply chain allows our customers to reduce the number of service providers they engage, thus saving them time and money and simplifying their operations, while also providing enhanced supply chain visibility.

As a long-term contract logistics provider with control over critical parts of our clients' supply chains, we are ideally positioned to cross-sell freight forwarding and other services. Similarly, we seek to introduce our freight forwarding clients to our contract logistics services, such as packing or kitting at origination or destination, as a stepping stone to cross-selling our full suite of contract logistics solutions. We originally set ourselves cross-selling targets after developing our integrated business model in 2007, and achieved €542 million of cumulative cross-selling revenues through 2009, exceeding our three-year target of €500 million after only two years. This effort has been so successful that almost 83% of our established "Century" accounts (which consist of approximately 80 of our existing top customers) used both our Freight Management and Contract Logistics services in 2013.

As our customers have shifted to sourcing, manufacturing and distributing products on a global basis, the complexity, cost and risk of their supply chains have increased. To tackle the most complex, integrated solutions, we have created an elite Supply Chain Solutions ("*SCS*") organization to better serve the needs of our multinational and Century customers with large, global supply chains. The SCS team provides solutions that manage global sourcing and inventory activity, monitor supplier and third-party transport provider performance, and enable end-to-end supply chain visibility.

Our Customers

We have an attractive, blue chip customer portfolio and service many industry leaders across multiple sectors including automotive, technology, consumer & retail, industrial and energy. For example, we work with eight of the top ten manufacturers in the automotive sector, fourteen of the top fifteen consumer electronics companies in the technology sector, seven of the top ten retailers, and four of the top five independent off-shore drillers in the energy sector. We generated approximately 22% of our 2013 revenues from our 10 largest customers, 32% from our 20 largest customers, 53% from our Century customers, who are primarily large blue-chip customers operating in our target industry sectors, and 54% from our 80 largest customers. Our expertise in these industries has been developed over time in partnership with our customers, resulting in an average relationship of 19 years with our top 20 customers. We also consider our global scale to be a competitive advantage. For example, in 2013 our top 10 global customers used us on average in 22 countries each (as shown in the table below), and approximately 83% of our Century customers use our services in ten countries or more. We are highly diversified, with over 15,000 customers worldwide and our largest customer accounting for approximately 5% of our revenues. Our customer base includes leading companies such as Ford, Heinz, Honda, Petrobras, Procter & Gamble, Lenovo, SAIC, GM, Transocean and GE.

Countries of Operation for our top 10 Century Accounts										
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Canada	✓	✓		✓			✓		✓	✓
United States	✓	✓	✓	✓		✓	✓	✓	✓	✓
Mexico	✓	✓	✓	✓		✓	✓	✓		✓
Brazil	✓	✓	✓	✓		✓	✓	✓	✓	
UK		✓	✓	✓	✓		✓		✓	✓
Ireland					✓		✓			
Sweden									✓	✓
Netherlands					✓	✓		✓	✓	✓
Belgium		✓			✓		✓		✓	
France		✓					✓		✓	✓
Germany	✓	✓	✓	✓	✓		✓	✓	✓	✓
Czech Republic			✓	✓		✓				✓
Poland		✓	✓	✓	✓		✓	✓	✓	✓
Italy	✓	✓	✓			✓	✓			
Spain		✓	✓	✓	✓		✓		✓	✓
Portugal				✓			✓			
Turkey	✓	✓		✓	✓	✓	✓			✓
UAE							✓		✓	✓
South Africa				✓					✓	
Indonesia	✓	✓		✓	✓	✓	✓			
Malaysia	✓						✓	✓	✓	✓
Philippines	✓			✓		✓	✓			
Singapore	✓						✓	✓	✓	✓
Vietnam	✓				✓		✓			✓
Japan	✓	✓	✓	✓		✓	✓	✓	✓	✓
Korea	✓	✓		✓			✓		✓	✓
India	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Australia	✓	✓	✓	✓		✓	✓	✓	✓	
New Zealand	✓	✓		✓			✓	✓		
China	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thailand	✓			✓		✓	✓		✓	✓
Other	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	24	**21**	**15**	**27**	**12**	**17**	**38**	**14**	**24**	**23**

Sales and Marketing

Our integrated Sales and Marketing organization, which comprises over 1,300 professionals globally, is focused on selling the full scope of our supply chain management solutions, allowing us to act as a "one-stop" provider for all our customers' logistics needs and helping us to optimize the performance, cost and cash flow of their supply chains.

We have a tiered market approach, with individual field sales people looking after medium to small customers at the local level, and teams including individuals at the country, regional and global levels covering medium to large customers. Our global and regional account managers are trained to offer our full scope of services, including international air, ocean and domestic freight forwarding, contract logistics and other value added services. These account managers are dedicated to specific industry sectors to ensure we go to market with a high level of industry-specific expertise. The industry teams are led by global and regional sector leaders, who oversee our sales efforts across a given industry and are able to create and tailor industry-specific products and services that we can leverage across our global customer base. Our business development team works together with product specialists such as our team of over 185 logistics engineers who design and evaluate supply chain solutions and collaborate globally to drive innovation.

We introduced our Century Program in 2008 to provide a higher level of coverage and more client touch points for approximately 80 of our customers who present major opportunities across geographies and sectors. This program ensures that each of these customers receives consistent and superior focus by integrating management efforts across all countries in which the customer operates. Through global account managers, supported by executive management sponsorship, we have continued to build our partnerships with these clients, leveraging our entire service portfolio and global presence. We have also created an elite Supply Chain Solutions organization to

better serve the needs of our multinational and Century customers with large, global supply chains. See "—Our Service Offerings—Integrated Business Model and Cross-Selling."

Our global sales activities are supported by a common platform to monitor our pipeline of opportunities. We have established a regular, rigorous pipeline management process, underpinned by data analysis and forecasting, followed by the identification of key steps and closing actions. This process is led by our global and regional sector leaders, and overseen by our Chief Commercial Officer, who ensures consistency and manages progress against the organization's quarterly targets.

Our sales and marketing activities also include communications campaigns, sales promotions, mailing activities, press releases and the design and maintenance of our external websites. In addition, we participate in industry trade fairs and conferences to market our services.

Technology Systems and Personnel

We believe that the continuous development of our technology systems is essential not only to improve our internal operations and financial performance, but also to provide our customers with the most cost-effective, timely, and reliable solutions. We have approximately 750 technology personnel. We regularly evaluate our technology systems and personnel to ensure that they continue to provide a competitive advantage.

Information technology is a critical differentiator for customers in the supply chain logistics industry, providing the crucial ability to track the locations of large numbers of products along the supply chain. We maintain proprietary technology platforms that we offer to customers to enhance our value proposition. Although we have not and do not expect to integrate the technology platforms utilized by our Contract Logistics and Freight Management divisions, we will continue to leverage the technology expertise of these two businesses to drive down cost and improve service. Our software solutions enhance productivity, optimize decision-making, and result in more efficient and cost-effective processes for our customers. The quality of our information technology capabilities has garnered us industry awards for technology innovation and excellence, such as the Technology Award for Excellence at the Australian Freight Industry Awards in 2010, the Award for Information and Communication Technology Innovation in the Logistics, Operations and Supply Chain functions in 2011 by Smau, a Certificate of Merit for Quality, Service, Technology and Price in 2012 by General Motors as well as ISO 20000 and ISO 27001 accreditations.

Our technology personnel are skilled in designing and implementing customized solutions that integrate multiple systems into a functional, compatible and seamless communication and operating environment. This is a critical differentiator for clients, many of whom operate disparate and disjointed systems. These highly tailored and integrated solutions provide unique benefits to customers, translating into longer relationships and opportunities to realize higher margins.

Competition

The freight forwarding and contract logistics industries in which we operate are highly competitive, and we expect this dynamic to continue for the foreseeable future. We believe that the most important competitive factors in these industries are quality of service (including reliability, responsiveness, expertise and convenience), scope of operations, geographic coverage, information technology and price. We are the fourth largest supply chain business in the world based on 2012 revenues, and have an extensive global presence; however, we face competition on both regional and local levels and from companies with similarly global operations.

The past decade has seen significant consolidation and increased competition within the industry. Despite this general trend, the market for supply chain management services generally continues to remain fragmented and is characterized by a large number of small- to medium-sized companies operating on a regional basis or in specific end markets. According to TI, the ten leading providers of freight forwarding and contract logistics accounted for only 44% and 22% of their respective global markets in 2012.

Our key asset-light peers include Kuehne + Nagel and DSV, each of which provide both freight forwarding and contract logistics services, together with Expeditors and Panalpina, which compete primarily for freight forwarding business. Other significant competitors include Deutsche Post (DHL/Exel) and DB/Schenker. In addition, we face competition from niche regional or local providers, some of which have a strong market presence in their respective sectors, and regional and/or local markets.

Employees

As of December 31, 2013, we had approximately 44,000 employees, of which approximately half were covered by collective labor agreements. We believe we have good relations with both our union and non-union employees.

We have adopted policies and processes that are designed to support effective recruitment, retention, and motivation of skilled employees and managers to fulfill their roles in our organization. We have implemented a robust performance-measurement system, which is directly linked with our incentive programs. This system is designed to provide managers and employees with regular feedback on their performance. Equity awards have been granted to over 200 of our senior managers. Over 200 senior managers have equity investments in the business and all members of our management group of over 900 employees have compensation packages tied to our performance, creating an alignment of interests between our employees and shareholders.

We consider our people to be a crucial asset and thus aim to be the employer of choice for the best talent in the industry. Our ability to attract and retain employees in highly competitive labor markets is an important competitive advantage. To support our growth we continue to focus on enhancing our management quality and organizational effectiveness. Our continuing education programs help develop the professional skills of our workforce and prepare promising talent for future management positions.

Properties

As of December 31, 2013, our global network spanned over 170 countries and we delivered services in over 1,000 locations, with approximately 100 million square feet of warehousing and manufacturing space, substantially all of which are leased or customer-owned.

Our Freight Management segment operates through a network of approximately 250 stations across six continents. The properties related to this segment consist principally of freight forwarding offices, customs brokerage offices, and warehouse and distribution facilities, as well as sales and administrative offices. Our freight forwarding terminals are typically located at or near major metropolitan airports or seaports, with leased offices, warehouse space, bays for loading and unloading and facilities for packing. Terminal leases generally expire on various dates through 2020. From time to time, we may open, close or relocate terminals to optimize our network footprint.

Our Contract Logistics operations include approximately 600 locations. Substantially all of the facilities are leased or customer-owned (approximately 2% of the facilities are owned by CEVA) with a key operating principle being to enter into leases on dedicated facilities on a back-to-back basis in line with the relevant contracts.

Government Regulation

The supply chain management industry is subject to a broad range of local, national and supranational regulations.

Our air freight business is subject to commercial standards set forth by the International Air Transport Association, U.S. federal regulations issued by the Transportation Security Administration, and comparable regulations in other jurisdictions, and our ocean transportation business to and from the U.S. is subject to regulation by the Federal Maritime Commission. Outside of the U.S., we are regulated by various government agencies and may be subject to the requirements of local country national air cargo security programs.

Our ground transportation business in the U.S. is subject to the broad regulatory powers and safety and insurance requirements prescribed by the Federal Motor Carrier Safety Administration (the "*FMCSA*"), and by various state agencies, and our ground transportation business in other jurisdictions is also subject to similar regulations around driver and vehicle safety, licensing, and insurance requirements.

Our import- and export-related operations, including our customs brokerage operations, are subject to customs and agency regulations throughout the world that include significant notice and registration requirements. We are a customs broker in the U.S. licensed by U.S. Customs and Border Protection ("*CBP*"). Our international operations are impacted by a wide variety of government and other regulations, including regulations issued by the U.S. Department of Commerce, the U.S. Department of State, the U.S. Department of Justice, OFAC, CBP, and analogous agencies of the European Union and various other countries, including sanctions and embargo regulations and other trade, export, and import laws and regulations. In addition, some of our U.S. warehouse operations require authorizations and bonds in accordance with applicable regulatory requirements.

We also participate in a number of government-business supply chain security programs such as CBP's "Customs-Trade Partnership against Terrorism" (C-TPAT) program in the U.S., the EU Authorized Economic Operator program, Canada's Partners in Protection program, and Singapore's Secure Trade Partnership. Participation in such government-business supply chain security programs generally permits more efficient and expedited processing of our customers' shipments through customs agencies in multiple countries around the globe.

Because some of our operations involve contracts and business with the U.S. Government, we are subject to various government contracting, acquisition, and procurement regulations. We are subject to similar government contracting requirements in other jurisdictions.

We are subject to a broad range of foreign and domestic environmental and health and safety requirements, including those relating to the discharge of hazardous substances into soils and waters, emissions of toxic air pollutants, and the generation, handling, disposal, storage and release of solid and hazardous substances and wastes, and human health and safety. In the course of our operations, we may be asked to store, transport or arrange for the storage or transportation of substances defined as hazardous under applicable laws, which could result in liability under such laws if released into the environment. If a release of hazardous substances occurs on or from our facilities or from the transporter, we may be required to participate in, or have liability for, the response costs and remediation of such release and/or we may be subject to claims for personal injury, property damage and damage to natural resources. Further, at sites we own, lease or operate or have previously owned, leased or operated, or where we have disposed or arranged for the disposal of hazardous substances, we could be liable for historical contamination, regardless of fault or the legality of the original conduct. National and transnational laws and initiatives to reduce and mitigate the effects of climate change, such as the Kyoto Protocol, could significantly impact transportation modes and the economics of the transportation industry.

In addition, we are subject to anti-money laundering legislation in various jurisdictions in which we operate. We are also subject to a number of anticorruption laws and regulations, including the Foreign Corrupt Practices Act in the U.S., the U.K. Bribery Act and similar legislation in the other jurisdictions in which we operate. We must also comply with various regulations of the U.S. Department of Homeland Security and other governmental agencies, both in the U.S. and abroad, regarding safety, security and anti-terrorism measures.

We believe that we are substantially compliant with current applicable material laws and regulations and that the costs of regulatory compliance are an ordinary operating cost of our business. We do not believe that costs of regulatory compliance have had a material adverse impact on our operations to date. However, our failure to comply with applicable regulations or to maintain required permits, licenses, or authorizations could result in substantial fines or revocation of our operating permits, licenses, or authorizations. We have adopted compliance programs and procedures designed to comply in all material respects with applicable laws, rules and regulations. Future regulations may increase our regulatory obligations and require us to incur additional capital or operating expenses or to modify our business operations to achieve or maintain compliance.

Litigation and Legal Proceedings

The Company is involved in several legal proceedings relating to the normal conduct of our business. While the outcome of these legal proceedings is uncertain, the Company believes that it has provided for all probable and estimable liabilities arising from the normal course of business, and we therefore do not expect any liability arising from any of these legal proceedings to have a material impact on our results of operations, liquidity, capital resources or financial position.

Surcharge Antitrust Investigation and Litigation

Several CEVA subsidiaries and certain current and former employees have been or are subject to, and cooperating with, investigations by the European Commission ("*EC*") and the governments of Brazil and Singapore for possible price-fixing and other improper collusive activity with respect to certain accessorial and other charges, along with several other entities in the freight forwarding industry. Several investigations (including by the DOJ and by authorities in Canada, Japan, New Zealand, and Switzerland) have been resolved.

CEVA has also reached a settlement agreement with the plaintiffs in a putative class action lawsuit against EGL, Inc. and EGL Eagle Global Logistics, LP, styled Precision Associates, Inc., et al. v. Panalpina World Transport (Holding) Ltd, et al., filed in the U.S. District Court for the Eastern District of New York. On 23 September 2013, the court approved the settlement agreement and dismissed with prejudice the case against the EGL entities. All settlement funds have now been paid.

In February 2010, we received a statement of objections from the EC concerning our alleged participation in certain price-fixing cartels in the air freight forwarding business in violation of the European Union antitrust rules. We submitted a response, and on March 28, 2012, the EC issued its ruling. The EC ruled that EGL, Inc. and two of its subsidiaries (now known as CEVA Freight (UK) Limited and CEVA Freight Shanghai Limited) had violated European Union competition law by participating in two infringements of competition law in relation to the pricing of two discrete fees. The EC imposed a total fine of approximately $4 million (€3 million) on EGL, Inc. and its subsidiaries, which we have now paid, pending our appeal, which has now been filed. The Company cooperated with the EC throughout its investigation and received substantial reductions in its fines as a result.

With regard to the Brazilian investigation, on 6 August 2010, the Brazilian antitrust enforcement authorities announced an administrative proceeding against numerous freight forwarding companies, including CEVA Logistics Holdings B.V. and CEVA Logistics Ltda., and against numerous individuals, including one current and one former employee of CEVA. Pursuant to the applicable administrative process, we intend to submit a response. At this time, the extent of the potential claims identified by the Brazilian authorities that are being alleged as to the Company's subsidiaries is not clear. It is not possible to predict the timing or outcome of the investigation or the potential financial impact on the Company, which could involve the imposition of administrative or civil fines, penalties, damages or other sanctions that could have a material adverse impact on the Company.

The Competition Commission of Singapore ("*CCS*") issued a formal request for information in November 2012 which appears to be focused on the subject matters of the DOJ plea agreement, the New Zealand Commerce Commission settlement, and the EC statement of objections. We are cooperating with the CCS to provide requested information. We cannot determine the timing or outcome of the governmental investigations that remain pending.

These investigations could result in the imposition of administrative or civil sanctions, including fines, penalties, damages and debarment from federal contracting in the U.S. or other sanctions which could have a material adverse effect on our financial position, results of operations, operating cash flows and business activities.

We are also the subject of an investigation by the Italian competition authority related to possible price-fixing and other improper collusive activity with respect to international road freight forwarding to and from Italy. On 16 June 2011, we were notified that the Italian competition authority has found an infringement of Italian law and imposed fines and penalties against a number of freight-forwarders, including a subsidiary of CEVA. As a result of the fines being imposed, we have previously recorded a provision in connection with this investigation, paid the

fine, and appealed; our initial appeal was rejected, but we have filed a further appeal. Management believes the amounts in question are not material to the financial performance of the Company.

Independent Contractor-Related Proceedings

The classification of drivers as independent contractors—which we believe to be a common practice in our industry in the U.S.—is challenged from time to time by federal and state governmental and regulatory authorities, including tax authorities, as well as by individual drivers who seek to have drivers reclassified as employees. We are currently party to a lawsuit styled Mohit Narayan, et al. v. EGL, Inc. and CEVA Freight, LLC, in which the plaintiffs filed a putative class action, seeking a declaratory judgment, restitution, damages and other relief. The case is currently on remand from the Ninth Circuit Court of Appeals to the federal district court in the Northern District of California. In September 2012, the district court denied the plaintiffs' request to certify the lawsuit as a class action. The plaintiffs asked the Ninth Circuit Court of Appeals to review that ruling, but the court denied that request. That means individual members of the former putative class must pursue their own individual claims, which some are doing.

In addition, in October 2009, the California Employment Development Department ("*EDD*"), based on a worker classification audit, determined that such individuals should be reclassified as employees for purposes of state unemployment tax, employment training tax, disability insurance contributions, and personal income tax, and the EDD issued a tax assessment. We have petitioned the EDD to review its assessment, with a potential for abating a majority of the assessed taxes.

While we cannot provide assurances with respect to the outcome of these cases and it is possible that we could incur a material loss in connection with any of these matters, we intend to vigorously defend ourselves in these proceedings and do not at this time believe that a loss in these cases is probable or reasonably estimable.

Tax Proceedings

We are involved in tax audits in various jurisdictions relating to the normal conduct of our business. While the outcome of these audits is uncertain, we believe that we have provided for all probable and estimable tax liabilities arising from its normal course of business, and we therefore do not expect any liability arising from these audits to have a material impact on our results of operations, liquidity, capital resources or financial position.

Other Proceedings

For a description of the CIL Bankruptcy Proceeding, see "Certain Relationships and Related Party Transactions—CIL Bankruptcy Proceeding."

From time to time, we are involved in a variety of legal proceedings and disputes arising in the ordinary course of business. For example, we have been and currently are subject to numerous labor and employment proceedings and disputes in both Italy and Brazil alleging various causes of action and raising other legal challenges to our labor and employment practices. Such proceedings include individual claims and lawsuits, disputes with unions, class action claims, and governmental or quasi-governmental investigations. While the outcome of these legal proceedings is uncertain and may not be capable of estimation, we believe that resolution of these matters and the incurrence of their related costs and expenses should not have a material adverse effect on our results of operations, liquidity, capital resources or financial position.

MANAGEMENT

Executive Officers and Board of Directors

The following table provides information regarding CEVA's executive officers and the members of our board of directors as of the date of this offering circular (ages are given as of December 31, 2013). The business address of each of our executive officers and directors listed below is c/o CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, U.K.

Name	Age	Title
Marvin O. Schlanger	65	Chairman of the Board of Directors and Interim President—Americas
Xavier Urbain	56	Chief Executive Officer and Director
Rubin J. McDougal	56	Chief Financial Officer
Dana O'Brien	46	Chief Legal Officer
AnneHarm Barkema	53	Chief Human Resources Officer
Peter Dew	53	Chief Information Officer and President—Asia Pacific
Inna Kuznetsova	45	Chief Commercial Officer
Tom White	56	Interim Chief Operating Officer and Director
Leigh Pomlett	57	President—Europe
Dominik Tichelkamp	50	Executive Vice President—Oceanfreight
Michael Jupiter	33	Non-Executive Director
Alan Miller	76	Non-Executive Director
Stan Parker	37	Non-Executive Director
Emanuel Pearlman	53	Non-Executive Director
John Smith	64	Non-Executive Director
Thomas Stallkamp	67	Non-Executive Director

Marvin Schlanger is our Chairman of the Board of Directors and Interim President—Americas. Mr. Schlanger was our Chief Executive Officer from October 2012 through January 2014. He has been the Chairman of our Board of Directors since February 2009 and has served as interim President of the Americas since August 2013. He is also a principal in the firm of Cherry Hill Chemical Investments, LLC, which provides management services and capital to the chemical and allied industries. Mr. Schlanger has been involved with a number of Apollo companies over the past decade as chairman or at the board level. He currently also serves as a director of UGI Corporation, UGI Utilities, Amerigas Partners LP, Momentive Performance Materials Holdings LLC, Taminco Acquisition Corporation and is Chairman of the Supervisory Board of LyondellBasell Industries N.V.

Xavier Urbain is our Chief Executive Officer. Mr. Urbain was named CEO of CEVA in January 2014. He brings a long and outstanding career in the Supply Chain industry to CEVA, serving on the Management Board and Board of Directors and in several senior executive positions at Kuehne + Nagel as well as CEO of ACR Logistics. He also held executive positions in logistics working for Mayne Nickless and serving as CEO of Hays Logistics. In addition, Mr. Urbain has led entrepreneurial ventures working mainly with private equity firms as senior advisor and a board member. He started his career with Deloitte & Touche as an external auditor, before joining the international retail group Auchan, serving in both financial and logistics positions. He holds a PhD in economics and a degree in advanced accounting studies (DECS).

Rubin J. McDougal is our Chief Financial Officer. Mr. McDougal joined CEVA on June 23, 2009 and has been the Chief Financial Officer of CEVA Group Plc since July 2009. Mr. McDougal has over 29 years of finance

experience that includes operational finance, management and public company Chief Financial Officer roles. Prior to joining CEVA, Mr. McDougal had been Chief Financial Officer of Case New Holland since 2006. Prior to joining Case New Holland in 2006, Mr. McDougal spent 23 years of his career within the Whirlpool Corporation in a variety of financial and strategic roles across the globe, culminating in a two-year position as Vice President Finance for the North American Region.

Dana O'Brien is our Chief Legal Officer, having joined us in August 2007 in connection with the EGL Acquisition. Ms. O'Brien previously served as General Counsel, Chief Compliance Officer and Corporate Secretary for EGL Eagle Global Logistics. After graduating from law school she started working as a corporate associate for the New York-based law firm Weil, Gotshal & Manges, LLP. In 1999, she joined Quanta Services, Inc., a $2 billion revenue company traded on the New York Stock Exchange. She was appointed General Counsel of Quanta in 2001, and four years later joined EGL.

AnneHarm Barkema is our Chief Human Resources Officer. Mr. Barkema has been the Chief Human Resources Officer of CEVA Group Plc since September 2010. Prior to joining CEVA, Mr. Barkema worked for various leading multinational companies, including Dell, Honeywell and Philips, based in all key business regions of the world during this time. He spent six years at Dell where he held various roles, most notably the HR leader for Europe and the Vice President of HR for its Asia business.

Peter Dew is our Chief Information Officer and President—Asia Pacific. Prior to joining CEVA in April 2008, Mr. Dew was employed with the BOC Group, where he became Chief Information Officer in 1998. When BOC was acquired by the Linde Group in 2006, Mr. Dew became the CIO of the combined entity.

Inna Kuznetsova is our Chief Commercial Officer. Prior to joining CEVA as Chief Commercial Officer in early 2012, Ms. Kuznetsova spent 19 years at IBM where she held a number of different roles focusing on building and running strong organizations in sales, business development and marketing. Her last position was Vice President, Marketing and Sales Enablement, IBM Systems Software for IBM Systems and Technology Group.

Tom White is our Chief Operating Officer. He has been a member of our board of directors since January 2009 and has been an Operating Partner for Apollo in the distribution and transportation industries since 2007. From 2002 to 2007, Mr. White was the Senior Vice President, Chief Financial Officer and Treasurer of Hub Group, Inc. Prior to joining Hub Group, Mr. White was at Arthur Andersen where he spent 23 years in a variety of partner leadership roles including as senior audit partner. He became a Certified Public Accountant in 1981. Mr. White served as acting Chief Financial Officer of CEVA from April 2009 until the appointment of Rubin McDougal in July 2009. During 2010, Mr. White served as interim Chief Financial Officer of SkyLink Aviation, Inc. an Apollo owned entity based in Toronto, Canada. During 2011 and 2012 he served as interim Chief Financial Officer of Constellium, an Apollo owned entity based in Paris, France. He currently also serves on the boards of Landauer, Inc., Evertec, Inc. and Quality Distribution, Inc.

Leigh Pomlett is our President—Europe. Mr. Pomlett joined CEVA in September 2009 as Executive Vice President for U.K. & Ireland, having started his extensive career in logistics in 1980. Since then he has held various senior country and regional positions with Exel and DHL Supply Chain. Mr. Pomlett joined the Executive Board as President, Northern Europe in November 2010, whilst retaining management responsibility for the U.K., Ireland and the Nordics. With experience spanning all business sectors, Mr. Pomlett is also a Visiting Professor of Logistics at Cumbria University.

Dominik Tichelkamp is our Executive Vice President—Oceanfreight. Mr. Tichelkamp started his career in the shipping industry in Northern Germany, followed by 15 years within the VW Group where he held various positions within VW's transport and logistics division including assignments to Mexico and Hungary. In his last position he acted as Chief Product and Procurement Officer for Panalpina. In late 2010, Mr. Tichelkamp became Executive Vice President and Global Head of CEVA's Oceanfreight group. He is a member of the Executive Board responsible for Oceanfreight and driving CEVA's global Freight Management initiatives.

Michael Jupiter has been a member of our board of directors since February 4, 2010. Mr. Jupiter is a partner of Apollo, where he has been employed since 2004. Prior to joining Apollo in 2004, Mr. Jupiter was a member of the Financial Institutions group of Goldman, Sachs & Co.

Alan B. Miller has been a member of our board of directors since June 2013. Mr. Miller served as a partner and currently serves as a senior counsel at Weil Gotshal & Manges LLP, where he has been employed since 1969, specializing in complex bankruptcy and restructuring matters. Since 2007, he has also served as special counsel and litigation trustee to Collins & Aikman Corporation during its bankruptcy. Mr. Miller currently also serves as a member of the boards of directors of Chicago Loop Parking LLC and Trinity Place Holdings, Inc.

Stan Parker has been a member of our board of directors since November 2006. He has been employed by Apollo since 2000. From 1998 to 2000, Mr. Parker was employed by Salomon Smith Barney. He currently also serves on the boards of directors of Affinion Group Holdings, Inc., Charter Communications, Inc., CORE Entertainment Holdings, Inc. (formerly CKx Entertainment Holdings, Inc.), Momentive Performance Materials Holdings LLC and Pinnacle Agriculture Holdings, LLC.

Emanuel R. Pearlman has been a member of our board of directors since June 2013. Mr. Pearlman is the founder, chairman and chief executive officer of Liberation Investment Group, LLC. Mr. Pearlman currently also serves as chairman of the board of directors of Empire Resorts, Inc. and as a member of the boards of directors of Fontainebleau Miami JV, LLC and Network-1 Security Solutions, Inc.

John F. Smith has been a member of our board of directors since June 2013. Mr. Smith is a principal at Eagle Advisors, LLC. From 2000 to 2010, Mr. Smith served in positions of increasing responsibility with General Motors Corporation in sales and marketing, product planning and corporate strategy, most recently as Group Vice President, Corporate Planning and Alliances. During his 42-year career in the automotive industry, Mr. Smith also served as General Manager of Cadillac Motor Car, President of Allison Transmission, and Vice President, Planning at General Motors International Operations in Zurich, Switzerland. Mr. Smith currently also serves on the boards of directors of American Axle & Manufacturing and Smith Electric Vehicles and the advisory boards of VNG.CO and Palogix International. Mr. Smith currently also serves on the boards of several non-profit organizations, including the National Advisory Board of Boy Scouts of America and St. John's Providence Health System in Michigan.

Thomas Stallkamp has been a member of our board of directors since January 2014. Mr. Stallkamp is the founder and principal of Collaborative Management LLC. From 2004 to 2010, Mr. Stallkamp was an Industrial Partner in Ripplewood Holdings L.L.C. From 2003 to 2004, Mr. Stallkamp served as Chairman of MSX International, Inc., and from 2000 to 2003, he served as Vice-Chairman and Chief Executive Officer of MSX. From 1980 to 1999, Mr. Stallkamp held various positions with DaimlerChrysler Corporation and its predecessor Chrysler Corporation, the most recent of which was Vice Chairman and President. Mr. Stallkamp serves as a director of BorgWarner Inc. and as a trustee of EntrepreneurShares Series Trust.

There are no family relationships between any of our executive officers and directors.

Director and Management Contacts

All executive officers and members of the board may be contacted at: Jordans, Corporate Secretary, 20-22 Bedford Row, London WC1R 4JS, United Kingdom.

Board Structure and Non-Employee Director Compensation

Pursuant to contractual arrangements under the LLC Agreement, Apollo and its affiliates hold a majority of the share voting power of Holdings and have the right to appoint a majority of the members of the board of managers of Holdings until the Sunset Date. All other members have the right to appoint the remaining members of the board of managers. As a result of their equity ownership, Cap Re and Franklin, together, have the ability to appoint the remaining managers. Certain major corporate actions by the respective boards of Holdings and CEVA require approval of a majority of the managers not designated by Apollo.

The LLC Agreement provides that the members of Holdings shall direct the Company to cause the board of directors of the Company to be identical to the board of managers of Holdings; therefore the boards of both Holdings and the Company are identical.

As a result of certain voting rights under the LLC Agreement and the power to appoint the majority of the members of the board of managers of Holdings, Apollo currently has the power to control us and our affairs and policies, including the appointment of our management team. Four of the members of our board are partners or employees of Apollo and four of the members of our board are independent.

After the Sunset Date, Apollo will no longer have the contractual right to appoint a majority of the members of the board of managers of Holdings. The Sunset Date will occur under the LLC Agreement upon the later to occur of: (i) the date upon which the absence of Apollo's manager designation rights and majority voting rights set forth in the LLC Agreement would not constitute an event of default under or require CEVA to make an offer to repurchase under any outstanding indebtedness for borrowed money and (ii) the date upon which the removal of Apollo's manager designation rights and majority voting rights set forth in the LLC Agreement would not reasonably be expected (based upon advice of Holding's tax advisors) to result in (x) a change of control of Holdings or CEVA for UK tax purposes, and (y) the loss of a material amount of favorable tax attributes to Holdings or CEVA, as determined in good faith by a majority of the board of managers of Holdings who are not Apollo designees, in each case, subject to obtaining any required regulatory approvals. Following the Sunset Date, each holder of more than 15% of Holding's common shares on an as-converted basis will have the right (but not the obligation) to designate one member of Holdings board of managers (which right may be waived), and all holders of common shares will be able to vote for the election of the remaining members of the board of managers of Holdings.

Our board has an audit committee, an executive committee and a compensation committee. The duties and responsibilities of the audit committee include recommending the appointment or termination of the engagement of independent accountants, otherwise overseeing the independent auditor relationship and reviewing significant accounting policies and controls. Messrs. Jupiter (Chair) and Pearlman are members of our audit committee. The duties and responsibilities of the executive committee include exercising all powers and authority of the board to the fullest extent permitted by law. Messrs. Jupiter (Chair), Parker and Smith are members of our executive committee. The duties and responsibilities of the compensation committee include overseeing the compensation of the managers, directors, officers and other employees of CEVA, along with CEVA's overall compensation policies, strategies, plans and programs. Messrs. Parker (Chair), Schlanger and Miller are members of our compensation committee.

Each of the non-employee managers of Holdings who is not affiliated with Apollo is entitled to be paid $25,000 for each calendar quarter of service. All other non-employee managers are entitled to be paid $15,000 for each calendar quarter of service. Independent non-employee managers are entitled to receive two awards of restricted share or restricted share units of Holdings each having a fair market value on the date of grant of $75,000. The first award is issued following appointment of the manager to the board of managers and the second award is issued following the first board meeting in the calendar year following the manager's initial appointment to the board of managers. The Chairman receives €20,000 per month for his service as Chairman.

In connection with their appointment to Holdings' board of managers in June 2013, Messrs. Miller, Pearlman and Smith each received 75 restricted share units, which will settle on December 31, 2014, and in February 2014, each received an additional 75 restricted share units, which will settle on December 31, 2015. In connection with his appointment to Holdings' board of managers, Thomas Stallkamp received 75 restricted share units, which will settle on December 31, 2014. Mr. Schlanger holds 641 restricted share units, which will settle on December 31, 2014, and options to purchase 2,564 common shares of Holdings at $1,000 per share, which were issued in three tranches of 1,025.6 (Tranche A), 769.2 (Tranche B) and 769 (Tranche C) options. Mr. White holds 373 restricted share units, which will settle on December 31, 2014, and options to purchase 1,104 common shares of CEVA Holdings LLC at $1,000 per share, which were issued in three tranches of 662.4 (Tranche A), 55.2 (Tranche B) and 55.2 (Tranche C) options. The vesting and other terms of equity awards held by Messrs. Schlanger and White are described in "—Management Equity Investment and Equity Award Grants" below.

CEVA Holdings LLC 2013 Long-Term Incentive Plan

In connection with the Recapitalization, Holdings adopted the CEVA Holdings LLC 2013 Long-Term Incentive Plan (the "*2013 LTIP*"), which permits Holdings to grant share options, rights to purchase Holdings common shares, restricted shares, restricted share units, and other share-based rights to employees or directors of, or consultants to, Holdings or any of its subsidiaries. The 2013 LTIP is administered by the compensation committee of

the board of directors of the Company, or if determined by the board of managers, any other committee appointed by the board of managers to administer the 2013 LTIP. As of February 28, 2014, approximately 5.7% of Holdings' common shares on a fully diluted basis were reserved for issuance under the 2013 LTIP.

The 2013 LTIP has a term of ten years. The dates of grant, vesting, and pricing of options granted under the 2013 LTIP are generally subject to the discretion of the board of managers of Holdings.

Shares acquired under the 2013 LTIP will be subject to restrictions on transfer, repurchase rights, and other limitations set forth in the LLC Agreement.

Management Equity Investment and Equity Award Grants

In connection with the Recapitalization, options and restricted share units were issued but no shares were purchased pursuant thereto as of December 31, 2013. As of December 31, 2013, current and former CEVA employees and directors held 4,455 restricted share units, share appreciation rights in respect of 4,455 Holdings common shares, and options to acquire approximately 27,443 Holdings common shares. In connection with the Recapitalization, certain CEVA employees and directors received share options having an exercise price equal to $0.01 or restricted share units, depending on the jurisdiction in which they resided on the date of grant (collectively, the "*Recap Equity Awards*"). Recap Equity Awards will generally vest in three equal installments on the third, fourth, and fifth anniversaries of the date of grant, or, if earlier, on the dates on which Apollo ceases to hold two-thirds, one-third, and any, respectively, of the Holdings securities that it held on May 2, 2013 and any such securities or other assets it acquires following May 2, 2013 in respect of investments in Holdings. In each case, the vesting of the Recap Equity Awards is subject to the grantee's continued provision of services to CEVA or one of its subsidiaries through the applicable vesting date, subject to accelerated vesting in the event of a change in control of Holdings or upon certain terminations of employment.

Also in connection with the Recapitalization, certain CEVA employees and directors received options to purchase, or share appreciation rights in respect of, Holdings common shares, each having an exercise price equal to the fair market value of a Holdings common share on the date of grant (collectively, the "*FMV Equity Awards*"). Generally, (a) 40% of the FMV Equity Awards will vest in five equal installments on the first five anniversaries of the date of grant, and (b) 60% of the FMV Equity Awards will vest upon the achievement of certain performance goals related to the cash-on-cash and internal rate of return of funds managed by Apollo with respect to its investment in Holdings. In each case, the vesting of FMV Equity Awards is subject to the grantee's continued provision of services to CEVA or one of its subsidiaries through the applicable vesting date, except that a portion of the FMV Equity Awards may, in certain cases, become vested earlier in the event of certain terminations of employment or upon the occurrence of a change in control of Holdings.

The maximum term of options and share appreciation rights granted under the 2013 LTIP is ten years. Subject to certain exceptions set forth in the applicable award agreement, unvested options and share appreciation rights automatically expire upon the date of a grantee's termination of employment. Vested options and share appreciation rights generally expire 30 days following the termination of a grantee's employment with or service to CEVA or its subsidiaries other than for cause. All options and share appreciation rights (whether vested or unvested) will be forfeited upon a termination of the grantee's employment with or service to CEVA or its subsidiaries for cause.

Management Arrangements

We have entered into employment agreements, letters or term sheets with each of our executive officers. We may terminate certain executive officers' employment with us for "cause" upon advance written notice, without remuneration, for certain acts of the officer. Each executive officer may terminate his or her employment at any time upon advance written notice to us. In the event that a certain officer's employment is terminated by us without cause or by him or her for "good reason," the officer is entitled to certain payments as provided by applicable laws or as otherwise provided under the applicable employment agreement, letter or term sheet. Except for the foregoing, our executive officers are not entitled to any severance payments upon the termination of their employment for any reason.

Under such employment agreements, letters and term sheets, each of our executive officers has also agreed not to engage or participate in any business activities that compete with us or solicit our employees or customers for one or two years (depending on the officer) after the termination of his or her employment. They have further agreed not to use or disseminate any confidential information concerning us and to assign to us the intellectual property rights in work generated by them as a result of performing their duties or using our resources during their employment with us.

PRINCIPAL SHAREHOLDERS

As of December 31, 2013, 99.99% of the issued share capital of CEVA Group Plc is held by Holdings and 0.01% is held by CIL.

The following table sets forth certain beneficial ownership information regarding the shareholders of Holdings and the number and percentage of shares owned by such shareholders as of December 31, 2013, in each case, assuming shares of Series A-1 Preferred Shares and Series A-2 Preferred Shares held by the shareholders have been converted to common shares of Holdings. See Note 2.20 to Holdings' consolidated financial statements as of and for the year ended December 31, 2013 included elsewhere herein.

Name of beneficial owner	Number of shares beneficially owned	Ownership percentage
Apollo	236,742	21.5%
Franklin Advisers, Inc.	306,329	27.8%
Capital Research and Management Company	318,165	28.9%
Other[1]	240,146	21.8%
Total	1,101,382	100.0%

(1) None of the other shareholders owns 5% or more of the common shares of Holdings.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Recapitalization

On April 3, 2013, CEVA announced and commenced a financial recapitalization plan that would reduce substantially CEVA's overall debt and interest costs, as well as increase liquidity and strengthen its capital structure, which we refer to as the Recapitalization. On May 2, 2013, the Recapitalization successfully closed. Upon its completion, the Recapitalization reduced consolidated net debt by approximately $1.6 billion, was expected to reduce annual cash interest expense by over $170 million or approximately 50%, strengthened liquidity with $219 million of proceeds from equity capital from new shareholders, and provided access to additional liquidity up to $86 million through the financing commitment from certain funds and accounts managed by Franklin Advisers, Inc. and Franklin Templeton Investments Corp. (together, "*Franklin*"), one of our largest institutional investors. See "Principal Shareholders."

Following the Recapitalization, Holdings became the 99.99% shareholder of CEVA. In the Recapitalization, equity interests held by Apollo in CIL Limited (formerly known as CEVA Investments Limited), the former parent of CEVA, were eliminated, and Apollo affiliates acquired a stake of 21.4% in the equity of the Holdings through exchanging CEVA debt held by them and through the cash purchase of equity, while Franklin acquired a stake of 27.8%, and funds affiliated with Capital Research and Management Company (collectively, "*CapRe*") acquired a stake in excess of 15% both through exchanging CEVA debt. Upon receipt of regulatory approvals, CapRe's stake became 28.9%. No other shareholder holds 5% or more of the equity of Holdings. See "Management—Board Structure and Non-Employee Director Compensation" for additional discussion of the LLC Agreement.

The Recapitalization involved the following transactions:

- $689 million principal amount of 11.5% Junior Priority Senior Secured Notes due 2018 (referred to herein as the 11.5% Senior Notes) exchanged for equity in Holdings, which then released the notes and received a like amount of new junior priority senior secured PIK notes issued by CEVA. Each $1,000 of 11.5% Senior Notes validly tendered by eligible holders received 0.4855082 Holdings Series A-2 Convertible Preferred Shares and 0.2242813 Holdings common shares;
- $577 million principal amount of 12.75% Senior Notes exchanged for equity in Holdings, which then released the notes. Each $1,000 of 12.75% Senior Notes validly tendered by eligible holders received 0.4144362 Holdings common shares;
- €6 million ($8 million) principal amount of 12% Senior Notes exchanged for equity in Holdings, which then released the notes. Each €1,000 ($1,307) of 12% Senior Notes validly tendered by eligible holders received 0.5035416 Holdings common shares;
- $113 million principal amount of senior unsecured loans under the Senior Unsecured Facility exchanged for equity in Holdings, which then released the loans. Each $1,000 of such loans validly tendered by eligible holders received 0.3929161 Holdings common shares;
- $92 million principal amount of term loans under the Senior Secured Facilities and $213 million principal amount of 8.375% First Lien Senior Secured Notes were released by Franklin in return for $305 million principal amount of new 4.00% First Lien Senior Secured Notes;
- CEVA obtained a commitment from Franklin to purchase an additional principal amount of new 4.00% First Lien Senior Secured Notes equal to the US dollar equivalent of €65 million at CEVA's option, and a fee of $3 million was paid to Franklin in the form of Holdings common shares as a commitment fee;
- $219 million capital injection was received from Apollo and CapRe for the issuance of Series A-1 Convertible Preferred Shares of Holdings pursuant to the terms of a backstop agreement; and
- Interest payments were made on the 11.5% Senior Notes and 12.75% Senior Notes remaining outstanding after the Recapitalization in respect of amounts due April 1, 2013.

Following the Recapitalization, on July 18, 2013, CEVA exercised its option under the commitment with Franklin and Franklin purchased $85,107,750 in aggregate principal amount of new 4.00% First Lien Senior Secured Notes. As of December 31, 2013, $390 million of 4.00% First Lien Senior Secured Notes was outstanding.

In connection with the Recapitalization, CEVA entered into an expense reimbursement agreement pursuant to which CEVA Logistics U.S. Holdings, Inc. a wholly-owned subsidiary of the Issuer, agreed to pay any indemnification obligations of the Issuer and Holdings arising out of the backstop agreement referred to above and the restructuring support agreement, among the Issuer, Holdings and certain holders of the 12% Senior Notes and 12.75% Senior Notes.

Prior Debt Transactions

July 2009 Exchange Offers

On July 22, 2009, CEVA issued €120 million aggregate principal amount of 12% Second-Priority Notes due 2014 in exchange for €153 million outstanding 8.5% Senior Notes and €50 million outstanding Senior Subordinated Notes, and issued $127 million aggregate principal amount of 12% Second-Priority Notes in exchange for $205 million of loans under the Senior Unsecured Facility (collectively, the "*July 2009 Exchange Offers*"). In the July 2009 Exchange Offers, Apollo privately exchanged with CEVA (1) $172 million of loans under the Senior Unsecured Facility for $107 million of 12% Second-Priority Notes and (2) €30 million of 8.5% Senior Notes for €19 million of 12% Second-Priority Notes.

March 2010 Transactions

The March 2010 Transactions refer to (1) CEVA's offering of the 11.5% Senior Notes; (2) CEVA's offer to purchase its 10% Second-Priority Senior Secured Notes due 2014 (the "*10% Second-Priority Notes*") and 12% Second-Priority Notes (the "*12% Second-Priority Notes*"), and related consent solicitation, pursuant to the Offer to Purchase and Consent Solicitation Statement dated February 24, 2010, as supplemented on March 2, 2010, as further supplemented on March 9, 2010; (3) the private exchange by Apollo with CEVA of 10% Second-Priority Notes and 12% Second-Priority Notes for the 11.5% Senior Notes; and (4) the private exchange by Apollo with CEVA of (i) 8.5% Senior Notes held by Apollo for a like principal amount of 8.5% Senior Notes due 2018 (the "*Extended Senior Notes*"), (ii) the Senior Subordinated Notes held by Apollo for a like principal amount of 10% Senior Subordinated Notes due 2018 (the "*Extended Senior Subordinated Notes*") and (iii) senior unsecured loans under a senior bridge facility held by Apollo (the "*Senior Unsecured Loans*") for a like principal amount of senior unsecured loans maturing on June 30, 2018 under the Senior Unsecured Facility (the "*Extended Senior Unsecured Loans*").

In March 2010, Apollo privately exchanged all of the 12% Second-Priority Notes and 10% Second-Priority Notes held by it in exchange for $77 million in principal amount of the 11.5% Senior Notes. In addition, Apollo committed to privately exchange all of the 8.5% Senior Notes, Senior Subordinated Notes and Senior Unsecured Loans held by it in exchange for a like principal amount of Extended Senior Notes, Extended Senior Subordinated Notes and Extended Senior Unsecured Loans. The purpose of the private exchange was to extend the maturities of the 8.5% Senior Notes, Senior Subordinated Notes and Senior Unsecured Loans held by Apollo to no earlier than June 30, 2018. Apollo exchanged all of the 11.5% Senior Notes held by it for Holdings common shares of Holdings in the Recapitalization.

2011 Debt Amendments

On November 21, 2011, CEVA entered into amendments to the agreements governing the Extended Senior Unsecured Loans, the Extended Senior Notes and the Extended Senior Subordinated Notes. Pursuant to such amendments, instead of receiving scheduled interest payments in the fourth quarter of 2011, Apollo agreed to receive accrued and unpaid interest on February 1, 2012 in exchange for a nominal consent fee, the purpose of which was to improve the balance of the timing of CEVA's interest payments.

February 2012 Refinancing

On February 1, 2012, concurrently with the issuance by CEVA of $325 million of 8.375% First Lien Senior Secured Notes and $620 million of 12.75% Senior Notes, Apollo completed (1) an exchange of an aggregate of over €870 million in indebtedness of CEVA and CIL held by them in exchange for newly-issued Class B ordinary shares of CIL (the "*February 2012 Refinancing*"), and (2) a private exchange of €109 million of CEVA debt held by them into $145 million of the aforementioned $620 million principal amount of 12.75% Senior Notes (the "*2012 Debt Exchange*").

The 2012 Debt Exchange consisted of all of Apollo's holdings of the Extended Senior Notes, the Extended Senior Subordinated Notes and debt instruments issued by CIL, pursuant to the PIK Loan Facility (the "*CIL PIK Instruments*"), as well as $516 million of Senior Unsecured Loans. All of the debt exchanged in the February 2012 Refinancing was retired and is no longer outstanding.

Pursuant to their terms, the Class B ordinary shares issued in the February 2012 Refinancing would be mandatorily exchangeable for ordinary shares, were only entitled to dividends if and when declared on the ordinary shares, and had certain other rights, including voting rights.

In the 2012 Debt Exchange, Apollo (1) exchanged €109 million principal amount of the 8.5% Senior Notes and Senior Subordinated Notes for $145 million of 12.75% Senior Notes and (2) received accrued and unpaid interest in cash payable to the date of the 2012 Debt Exchange with respect to the debt that was exchanged. The notes issued in the 2012 Debt Exchange were issued under the same indenture as, and are treated as a single class for all purposes under the indenture relating to, the 12.75% Senior Notes. Apollo exchanged all of the 12.75% Senior Notes held by it for Holdings common shares in the Recapitalization.

Master Accounts Receivable Transfer Agreement

During September and October 2012, CEVA subsidiaries entered into a purchase and sale agreement pursuant to which an aggregate €14 million of their trade accounts receivables were sold to Apollo on terms which management believes compared favorably to market pricing. Under the terms of the agreement, the receivables are sold at a small discount relative to their carrying value in exchange for all interests in such receivables; the CEVA subsidiaries retain the obligation to service the collection of the receivables on the purchasers' behalf for which they are paid a fee; and the purchasers defer payment of a portion of the receivables purchase price. No borrowings were outstanding pursuant to this agreement as of December 31, 2013.

CIL Bankruptcy Proceeding

On April 22, 2013, certain funds managed by Cyrus Capital Partners holding PIK notes issued by CIL in the total amount of approximately $53.4 million filed an involuntary petition against CIL in the Bankruptcy Court for the Southern District of New York, requesting an order for relief under Chapter 7 of the U.S. Bankruptcy Code (Case No. 13-11272). CIL did not contest the involuntary petition, and on May 14, 2013, the Court granted the petition and appointed Salvatore LaMonica of LaMonica, Herbst & Maniscalco, LLP as Interim Trustee of the CIL estate (the "*Chapter 7 Trustee*"). Subsequently, on July 3, 2013, the Chapter 7 Trustee filed a motion for an order pursuant to Bankruptcy Rule 2004 ("*Rule 2004*") authorizing the Chapter 7 Trustee to serve document requests and take depositions in order to "identify[] and assess[] the merits of potential valuable estate claims," including an intercompany claim CIL purports to hold against various subsidiaries of CEVA in the approximate amount of €14 million (the "*Rule 2004 Motion*"). On August 6, 2013, the Bankruptcy Court granted the Rule 2004 Motion, and on August 7, 2013, the Chapter 7 Trustee served a subpoena on CEVA seeking a wide variety of documents. The Chapter 7 Trustee has served subpoenas on other parties as well, including CEVA's financial advisor, Houlihan Lokey Inc. Discovery is ongoing, and the Chapter 7 Trustee has not yet asserted any claims against CEVA or any other party in connection with the proceeding.

Management Agreement with Apollo

In connection with the formation of CIL and the acquisition of TNT N.V.'s logistics business, Apollo and its affiliates entered into a management agreement with CIL and CEVA Limited relating to the provision of certain financial and strategic advisory services and consulting services. CEVA Limited agreed to pay to Apollo an annual monitoring fee equal to the greater of €3 million and 1.5% of our Adjusted EBITDA before such fees, plus related expenses. For the year ended December 31, 2012, Apollo received a management fee of €4 million. Management fees for 2013 and 2014 have been waived by Apollo. CEVA Limited has agreed to indemnify Apollo and its affiliates and their directors, officers and representatives for losses relating to the services contemplated by the management agreement and for the engagement of affiliates of Apollo pursuant to, and the performance by them of the services contemplated by, the management agreement.

Affiliated Underwriter

On February 1, 2012, we issued $325 million in aggregate principal amount of the 8.375% First Lien Senior Secured Notes and $475 million in aggregate principal amount of 12.75% Senior Notes. One of the initial purchasers in the offering of the 8.375% First Lien Senior Secured Notes and 12.75% Senior Notes was Apollo Global Securities, an affiliate of Apollo.

In addition, Apollo Global Securities is one of the initial purchasers in this offering.

Transactions with Joint Ventures

We also have a number of transactions with joint ventures over which we have joint control with our partners. See note 19 to the consolidated financial statements of Holdings as of and for the year ended December 31, 2013 included in this offering circular.

DESCRIPTION OF OTHER INDEBTEDNESS

We summarize below the principal terms of our principal indebtedness expected to be outstanding upon the closing of the Transactions, including (1) the agreements that will govern our Senior Secured Facilities, (2) the indentures governing our Existing Notes that will remain outstanding after the Transactions, (3) the agreements that governs the ABL Facilities and (4) related intercreditor agreements. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the agreements, including the definitions of certain terms therein that are not otherwise defined in this Offering Circular.

Senior Secured Facilities

Concurrently with the closing of this offering, CEVA expects to enter into an amended and restated senior secured credit facilities, the proceeds of which, together with proceeds from this offering and the Holdings Contribution, will be used to refinance all of the outstanding indebtedness under the existing Senior Secured Facilities, the 8.375% First Lien Senior Secured Notes, the Existing First-and-a-Half Priority Lien Notes, the 11.5% Senior Notes, the 12% Senior Notes and a portion of the Second Lien PIK Notes. See "Use of Proceeds."

We expect that the Senior Secured Facilities will be comprised of the following:

- $a term loan facility (comprised of $740 million of term loans denominated in U.S. dollars and €50 million of term loans denominated in euros), maturing in 2021;
  - $250 million revolving facility, maturing in 2019; and
  - $275 million synthetic letter of credit facility, maturing in 2021.

We also expect that the Senior Secured Facilities will provide for uncommitted incremental term loans, revolving facilities or synthetic letter of credit facilities in an aggregate amount of up to $350 million plus additional amounts subject to a maximum senior secured leverage ratio of 4.3 to 1.0, that may be made available upon our request under the Senior Secured Facilities, subject to documentation requirements and other conditions.

Interest Rate and Fees

We expect that the interest rate per annum applicable to the term loan facility will be, at our option, either (x) an alternate base rate plus 4.50%, or (y) an adjusted LIBO rate plus 5.50%, and the interest rate per annum applicable to the revolving facility will be, at our option, either (x) an alternate base rate plus 4.00% or (y) an adjusted LIBO rate plus 5.00%, subject to one step down on the interest rate for the revolving facility based on our senior secured leverage ratio. In the case of the term loan facility, the alternative base rate shall be no less than 2% and the adjusted LIBO rate shall be no less than 1%.

We also expect to pay an amount equal to the LIBO rate (less the rate of interest earned in respect of amounts deposited with the administrative agent to backstop letters of credit issued under the synthetic letter of credit facility) plus the applicable margin used for the adjusted LIBO rate term loans plus 0.10% per annum in respect of amounts deposited with the administrative agent to backstop letters of credit issued under the synthetic letter of credit facility. In the case of the synthetic letter of credit facility, the adjusted LIBO rate shall be no less than 1%. In addition to paying interest on outstanding principal under the Senior Secured Facilities, we expect to pay an unused commitment fee of 0.50%, subject to one step-down based on our senior secured leverage ratio. We also expect to pay customary letter of credit and agency fees.

Prepayments

We expect to be required to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of excess cash flow (as defined in the agreement governing the Senior Secured Facilities) less the amount of certain voluntary prepayments as described in the agreement governing the Senior Secured Facilities, subject to downward adjustments depending on our senior secured leverage ratio; and

- 100% of the net cash proceeds of all non-ordinary course asset sales and casualty and condemnation events, if we do not reinvest or commit to reinvest those proceeds in assets to be used in our business or to make certain other permitted investments within 18 months (and, if committed to be so reinvested, actually reinvested within 21 months).

We expect to be permitted to voluntarily repay outstanding loans under our Senior Secured Facilities at any time without premium or penalty, other than customary "breakage" costs with respect to eurocurrency loans and other than with respect to certain repricing transactions (as defined in the agreement governing the Senior Secured Facilities) occurring within 2 years of the closing date for the Senior Secured Facilities.

Amortization

We expect that our new term loan facility will provide for quarterly amortization payments totaling 1% per annum of the original principal amount of our new term loan facility, with the balance payable upon the final maturity date.

Ranking; Guarantees and Security

The obligations under the Senior Secured Facilities will be our senior obligations. All obligations under the Senior Secured Facilities will be unconditionally guaranteed by the Issuer, each of the other borrowers under the Senior Secured Facilities and certain of our direct and indirect subsidiaries, subject to certain legal and tax limitations. All obligations under the Senior Secured Facilities, and the guarantees of those obligations (as well as any interest-hedging or other swap agreements), will be secured on a first-priority basis by substantially all of the assets of the borrowers and guarantors, subject to certain exceptions including the trade accounts receivable originated by the Originators that have been transferred to the SPEs under the U.S. ABL Facility and the Australian Receivables Facilities, as the case may be, and other factoring arrangements and legal and tax limitations.

Certain Covenants and Events of Default

The Senior Secured Facilities will contain a number of covenants that, among other things, restrict, subject to certain exceptions, our ability and the ability of our subsidiaries to:

- incur additional indebtedness;
- create liens on assets;
- enter into sale and leaseback transactions;
- make investments, loans, guarantees or advances;
- make certain acquisitions;
- sell assets;
- engage in mergers or acquisitions;
- pay dividends and make distributions or repurchase capital stock;
- repay certain other indebtedness;
- in the case of our restricted subsidiaries, enter into arrangements that restrict their ability to pay dividends or make other payments to us; and
- engage in certain transactions with affiliates.

In addition, we expect that, to the extent that the aggregate amount of outstanding revolving loans exceed 30% of the revolving commitments under the Senior Secured Facilities, the agreement governing the Senior Secured Facilities will require us to maintain a ratio of net first lien secured debt to EBITDA (as defined in the agreement governing our Senior Secured Facilities) of no more than 5.35 to 1.0, tested on a quarterly basis.

The Senior Secured Facilities will also contain customary affirmative covenants and events of default.

4.00% First Lien Senior Secured Notes

Overview

On May 2, 2013, CEVA issued $304,863,114 aggregate principal amount of 4.00% First Lien Senior Secured Notes due 2018 (the "*Initial 4.00% First Lien Senior Secured Notes*"), and on July 18, 2013, CEVA issued an additional $85,107,750 aggregate principal amount of 4.00% First Lien Senior Secured Notes due 2017 (together with the Initial 4.00% First Lien Senior Secured Notes, the "*4.00% First Lien Senior Secured Notes*"). The 4.00% First Lien Senior Secured Notes were issued under an indenture, dated as of May 2, 2013, by and among CEVA, the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar, principal paying agent and transfer agent, and Law Debenture Trust Company of New York, as collateral agent. The 4.00% First Lien Senior Secured Notes mature on May 1, 2018. As of December 31, 2013, $390 million in aggregate principal amount of 4.00% First Lien Senior Secured Notes were outstanding.

Interest

Interest on the 4.00% First Lien Senior Secured Notes accrues at the rate of 4.00% per annum, payable on May 1 and November 1 of each year.

Optional Redemption

At any time, CEVA may redeem some or all of the 4.00% First Lien Senior Secured Notes at the redemption prices specified in the indenture, beginning at 102%, declining to par on May 1, 2015, plus accrued and unpaid interest, if any, to the redemption date.

Change of Control

Upon a change of control, as defined in the indenture governing the 4.00% First Lien Senior Secured Notes, CEVA will be required to offer to repurchase the 4.00% First Lien Senior Secured Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date, unless CEVA has previously elected to redeem all the 4.00% First Lien Senior Secured Notes.

Ranking; Guarantees and Security

The 4.00% First Lien Senior Secured Notes are CEVA's senior obligations. The 4.00% First Lien Senior Secured Notes are jointly and severally guaranteed on a senior basis by each of CEVA's existing and future wholly owned subsidiaries that guarantee the Senior Secured Facilities. The 4.00% First Lien Senior Secured Notes and the related guarantees are secured on a first-priority basis by substantially all of CEVA's assets and assets of the guarantors, subject to certain exceptions including the trade accounts receivable originated by the Originators that have been transferred to the SPEs under the U.S. ABL Facility and the Australian Receivables Facilities, as the case may be, and other factoring arrangements and legal and tax limitations.

Covenants

The indenture governing the 4.00% First Lien Senior Secured Notes contains covenants that, among other things, restrict, subject to certain exceptions, CEVA's ability and the ability of its subsidiaries to:

- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- in the case of CEVA's restricted subsidiaries, enter into arrangements that restrict their ability to pay dividends or make other payments to CEVA;
- engage in transactions with affiliates;
- sell assets;
- create certain liens;
- guarantee or secure debt;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of CEVA's assets and the assets of its subsidiaries on a consolidated basis.

Certain covenants will cease to apply to the 4.00% First Lien Senior Secured Notes at all times after the 4.00% First Lien Senior Secured Notes have investment grade ratings from both Moody's and S&P.

Events of Default

The indenture governing the 4.00% First Lien Senior Secured Notes contains certain events of default, including (subject, in some cases, to customary cure periods and materiality thresholds) defaults based on (1) failure to make payments thereunder when due, (2) breach of covenants, (3) cross-acceleration to indebtedness in excess of €25.0 million, (4) bankruptcy events, (5) failure to pay certain final judgments in excess of €25.0 million, (6) failure of guarantees of significant subsidiaries to remain in full force and effect, (7) assertion in a court pleading that security interests are invalid or unenforceable and (8) failure to comply with agreements related to the collateral.

Second Lien PIK Notes

Overview

On May 2, 2013, CEVA completed a private offering of $688,893,689 aggregate principal amount of 10% Second Lien Secured PIK Notes due 2023 (the "*Second Lien PIK Notes*"). The Second Lien PIK Notes were issued under an indenture dated as of May 2, 2013, by and among CEVA, the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar, principal paying agent and transfer agent, and Law Debenture Trust Company of New York, as collateral agent. The Second Lien PIK Notes mature on May 1, 2023. As of December 31, 2013, approximately $724 million in aggregate principal amount of Second Lien PIK Notes were outstanding. Holdings owns 100% of the Second Lien PIK Notes.

Concurrently with the closing of this offering, we will repurchase approximately $93 million principal amount of the Second Lien PIK Notes held by Holdings at a price of 100% of the principal amount thereof plus accrued and unpaid interest up to, but not including, the repurchase date. Holdings will use all of the cash proceeds from such repurchase of the Second Lien PIK Notes to make a capital contribution to CEVA such that Holdings will not receive, on a net basis, any cash proceeds from this offering. We will use the proceeds of such contribution to partially finance the Cash Debt Tenders and redemptions described under "Summary—Concurrent Transactions."

The Holdings Contribution will not increase the amount available for restricted payments under this indentures governing the notes (and the repurchase of Second Lien PIK Notes will not reduce the amount available).

Interest

Interest on the Second Lien PIK Notes accrues at the rate of 10% per annum, payable quarterly on August 1, November 1, February 1 and May 1 of each year and is paid-in-kind by increasing the principal amount of the Second Lien PIK Notes in an amount equal to the amount of PIK interest for the applicable interest payment period. The Second PIK Lien Notes bear interest on the increased principal amount thereof from and after the applicable interest payment date on which there is an accretion of PIK interest.

Optional Redemption

CEVA may redeem some or all of the Second Lien PIK Notes at a redemption price equal to 100% of the principal amount of the Second Lien PIK Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date.

Change of Control

Upon a change of control, as defined in the indenture governing the Second Lien PIK Notes, CEVA will be required to offer to repurchase the Second Lien PIK Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date, unless CEVA has previously elected to redeem all the Second Lien PIK Notes. We do not expect the Transactions contemplated hereby to constitute a change of control as defined in the indenture.

Ranking; Guarantees and Security

The Second Lien PIK Notes are CEVA's senior obligations. The Second Lien PIK Notes are jointly and severally guaranteed on a senior basis by each of CEVA's existing and future wholly owned subsidiaries that guarantee the Senior Secured Facilities. The Second Lien PIK Notes and the related guarantees are secured on a third-priority basis by substantially all of CEVA's assets and assets of the guarantors, subject to certain exceptions including the trade accounts receivable originated by the Originators that have been transferred to the SPEs under the U.S. ABL Facility and the Australian Receivables Facilities, as the case may be, and other factoring arrangements and legal and tax limitations.

The liens securing the Second Lien PIK Notes rank junior to the liens securing the notes offered hereby.

Covenants and Events of Default

The Second Lien PIK Notes contain covenants and events of default that are substantially similar to those contained in the indenture governing the 4.00% First Lien Senior Secured Notes described above.

12.75% Senior Notes

Overview

On February 1, 2012, CEVA issued an aggregate principal amount of approximately $620 million of 12.75% Senior Notes due 2020 (the "*12.75% Senior Notes*"). The 12.75% Senior Notes were issued under an indenture dated as of February 1, 2012, by and among CEVA, the guarantors party thereto, Wilmington Bank, National Association, as successor in interest to The Bank of New York Mellon, as trustee, registrar, principal paying agent, U.S. paying agent, transfer agent and U.S. transfer agent and Wilmington Trust SP Services (Dublin) Limited, as successor in interest to The Bank of New York Mellon SA/NV (formerly known as The Bank of New York Mellon (Ireland) Limited), as Irish paying agent. The 12.75% Senior Notes mature on March 31, 2020. The 12.75% Senior Notes were the subject of an exchange offer and consent solicitation as part of the Recapitalization that was consummated on May 2, 2013, pursuant to which $577 million of 12.75% Senior Notes were tendered and

all of the restrictive covenants and certain events of default and related provisions were eliminated from the indenture governing the 12.75% Senior Notes. As of December 31, 2013, $43 million in aggregate principal amount of 12.75% Senior Notes were outstanding.

Interest

Interest on the 12.75% Senior Notes accrues at the rate of 12.75% per annum, payable semi-annually on March 31 and September 30 of each year.

Optional Redemption

CEVA may redeem some or all of the 12.75% Senior Notes prior to March 31, 2015 at a price equal to 100% of the principal amount thereof, plus a make-whole premium, plus accrued and unpaid interest, if any, to the redemption date. At any time on or after March 31, 2015, CEVA may redeem some or all of the 12.75% Senior Notes at the redemption prices specified in the indenture, beginning at par and ¾ of the annual coupon, declining to par on March 31, 2018, plus accrued and unpaid interest, if any, to the redemption date. Additionally, at any time on or prior to March 31 2015, CEVA may redeem up to 40% of the originally issued aggregate principal amount of the 12.75% Senior Notes with the net cash proceeds of one or more equity offerings at a price equal to 112.750% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, if at least 60% of the originally issued aggregate principal amount of the 12.75% Senior Notes remains outstanding after such redemption.

Ranking; Guarantees

The 12.75% Senior Notes are CEVA's senior unsecured obligations. The 12.75% Senior Notes are jointly and severally guaranteed on a senior basis, by each of CEVA's wholly owned subsidiaries, that guarantees debt under the Senior Secured Facilities.

U.S. ABL Facility

On November 19, 2010, a new subsidiary of CEVA, CEVA US Receivables, LLC (the "*U.S. SPE*"), a bankruptcy remote special purpose entity formed in connection with the establishment of the U.S. ABL Facility, as well as certain of CEVA's U.S. subsidiaries—namely, CEVA Freight, LLC, CEVA International Inc. and CEVA Logistics U.S., Inc. (the "*US Originators*")—entered into agreements establishing an Asset Backed Loan Facility (the "*U.S. ABL Facility*") with an initial commitment of $200 million. On November 30, 2010, the committed amount of the U.S. ABL Facility was increased to $250 million. Under the terms of the Receivables Transfer Agreement, the Originators have contributed or sold all of their existing U.S. trade accounts receivable to the U.S. SPE and will continue to contribute or sell such trade accounts receivable to the U.S. SPE as they are originated. The U.S. SPE does not guarantee any indebtedness of CEVA or its subsidiaries, has been designated as an unrestricted subsidiary and a receivables subsidiary under the indentures governing the First Lien Senior Secured Notes, the First-and-a-Half Priority Lien Notes, the Second Lien PIK Notes and the Existing Unsecured Notes and as an unrestricted subsidiary under the existing Senior Secured Facilities. Borrowings in an amount equal to the lesser of (i) $250 million and (ii) the borrowing base under the U.S. ABL Facility are available to the U.S. SPE to make distributions to the US Originators or to pay the purchase price for any receivables sold instead of contributed. The available borrowing base under the U.S. ABL Facility at any one time is dependent upon a formula that takes into account factors such as the outstanding principal balance of the transferred receivables, obligor concentrations, obligor credit ratings and other reserves. The U.S. ABL Facility was further amended on December 31, 2013, to, among other things, extend the maturity to December 31, 2018.

The U.S. SPE is entitled to request increases in the committed amount of the U.S. ABL Facility from time to time, in minimum amounts of $10 million, with any such incremental commitments in an aggregate amount not to exceed the greater of (x) $100 million and (y) the excess (if any) of the borrowing base at such time over the commitments at such time. At December 31, 2013, the total of outstanding borrowings under the U.S. ABL Facility was $153 million, and the committed amount was $250 million.

Interest Rate and Fees

The interest rate per annum applicable to the U.S. ABL Facility is, at the SPE's option, either at (x) an alternate base rate plus an applicable margin ranging between 1% to 1½% per annum depending on availability under the U.S. ABL Facility or (y) an Adjusted LIBO rate plus an applicable margin ranging per annum between 2% to 2½% depending on availability under the U.S. ABL Facility. In addition to paying interest on the outstanding principal under the U.S. ABL Facility, the SPE is required to pay a commitment fee on the daily undrawn portion of the U.S. ABL Facility at a rate ranging between 0.25% to 0.50% per annum depending on availability under the U.S. ABL Facility.

Prepayments

If at any time the aggregate amount of the outstanding loans exceeds the lesser of the commitment amount or the available borrowing base or, if at any time the fixed charge coverage ratio of CEVA is less than or equal to 1.3 to 1.0 and the aggregate amount of the outstanding loans exceeds 90% of the lesser of the commitment amount or the available borrowing base, the U.S. SPE will be required to immediately repay outstanding loans in an aggregate amount equal to such excess. The U.S. SPE is permitted to voluntarily repay outstanding loans under the U.S. ABL Facility at any time without premium or penalty, other than customary "breakage" costs with respect to eurocurrency loans.

Guarantee and Security

CEVA guarantees the performance of (i) CEVA Freight, LLC in its capacity as servicer of the receivables and (ii) the indemnification obligations of the US Originators under the Receivables Transfer Agreement, but does not guarantee the collectability of the receivables or any obligations of the U.S. SPE as borrower under the U.S. ABL Facility. The obligations of the U.S. SPE under the U.S. ABL Facility are secured on a first-priority basis by all currently owned and subsequently acquired assets of the U.S. SPE, including, but not limited to, all of the accounts receivable transferred to it by the US Originators.

Certain Covenants and Events of Default

The U.S. ABL Facility contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of the U.S. SPE to:

- incur additional indebtedness;
- sell or create liens on the transferred receivables;
- engage in mergers or acquisitions;
- guarantee debt or enter into hedging arrangements;
- engage in certain transactions with affiliates;
- amend material debt and other material agreements;
- amend its organizational documents; and
- change its ownership.

The U.S. ABL Facility also contains customary events of default.

Australian Receivables Facility

On October 1, 2012, certain of the Company's Australian subsidiaries and a new subsidiary, CEVA Receivables (Australia) Pty Ltd (the "*Australian SPE*"), entered into agreements establishing a A$40 million receivables purchase facility due 2015 (the "*Australian Receivables Facility*"). Pursuant to the Australian Receivables Facility, the Company's Australian subsidiaries party to such agreements transfer certain receivables to

the Australian SPE, and the Australian SPE transfers such receivables to the counterparty under the Australian Receivables Facility. As of December 31, 2013, the outstanding drawn amount under the Australian Receivables Facility was A$39 million ($35 million).

Intercreditor Agreements

First Lien Intercreditor Agreement

The trustee and collateral agent under the indenture that governs the New First Lien Senior Secured Notes offered hereby, as representative of the holders of such notes, will accede to the First Lien Intercreditor Agreement, which establishes the relative priority of the liens securing the obligations under the indenture governing the Existing First Lien Senior Secured Notes (so long as they remain secured), the indenture governing the New First Lien Senior Secured Notes and the Senior Secured Facilities. The First Lien Intercreditor Agreement was entered into on December 14, 2010 by the administrative agent under the Senior Secured Facilities, as representative for the secured parties under the Senior Secured Facilities, and by the collateral agent for the obligations under the indenture governing the Existing First Lien Senior Secured Notes. This summary of the First Lien Intercreditor Agreement uses the following terms:

- "Bankruptcy Code" means Title 11 of the United States Code, as amended.
- "Obligations" means (i) with respect to the Existing First Lien Senior Secured Notes (so long as they remain secured) and the New First Lien Senior Secured Notes offered hereby any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any such indebtedness; (ii) with respect to the Senior Secured Facilities the due and punctual payment of (a) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the loans, when and as due, whether at maturity or by acceleration, upon one or more dates set for prepayment or otherwise; (b) all other monetary obligations of the borrowers to any of the secured parties under the Senior Secured Facilities, and each of the other loan documents, including fees, costs, expenses and indemnities; and (c) the due and punctual payment and performance of all obligations of the borrowers and its subsidiaries that are guarantors under the loan documents, hedging agreements, overdraft facilities and agreements providing for cash management services; and (iii) certain additional obligations designated "Additional Obligations" pursuant to the terms of the First Lien Intercreditor Agreement.
- "Security Document" means each agreement, instrument or other document entered into in favor of the collateral agent, or any of the other secured parties under the Senior Secured Facilities, the indenture governing the Existing First Lien Senior Secured Notes (so long as they remain secured) and the New First Lien Senior Secured Notes offered hereby and any other agreement, document or instrument pursuant to which a Lien is now or hereafter granted securing any series of Obligations or under which rights or remedies with respect to such Liens are at any time governed.
- "Shared Collateral" means, at any time, collateral in which the holders of two or more series of Obligations (or their respective representatives) hold a valid and perfected security interest.

The First Lien Intercreditor Agreement may be amended from time to time without the consent of the secured parties thereto to add other secured parties.

Designation of the Applicable Authorized Representative

Under the First Lien Intercreditor Agreement, as described below, the "Applicable Authorized Representative" has the right to initiate foreclosures, release liens in accordance with the Senior Secured Facilities, the indenture governing the Existing First Lien Senior Secured Notes (so long as they remain secured) and the indenture governing the New First Lien Senior Secured Notes offered hereby, and the representatives of other series of Obligations party to the First Lien Intercreditor Agreement, including the collateral agent, have no right to take actions with respect to the Shared Collateral.

Initially, the Applicable Authorized Representative is the administrative agent under the existing Senior Secured Facilities, and upon the refinancing of the existing Senior Secured Facilities with the proceeds of the new Senior Secured Facilities, the Applicable Authorized Representative will be the administrative agent under the new Senior Secured Facilities. As long as such administrative agent is the Applicable Authorized Representative, the collateral agent, as representative of the holders of the Existing First Lien Senior Secured Notes (so long as they remain secured) and the New First Lien Senior Secured Notes offered hereby, as representative of the holders of the Existing First Lien Senior Secured Notes (so long as they remain secured) and the New First Lien Senior Secured Notes and any representative for any designated "Additional Obligations" (the collateral agent and any such representative, each a "*Non-Controlling Representative*"), will have no rights to take any action under the First Lien Intercreditor Agreement.

The administrative agent under the Senior Secured Facilities will remain the Applicable Authorized Representative until the earlier of:

(1) the discharge of our Obligations under the Senior Secured Facilities; and

(2) the Cut-Off Date (as defined below).

After such date, the Applicable Authorized Representative will be the representative of the series of Obligations that constitutes the largest outstanding principal amount of any then outstanding series of Obligations party to the First Lien Intercreditor Agreement, other than the Obligations under the Senior Secured Facilities, with respect to the Shared Collateral (the "*Major Non-Controlling Representative*").

The "Cut-Off Date" means, with respect to any Non-Controlling Representative, the date which is at least 90 days (throughout which 90 day period such Person was the Major Non-Controlling Representative) after the occurrence of both (i) an Event of Default (under and as defined in the instrument under which such Non-Controlling Representative is appointed as the representative) and (ii) the Applicable Authorized Representative's and each other relevant representative's receipt of written notice from such Non-Controlling Representative certifying that (x) such Non-Controlling Representative is the Major Non-Controlling Representative and an Event of Default has occurred and is continuing and (y) the Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such Obligations; provided, however, that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and be rescinded (1) at any time the administrative agent under the Senior Secured Facilities or the Applicable Authorized Representative has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Role of the Applicable Representative

Pursuant to the First Lien Intercreditor Agreement:

(1) the Applicable Authorized Representative has the sole right to act or refrain from acting with respect to the Shared Collateral;

(2) the Applicable Authorized Representative shall not follow any instructions with respect to such Shared Collateral from any Non-Controlling Representative; and

(3) no Non-Controlling Representative or other party to the First Lien Intercreditor Agreement will instruct the Applicable Authorized Representative to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral.

Notwithstanding the equal priority of the Liens on any Shared Collateral, the Applicable Authorized Representative may deal with the Collateral as if such Applicable Authorized Representative had a senior lien on such Collateral. No Non-Controlling Representative may contest, protest or object to any foreclosure proceeding or action brought by the Applicable Authorized Representative. Each of the parties to the First Lien Intercreditor Agreement will agree that it will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the parties to the First Lien Intercreditor Agreement in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

Further, each secured party under the First Lien Intercreditor Agreement will agree that if any pledgor shall become subject to a case (a "*Bankruptcy Case*") under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of financing ("*DIP Financing*") to be provided by one or more lenders (the "*DIP Lenders*") under Section 364 of the Bankruptcy Code or the use of cash collateral under Section 363 of the Bankruptcy Code, it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same ("*DIP Financing Liens*") or to any use of cash collateral that constitutes Shared Collateral, unless any series of Obligations constituting the series of secured parties whose authorized representative is the Applicable Authorized Representative for such Shared Collateral (the "*Controlling Secured Party*"), or an authorized representative of any Controlling Secured Party, shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each secured party which is not a Controlling Secured Party (a "*Non-Controlling Secured Party*") will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank *pari passu* with the Liens on any such Shared Collateral granted to secure the Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth in the First Lien Intercreditor Agreement), in each case so long as (A) the secured parties of each series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-à-vis all the other secured parties (other than any Liens of the secured parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the secured parties of each series are granted Liens on any additional collateral pledged to any secured parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-à-vis the secured parties as set forth in the First Lien Intercreditor Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Obligations, such amount is applied pursuant to the provisions described in "—Distribution of Enforcement Proceeds" below and (D) if any secured parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection is applied pursuant to the provisions described in "—Distribution of Enforcement Proceeds" below; provided that the secured parties of each series shall have a right to object to the grant of a Lien to secure the DIP Financing over any collateral subject to Liens in favor of the secured parties of such series or its authorized representative that shall not constitute Shared Collateral; and provided further, that the secured parties receiving adequate protection shall not object to any other secured party receiving adequate protection comparable to any adequate protection granted to such secured parties in connection with a DIP Financing or use of cash collateral.

In the event that the Applicable Authorized Representative or the Controlling Secured Parties enter into any amendment, waiver or consent in respect of or replace any Security Document for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Security Document or changing in any manner the rights of the Applicable Authorized Representative, the Controlling Secured Parties, the borrowers under the Senior Secured Facilities or any other pledgor thereunder (including the release of any Liens upon Shared Collateral), then such amendment, waiver or consent shall apply automatically to any comparable provision of each security document in favor of any other authorized representative party to the First Lien Intercreditor Agreement without the consent of any other authorized representative or any other secured party and without any action by any authorized representative, the borrowers under the Senior Secured Facilities or any other pledgor; provided, however, that (A) such amendment, waiver or consent (x) does not materially adversely affect the rights of the other secured parties or the interests of the secured parties in the Shared Collateral and not the other creditors of the borrowers under the Senior Secured Facilities or such pledgor, as the case may be, that have a security interest in the affected Shared Collateral in a like or similar manner or (y) adversely affect the rights,

protections, immunities or indemnities of a Non-Controlling Representative and (B) written notice of such amendment, waiver or consent shall have been given to each other authorized representative.

Each secured party under the First Lien Intercreditor Agreement will further agree that it will not seek relief from the automatic stay or any other stay in any insolvency or liquidation proceeding in respect of the Shared Collateral, without the prior written consent of the Applicable Authorized Representative and the Controlling Secured Parties.

If any secured party under the First Lien Intercreditor Agreement is required in any insolvency or liquidation proceeding or otherwise to turn over or otherwise pay to the estate of any pledgor (or any trustee, receiver or similar person therefor) any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of setoff or otherwise, because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, then the Obligations of the applicable series shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred. If the First Lien Intercreditor Agreement shall have been terminated prior to such Recovery, the First Lien Intercreditor Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties thereto.

Distribution of Enforcement Proceeds

If an Event of Default (under and as defined in an instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement) has occurred and is continuing and the Applicable Authorized Representative is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any Bankruptcy Case of any grantor of Shared Collateral, or the Applicable Authorized Representative or any secured party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by the Applicable Authorized Representative or any secured party and proceeds of any such distribution, shall be applied as follows:

(1) first, to the payment of all amounts owing to each authorized representative (in its capacity as such) on a *pari passu* basis pursuant to the terms of the First Lien Intercreditor Agreement and any instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is Incurred; and

(2) second, subject to certain limited exceptions, to the payment in full of the Obligations of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement on a pro rata basis in accordance with the amounts of such Obligations, with the payment so allocated to each series to be applied to the Obligations of such series in accordance with the terms of the applicable instrument pursuant to which such Obligations have been incurred.

Notwithstanding the foregoing, with respect to any Shared Collateral for which a third party (other than a secured party under the First Lien Intercreditor Agreement) has a lien or security interest that is junior in priority to the security interest of any series of Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other series of Obligations (such condition, an "Impairment" and such third party an "Intervening Creditor"), the value of any Shared Collateral or proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or proceeds to be distributed in respect of the series of Obligations with respect to which such Impairment exists.

Turnover

Subject to certain exceptions, if any party to the First Lien Intercreditor Agreement obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to the Senior/Subordinated Intercreditor Agreement and any other intercreditor agreement), at any time prior to the discharge of each series of

Obligations whose representative is party to the First Lien Intercreditor Agreement, then it shall hold such Shared Collateral, proceeds or payment in trust for the other parties to the First Lien Intercreditor Agreement and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Applicable Authorized Representative, to be distributed in accordance with the provisions described in the immediately preceding paragraph.

Automatic Release of Liens

If, at any time (x) the Applicable Authorized Representative forecloses upon or otherwise exercises remedies against any Shared Collateral (whether or not any insolvency or liquidation proceeding is pending at the time) or (y) any Shared Collateral is sold, transferred or disposed of by any pledgor in a transaction then permitted by each then extant document governing each series of Obligations subject to the First Lien Intercreditor Agreement, the liens in favor of any authorized representative for the benefit of each series of secured parties upon such Shared Collateral will automatically be released and discharged; provided that in the case of clause (x) any proceeds of any Shared Collateral realized therefrom shall be applied as described in "—Distribution of Enforcement Proceeds" above.

Exculpatory Provisions in Favor of the Applicable Authorized Representative

The First Lien Intercreditor Agreement provides that no authorized representative shall owe any fiduciary duty to any other party to the First Lien Intercreditor Agreement and in no case shall an authorized representative be:

(1) personally responsible or accountable in damages or otherwise to any other party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by each authorized representative in good faith in accordance with the First Lien Intercreditor Agreement or any of the applicable Security Documents in a manner that each authorized representative (acting reasonably) believed to be within the scope of the authority conferred on it by the First Lien Intercreditor Agreement or any of the applicable Security Documents or by law (other than for its own gross negligence or willful misconduct); or

(2) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other party, all such liability, if any, being expressly waived by the parties and any person claiming by, through or under such party.

Each authorized representative shall, however, be liable under the First Lien Intercreditor Agreement for its own gross negligence or willful misconduct and for breach of its covenants or obligations contained therein. No authorized representative shall have responsibility for the actions of any individual secured party. With respect to the secured parties, each authorized representative undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the First Lien Intercreditor Agreement, and the parties acknowledge and agree that no implied agreement, covenants or obligations on the part of any authorized representative shall be read into the First Lien Intercreditor Agreement.

Senior/Subordinated Intercreditor Agreement

To establish the relative rights of certain of their creditors under our existing financing arrangements, CEVA and the other obligors under the Existing Notes and the Senior Secured Facilities (together with any future obligors under indebtedness that is subject to the terms of the Senior/Subordinated Intercreditor Agreement, the "*Obligors*") entered into the Senior/Subordinated Intercreditor Agreement with the creditors of the Senior Secured Facilities, the creditors under certain hedging agreements, the trustees and the collateral agents for the Existing Notes and Credit Suisse, as intercreditor agent thereunder. Upon consummation of this offering, the trustee for the New First Lien Senior Secured Notes and the New First-and-a-Half Priority Lien Notes will accede to the Senior/Subordinated Intercreditor Agreement as secured senior creditors. For purposes of the Senior/Subordinated Intercreditor Agreement, the creditors of each tranche of debt vote together and an agent for that tranche of debt (an "*Agent*") may act on the instructions of a percentage of creditors of that tranche of debt designated in the relevant finance document. Where there is more than one tranche of Unsecured Senior Debt or Subordinated Debt referred to

below, Credit Suisse, as security agent (the "*Security Agent*"), will act in accordance with the instructions of the creditors within such class holding a majority of the aggregate principal amount of indebtedness in respect of such class. The Senior/Subordinated Intercreditor Agreement provides for the accession to the agreement of any additional guarantors, as obligors, and any creditors of future permitted indebtedness. Holders of the New First Lien Senior Secured Notes and the New First-and-a-Half Priority Lien Notes will vote as a single class with the lenders under the Senior Secured Facilities, the holders of the Existing First Lien Senior Secured Notes (so long as they remain secured), the holders of the First-and-a-Half Priority Notes (so long as they remain secured), the holders of the Second Lien PIK Notes and other senior secured indebtedness permitted to be incurred pursuant to the terms of the Senior Secured Facilities, and the indentures governing, or that will govern, the Existing Notes and the notes offered hereby. Except as discussed below, the Senior/Subordinated Intercreditor Agreement does not restrict our ability to make payments on the notes.

The Senior/Subordinated Intercreditor Agreement principally governs three classes of indebtedness:

- unpaid and outstanding indebtedness under the Senior Secured Facilities, the Existing First Lien Senior Secured Notes (so long as they remain secured), the New First Lien Senior Secured Notes offered hereby, the New First-and-a-Half Priority Lien Notes offered hereby, the Existing First-and-a-Half Priority Notes (so long as they remain secured), the Second Lien PIK Notes and other senior secured indebtedness permitted to be incurred under the terms of the Senior Secured Facilities and the indentures governing, or that will govern, the Existing Notes and the notes (the "*Secured Senior Debt*");
- unpaid and outstanding indebtedness under the Existing Unsecured Notes , and other senior unsecured indebtedness permitted to be incurred under the terms of the Senior Secured Facilities and the indentures governing, or that will govern, the Existing Notes and the notes (the "*Unsecured Senior Debt*"); and
- unpaid and outstanding indebtedness under any subordinated indebtedness permitted to be incurred under the terms of the Senior Secured Facilities and the indentures governing, or that will govern, the Existing Notes and the notes (the "*Subordinated Debt*").

Payment Blockage Applicable to Subordinated Debt

Other than certain payments to the relevant Agent, payments in the form of subordinated securities or defeasance trust payments, the Senior/Subordinated Intercreditor Agreement provides that no payments may be made on the Subordinated Debt so long as a payment default has occurred and is continuing under any designated senior indebtedness. If an event of default (other than a payment default) is outstanding, any Agent in respect of such designated senior indebtedness may serve a notice (a "*Payment Blockage Notice*") on us suspending payment of the Subordinated Debt, and the Subordinated Debt will not become due and no payment shall be made on the Subordinated Debt until the earliest of (1) the date 179 days after the giving of the Payment Blockage Notice, (2) the date on which the event of default under the relevant designated senior indebtedness ceases to be outstanding, (3) the date on which a creditor of Subordinated Debt takes permitted enforcement action as described under "Limitations on Enforcement of Senior Subordinated Debt" below and (4) the date on which each Agent that delivered a Payment Blockage Notice cancels such Payment Blockage Notice. The issuance of a Payment Blockage Notice is subject to certain limitations set forth in the Senior/Subordinated Intercreditor Agreement such as timing considerations, administrative considerations and certain other procedural requirements (including that where a Payment Blockage Notice has been delivered by an Agent other than an Agent for Secured Senior Debt, the Agent for such creditors may deliver a further notice on their behalf within such blockage period and/or in respect of such event of default (provided that the total number of days in all such blockage periods shall not exceed 179 in any 365-day period)).

Limitations on Enforcement of Subordinated Debt

While the Secured Senior Debt and Unsecured Senior Debt is outstanding, the Senior/Subordinated Intercreditor Agreement provides that the Subordinated Creditors will not (without the consent of the Agents for the Secured Senior Debt and Unsecured Senior Debt) be permitted to (1) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of the Subordinated Debt,

(2) recover all or any part of the Subordinated Debt following the occurrence of an event of default in respect of such Subordinated Debt (including by exercising any right of setoff or combination of accounts), (3) exercise or enforce any security right against sureties or any other rights under any other document or agreement in relation to (or given in support of) all or any part of the Subordinated Debt, (4) petition for (or take any other formal steps that may reasonably be expected to lead to) an Insolvency Event in relation to any Obligor or (5) commence legal proceedings against any Obligor in furtherance of any of the foregoing (each of clauses (1) to (5) being an "*Enforcement Action*").

Despite these limitations on enforcement, the creditors of the Subordinated Debt are permitted under the Senior/Subordinated Intercreditor Agreement to take any Enforcement Action, provided that (1) certain insolvency, liquidation or other similar events have occurred in relation to the relevant group company and for so long as such events are continuing (provided that such events are not the result of the actions of any creditor of Subordinated Debt not in compliance with the Senior/Subordinated Intercreditor Agreement and such Enforcement Action may be taken only against the CEVA entity in respect of which such events have occurred), (2) the holders of Secured Senior Debt or Unsecured Senior Debt accelerate repayment of such debt provided that in such case the creditors of the Subordinated Debt may only demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of such debt, (3) a period (the "*Standstill Period*") of not less than 179 days has elapsed from the date each Agent of Secured Senior Debt and Unsecured Senior Debt received a notice from an Agent of the Subordinated Debt relating to an event of default under the applicable documents relating to such Subordinated Debt and such event of default is outstanding at (and has not been waived prior to) the end of the Standstill Period or (4) either the creditors of the Secured Senior Debt or Unsecured Senior Debt have commenced action to enforce security interests and are continuing to take such actions against the relevant CEVA entity. The creditors of the Subordinated Debt also agree that if the Security Agent (or any creditor of Secured Senior Debt or Unsecured Senior Debt) is diligently taking reasonable commercial steps to implement a Permitted Enforcement Sale (as defined below) against any Obligor as expeditiously as reasonably practicable having regard to the circumstances, no creditor of Subordinated Debt will take any Enforcement Action that would be reasonably likely to interfere with or adversely affect such Permitted Enforcement Sale or the amount of proceeds to be derived therefrom.

Turnover by Senior Subordinated Debtors

If any Subordinated Creditor receives or recovers any proceeds that are prohibited by the Senior/Subordinated Intercreditor Agreement, the receiving or recovering creditor will promptly pay all such proceeds to the Security Agent and, pending such payment, will hold any such proceeds on trust for the Security Agent, in each case after deducting the costs, liabilities and expenses (if any) reasonably incurred in receiving or recovering such proceeds. The Security Agent will apply such proceeds in accordance with the order of priority described under "—Application of Recoveries."

Long-Term Funding

The Senior/Subordinated Intercreditor Agreement recognizes that the Obligors may wish to incur additional Secured Senior Debt, Unsecured Senior Debt and Subordinated Debt that may (but are not required to) become a party to the Senior/Subordinated Intercreditor Agreement and requires the creditors under each class of debt to cooperate with the Obligors to allow such additional debt to be incurred, provided that such debt is permitted to be incurred under existing finance documents or is consented to by the existing creditors, and provided further that any new creditors in respect of such additional debt accede to the Senior/Subordinated Intercreditor Agreement.

Release of Guarantees and Security

Subject to the following paragraphs, if (1) the Security Agent sells or otherwise disposes of (or proposes to sell or otherwise dispose of) any asset (including shares) under any of the creditors' security for the Secured Senior Debt or (2) a group company sells or otherwise disposes of (or proposes to sell or otherwise dispose of) any asset (including shares) at the request of the Security Agent, and in either case such sale or disposal is in connection with any enforcement action, the Security Agent, each Agent and the trustee are authorized under the Senior/Subordinated Intercreditor Agreement:

- to release any lien or encumbrance created by the creditors' security for the Secured Senior Debt over the relevant asset; and
- if the relevant asset comprises all of the shares in the capital of a group company (or any direct or indirect holding company of a CEVA entity) that are the subject of the creditors' security for the Secured Senior Debt, to release that CEVA entity from all past, present and future liabilities (actual and contingent) and including all obligations in its capacity as a guarantor or borrower in respect of the whole or any part of its debt and to release any lien or encumbrance granted by that CEVA entity over any asset under the creditors' security for the Secured Senior Debt and to release any Guarantee of that CEVA entity guaranteeing Secured Senior Debt, Unsecured Senior Debt or Subordinated Debt.

If the creditors of the Secured Senior Debt (or the Security Agent on their behalf) are taking Enforcement Action, then, notwithstanding the foregoing, the Security Agent (or other relevant person) will only have authority to release guarantees, debt claims and any liens or encumbrances in favor of the creditors of the Unsecured Senior Debt as contemplated by clause (1) of the foregoing paragraph:

- if the Agent for the Unsecured Senior Debt confirms to the Agents for the Secured Senior Debt and the Subordinated Debt that the creditors of the Unsecured Senior Debt have approved the release by the requisite majority; or
- where the shares or assets of a group company or the shares of any direct or indirect holding company of such CEVA entity are sold if:
- the sale and use of proceeds conforms to the requirements of a Permitted Enforcement Sale (as defined below); and
- immediately prior to the completion of such sale or disposal, the relevant CEVA entity (or the holding company of such CEVA entity) in the case of a sale of shares or the relevant asset, in the case of any disposal of assets, is simultaneously and unconditionally released from all of its obligations in respect of the Secured Senior Debt, the Unsecured Senior Debt and the Subordinated Debt (except if and to the extent the rights in respect of the Secured Senior Debt, the Unsecured Senior Debt and/or the Subordinated Debt are transferred to the purchaser or one or more of its affiliates).

If the creditors of the Secured Senior Debt or the Unsecured Senior Debt (or the Security Agent on either of their behalves) are taking Enforcement Action, then, notwithstanding the foregoing, the Security Agent (or other relevant person) will only have authority to release guarantees, debt claims and any liens or encumbrances in favor of the Subordinated Creditors as contemplated by clause (1) of the second preceding paragraph:

- if the Subordinated Agent confirms to the Agents for the Secured Senior Debt and the Unsecured Senior Debt that the creditors of the Subordinated Debt have approved the release by the requisite majority; or
- where the shares or assets of a group company or the shares of any direct or indirect holding company of such CEVA entity are sold if:
- the sale and use of proceeds conforms to the requirements of a Permitted Enforcement Sale (as defined below); and
- immediately prior to the completion of such sale or disposal, the relevant CEVA entity (or the holding company of such CEVA entity) in the case of a sale of shares or the relevant asset, in the case of any disposal of assets, is simultaneously and unconditionally released from all of its obligations in respect of the Secured Senior Debt, the Unsecured Senior Debt and the Subordinated Debt (except if and to the extent the rights in respect of the Secured Senior Debt, the Unsecured Senior Debt and/or the Subordinated Debt are transferred to the purchaser or one or more of its affiliates).

Each creditor party to the Senior/Subordinated Intercreditor Agreement authorizes the Security Agent, the trustees for the Existing Notes and the notes and each Agent to release in any manner whatsoever any lien or encumbrance and any guarantee (including any guarantee of the notes) upon the sale or disposal of any asset

(including shares) that is not pursuant to an Enforcement Action, provided that such sale and release is in compliance with the terms of the finance documents governing the Secured Senior Debt, Unsecured Senior Debt and Subordinated Debt or approved by the Agent for each such class.

For the purposes of the foregoing paragraphs, a "Permitted Enforcement Sale" means a sale or other disposal of all of the share capital (the "*Disposed Shares*") of any CEVA entity (the "*Disposed Entity*") and of all of the receivables (if any) arising under any proceeds loans (the "*Disposed Receivables*" and, together with the Disposed Shares, the "*Disposed Securities*") owned by such CEVA entity that complies with the terms of the Senior/Subordinated Intercreditor Agreement and the following terms and conditions: (a) such sale or disposal is made for consideration consisting of cash or substantially all cash; (b) either (1) in connection with such sale or disposal, the seller shall have consulted with an internationally recognized investment bank or accounting firm with respect to the procedures to be used to obtain the best price reasonably obtainable for the Disposed Entity under the circumstances (taking into account any debt to be released, discharged, assumed or transferred as part of the sale or disposal) and shall have implemented (to the extent permitted by law) in all material respects the procedures recommended by such firm in relation to such sale or disposal to the extent permitted by applicable law or (2) in connection with such sale or disposal, an internationally recognized investment bank selected by the Security Agent shall have delivered an opinion to the Agents for the Secured Senior Debt, the Unsecured Senior Debt and the Subordinated Debt that the sale or disposal price of such asset is fair from a financial point of view after taking into account all relevant circumstances, provided that no such opinion is required to be delivered to an Agent if the relevant Unsecured Senior Debt and Subordinated Debt has been repaid in full; (c) on, immediately prior to or immediately after the completion of such sale or disposal, each of the Disposed Entity and its subsidiaries is either (1) unconditionally released or otherwise discharged from all of its obligations in respect of the Secured Senior Debt, the Unsecured Senior Debt and the Subordinated Debt or (2) to the extent the obligations in respect of the Secured Senior Debt, the Unsecured Senior Debt and/or the Subordinated Debt are not so released or otherwise discharged, the benefit of the Secured Senior Debt, the Unsecured Senior Debt and/or the Subordinated Debt is transferred to the purchaser of the Disposed Shares (or an affiliate of such purchaser); and (d) the proceeds from the Permitted Enforcement Sale are applied in accordance with "—Application of Recoveries" below.

Subordination of Senior Subordinated Debt on Insolvency

Upon the occurrence of an insolvency event of default in relation to an Obligor, the Senior/Subordinated Intercreditor Agreement provides that the claims against that Obligor (1) in respect of Secured Senior Debt and Unsecured Senior Debt shall rank *pari passu* in right of payment, subject to the rights of the creditors of the Secured Senior Debt under their security, and (2) in respect of Subordinated Debt will be subordinate in right of payment to the claims against that Obligor in respect of all Secured Senior Debt and the Unsecured Senior Debt. Further, upon the occurrence of such event, the Security Agent is irrevocably authorized by the creditors of the Secured Senior Debt, the Unsecured Senior Debt and the Subordinated Debt on their behalf to: (x) demand, claim, enforce and prove for; (y) file claims and proofs, give receipts and take all proceedings and do all things that the Security Agent considers reasonably necessary to recover; and (z) receive distributions of any kind whatsoever in respect or on account of, the Secured Senior Debt, the Unsecured Senior Debt and/or the Subordinated Debt due from that Obligor. If, for any reason whatsoever, the Security Agent is not entitled to take any such action for the recovery of any such debt, the creditors of the Secured Senior Debt, the Unsecured Senior Debt and the Subordinated Debt (as the case may be) undertake to take any action and give any notices that the Security Agent reasonably requires from time to time.

Upon the occurrence of an insolvency event of default in relation to an Obligor, the Senior/Subordinated Intercreditor Agreement provides that the Security Agent may, and is irrevocably authorized by the creditors for the Unsecured Senior Debt and the Subordinated Debt on their behalf to, exercise all powers of convening meetings, voting and representation in respect of the Unsecured Senior Debt and the Subordinated Debt (except for meetings of the creditors), and each such creditor will provide all forms of proxy and of representation requested by the Security Agent for that purpose. If, for any reason whatsoever, the Security Agent is not entitled to take any such action or exercise any such powers, such creditors are required under the Senior/Subordinated Intercreditor Agreement to take any action and exercise any powers that the Security Agent reasonably requires from time to time. Notwithstanding the foregoing, the Security Agent may not exercise or require such creditors to exercise these powers in order to waive or amend any of the provisions of the relevant finance documents or waive, reduce, discharge or extend the due date for payment of or reschedule any of the debt. Further, nothing in this paragraph will

require the agent of the Senior Unsecured Facility, or the trustees of the Existing Notes or the notes to hold a meeting of holders or pass any resolution at such meeting or give any consent pursuant to the terms of the notes.

Upon any payment or distribution of the assets of an Obligor following an insolvency event of default, the holders of senior indebtedness of such Obligor will be entitled to receive payment in full in cash of such indebtedness (including interest accruing after, or which would accrue but for, the commencement of any such proceeding at the rate specified in the applicable indebtedness, whether or not a claim for such interest would be allowed) before the holders of the Subordinated Debt of such Obligor are entitled to receive any payment, and until the senior indebtedness of such Obligor is paid in full in cash, any payment or distribution to which such holders would be entitled but for the subordination provisions of the indenture governing the Senior Subordinated Notes will be made to holders of the senior indebtedness of such Obligor as their interests may appear; provided, however, that holders of Subordinated Debt or their Agents, as applicable, may receive and retain (1) permitted junior securities, (2) amounts owed to the Agents for the Subordinated Debt and (3) permitted defeasance trust payments so long as, on the date or dates the respective amounts were paid into the trust, such payments were made with respect to the Subordinated Debt without violating the subordination provisions described herein. In further of the foregoing, distributions otherwise payable to the creditors of the Subordinated Debt will instead be paid to the Security Agent until the senior indebtedness is paid in full in cash.

Application of Recoveries

Subject to the rights of creditors mandatorily preferred by laws applying to companies generally, the Senior/Subordinated Intercreditor Agreement provides that all proceeds of enforcement of the security for the Secured Senior Debt will be applied in payment of such debt until the date that all Secured Senior Debt is discharged and thereafter to creditors in accordance with their legal entitlements.

All recoveries by creditors under the Senior/Subordinated Intercreditor Agreement are required to be applied by the Senior/Subordinated Intercreditor Agreement in satisfaction of the Secured Senior Debt, Unsecured Senior Debt and Subordinated Debt in the following manner:

- *first*, in payment on a pro rata basis of:
    - unpaid fees, costs and expenses (including interest on them recoverable under the relevant security documents) incurred by or on behalf of the Security Agent (and any receiver, adviser or agent appointed by it) and the remuneration of the Security Agent and its advisers and agents under the relevant security documents; and
    - the fees, costs and expenses of the trustees of the Existing Notes and the notes in respect of actions required to be taken by them under or in connection with the Senior/Subordinated Intercreditor Agreement if and to the extent not reimbursed by the holders of the Existing Notes and the notes;
- *second*, in payment of unpaid costs and expenses incurred by or on behalf of the creditors of the Secured Senior Debt and/or Unsecured Senior Debt in connection with enforcement of the debt;
- *third*, in payment to (1) the Agent for the Secured Senior Debt for application toward unpaid and outstanding Secured Senior Debt (including amounts due to such Agent) in accordance with the terms of the finance documents governing the Secured Senior Debt, and (2) the Agent for the Unsecured Senior Debt for application toward unpaid and outstanding Unsecured Senior Debt (including amounts due to such Agent) in accordance with the terms of the finance documents governing the Unsecured Senior Debt; the allocation of amounts between (1) and (2) being in proportion to the total aggregate amount of the Secured Senior Debt outstanding and Unsecured Senior Debt outstanding at the time of payment;
- *fourth*, in payment of unpaid costs and expenses incurred by or on behalf of the creditors of the Subordinated Debt in connection with enforcement of the debt;

- *fifth*, in payment to the Agent for the Subordinated Debt for application toward unpaid and outstanding Subordinated Debt (including amounts due to such Agent) in accordance with the finance documents governing the Subordinated Debt; and
- *sixth*, in payment of the surplus (if any) to the relevant Obligors or other person entitled to it.

First/First-and-a-Half Lien Intercreditor Agreement

The trustee and the collateral agent under the indenture that governs the Existing First Lien Senior Secured Notes (so long as they remain secured) are parties to a Lien Subordination and Intercreditor Agreement (the "*First/First-and-a-Half Lien Intercreditor Agreement*") with the trustees and collateral agents for the First-and-a-Half Priority Notes and Credit Suisse, as intercreditor agent thereunder, which will establish the relative rights of the creditors under the Senior Secured Facilities, the Existing First Lien Senior Secured Notes (so long as they remain secured) and the New First Lien Senior Secured Notes, on one hand, and the holders of the First-and-a-Half Priority Notes (so long as they remain secured) and the New First-and-a-Half Priority Lien Notes, on the other hand, in the collateral. The collateral agent and trustee under the indentures that govern the New First-and-a-Half Priority Lien Notes and the New First Lien Senior Secured Notes will accede to the First/First-and-a-Half Lien Intercreditor Agreement upon closing of the offering.

Pursuant to the terms of the First/First-and-a-Half Lien Intercreditor Agreement, at any time at which obligations under the Senior Secured Facilities and any other senior priority obligations, including the Existing First Lien Senior Secured Notes (for so long as they remain secured) and the New First Lien Senior Secured Notes offered hereby, are outstanding, the intercreditor agent thereunder will determine the time and method by which the security interests in the collateral will be enforced. The trustee and collateral agent for the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and the New First-and-a-Half Priority Lien Notes will not be permitted to enforce the security interests even if an event of default under the indenture governing the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and the New First-and-a-Half Priority Lien Notes has occurred and the obligations thereunder have been accelerated except (a) in any insolvency or liquidation proceeding, as necessary to file a claim or statement of interest with respect to such notes or (b) as necessary to take any action in order to create, prove, preserve, perfect or protect (but not enforce) its rights in the junior priority liens. After all obligations under the Senior Secured Facilities and any other senior priority obligations, including the Existing First Lien Senior Secured Notes (so long as they remain secured) and the New First Lien Senior Secured Notes offered hereby, have been discharged in full, if an event of default under the indenture governing the Existing First-and-a-Half Priority Notes has occurred and the obligations have been accelerated, the trustee and collateral agent for the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and/or the New First-and-a-Half Priority Notes (for so long as they remain secured) in accordance with the provisions of the applicable indenture and the security documents will distribute all cash proceeds (after payment of the costs of enforcement and collateral administration) of the collateral received by it under the security documents for the ratable benefit of the holders of the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and/or the New First-and-a-Half Priority Lien Notes.

In addition, the First/First-and-a-Half Lien Intercreditor Agreement provides that, so long as there are obligations under the Senior Secured Facilities or any other senior priority obligations, including the Existing First Lien Senior Secured Notes (for so long as they remain secured) and the New First Lien Senior Secured Notes offered hereby, outstanding, (1) the holders of such senior priority obligations may direct the intercreditor agent under the First/First-and-a-Half Lien Intercreditor Agreement to take actions with respect to the collateral (including the release of collateral and the manner of realization) without the consent of the holders of the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and the New First-and-a-Half Priority Lien Notes, (2) we may require the First/First-and-a-Half Lien Intercreditor Agreement to be amended, without the consent of the intercreditor agent, the trustee, the collateral agent and the holders of the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and the New First-and-a-Half Priority Lien Notes, to secure additional extensions of credit and add additional secured creditors so long as such modifications do not expressly violate the provisions of the Senior Secured Facilities or the applicable indenture and (3) the holders of such senior priority obligations may change, waive, modify or vary the security documents without the consent of the holders of the Existing First-and-a-Half Priority Notes (for so long as they remain secured) and the New First-and-a-Half Priority

Lien Notes, provided that any such change, waiver or modification does not materially adversely affect the rights of the holders of those notes and not the other secured creditors in a like or similar manner.

First/Junior Lien Intercreditor Agreement

The trustee and collateral agent under the indenture that governs the Existing First Lien Senior Secured Notes are parties to a Lien Subordination and Intercreditor Agreement (the "*First/Junior Lien Intercreditor Agreement*") with the trustees and collateral agents for the First-and-a-Half Priority Notes and Second Lien PIK Notes and Credit Suisse, as intercreditor agent thereunder, which will establish the relative rights of the creditors under the Senior Secured Facilities, the Existing First Lien Senior Secured Notes (so long as they remain secured), the New First Lien Senior Secured Notes, the New First-and-a-Half Priority Notes and the First-and-a-Half Priority Notes (so long as they remain secured), on one hand, and the Junior Lien Notes, on the other hand. The trustee and collateral agent under the indentures governing the New First Lien Senior Secured Notes and New First-and-a-Half Priority Lien Notes will accede to the First/Junior Lien Intercreditor Agreement upon closing of the offering.

Pursuant to the terms of the First/Junior Lien Intercreditor Agreement, at any time at which senior priority obligations, including the Senior Secured Facilities, the Existing First Lien Senior Secured Notes (so long as they remain secured) the Existing First-and-a-Half Priority Notes (so long as they remain secured), the New First-and-a-Half Priority Lien Notes offered hereby and the New First Lien Senior Secured Notes offered hereby, are outstanding, the intercreditor agent thereunder will determine the time and method by which the security interests in the collateral will be enforced. The trustee and collateral agent for the Second Lien PIK Lien Notes will not be permitted to enforce the security interests even if an event of default under the indenture governing such notes has occurred and such notes have been accelerated except (a) in any insolvency or liquidation proceeding, as necessary to file a claim or statement of interest with respect to such notes or (b) as necessary to take any action in order to create, prove, preserve, perfect or protect (but not enforce) its rights in the junior priority liens. After all senior priority obligations, including the Senior Secured Facilities, the Existing First Lien Senior Secured Notes (so long as they remain secured), the Existing First-and-a-Half Priority Notes (so long as they remain secured), the New First-and-a-Half Priority Lien Notes offered hereby and the New First Lien Senior Secured Notes offered hereby, have been discharged in full, if an event of default under the indenture governing the Second Lien PIK Lien Notes has occurred and the obligations have been accelerated, the trustee and collateral agent for the Second Lien PIK Lien Notes in accordance with the provisions of the indenture and the security documents governing the Second Lien PIK Lien Notes will distribute all cash proceeds (after payment of the costs of enforcement and collateral administration) of the collateral received by them under the security documents for the ratable benefit of the holders of the notes.

In addition, the First/Junior Lien Intercreditor Agreement provides that, so long as there are senior priority obligations outstanding, (1) the holders of such senior priority obligations may direct the intercreditor agent under the First/Junior Lien Intercreditor Agreement to take actions with respect to the collateral (including the release of collateral and the manner of realization) without the consent of the trustee and the collateral agent and the holders of the Second Lien PIK Notes, (2) we may require the First/Junior Lien Intercreditor Agreement to be amended, without the consent of the intercreditor agent, the trustee, the collateral agent and the holders of the Second Lien PIK Notes, to secure additional extensions of credit and add additional secured creditors so long as such modifications do not expressly violate the provisions of the Senior Secured Facilities or the indentures governing the Existing First Lien Senior Secured Notes (so long as they remain secured), the Existing First-and-a-Half Priority Notes (so long as they remain secured), the New First-and-a-Half Priority Lien Notes offered hereby, the New First Lien Senior Secured Notes offered hereby or the Second Lien PIK Notes and (3) the holders of such senior priority obligations may change, waive, modify or vary the security documents without the consent of the holders of the Second Lien PIK Notes, provided that any such change, waiver or modification does not materially adversely affect the rights of the holders of the Second Lien PIK Notes and not the other secured creditors in a like or similar manner. See "Description of the New First Lien Senior Secured Notes—Security—Security Documents and Intercreditor Agreements."

DESCRIPTION OF THE NEW FIRST LIEN SENIOR SECURED NOTES

General

CEVA Group Plc, a public limited liability company organized under the laws of England and Wales (the "*Issuer*"), will issue notes under an indenture (the "*New First Lien Indenture*"), to be dated as of March 19, 2014, by and among itself, the Note Guarantors, Wilmington Trust, National Association, as Trustee (as defined below), and Law Debenture Trust Company of New York, as collateral agent (the "*Collateral Agent*").

The following summary of certain provisions of the New First Lien Indenture and the New First Lien Senior Secured Notes (as defined below) does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the New First Lien Indenture. Capitalized terms used in this "Description of the New First Lien Senior Secured Notes" section and not otherwise defined have the meanings set forth in the section "—Certain Definitions." As used in this "Description of the New First Lien Senior Secured Notes" section, "we," "us" and "our" mean the Issuer and its Subsidiaries.

On the Issue Date, the Issuer will issue 7.0% Senior Secured Notes due 2021 in an initial aggregate principal amount of $300,000,000 (the "*New First Lien Senior Secured Notes*"). The New First Lien Senior Secured Notes are intended, as of the Issue Date, to be secured by security interests senior in priority to the security interests securing our Second Lien PIK Notes and New First-and-a-Half Priority Notes, and, as of the Issue Date, equal in priority to the security interests securing our Bank Indebtedness and the Existing 4.00% First Lien Senior Secured Notes.

The Issuer may issue additional New First Lien Senior Secured Notes from time to time after this offering (collectively, "*Additional New First Lien Senior Secured Notes*"); provided that if the Additional New First Lien Senior Secured Notes are not fungible with the New First Lien Senior Secured Notes for U.S. federal income tax purposes, the Additional New First Lien Senior Secured Notes will have a separate CUSIP number. Any offering of Additional New First Lien Senior Secured Notes is subject to the covenants described below under the captions "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Liens." The New First Lien Senior Secured Notes and any Additional New First Lien Senior Secured Notes subsequently issued under the New First Lien Indenture will be treated as a single class for all purposes under the New First Lien Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Holders of the New First Lien Senior Secured Notes and Additional New First Lien Senior Secured Notes actually issued will share equally and ratably in the Collateral. Unless the context otherwise requires, for all purposes of the New First Lien Indenture and this "Description of the New First Lien Senior Secured Notes," references to the New First Lien Senior Secured Notes include any New First Lien Senior Secured Notes and Additional New First Lien Senior Secured Notes actually issued.

Principal of, premium, if any, and interest on the New First Lien Senior Secured Notes will be payable, and the New First Lien Senior Secured Notes may be exchanged or transferred, at the office or agency designated by the Issuer (which initially shall be the principal corporate trust office of the Trustee (and not as an agent or office for service of process)).

The New First Lien Senior Secured Notes will be issued only in fully registered form, without coupons, in minimum denominations of $75,000 and any integral multiple of $1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of New First Lien Senior Secured Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Terms of the New First Lien Senior Secured Notes

The New First Lien Senior Secured Notes will be senior secured obligations of the Issuer and will mature on March 1, 2021. Interest on the New First Lien Senior Secured Notes will accrue at a rate per annum equal to 7.0%, and will be payable in cash. Each First Lien Senior Secured Note will bear interest from the Issue Date or the most recent date to which interest has been paid or provided for, payable semi-annually to holders of record at the

close of business on February 15 or August 15 immediately preceding the interest payment date on March 1 and September 1 of each year, commencing September 1, 2014. Interest will be computed on the basis of a 360 day year comprised of twelve 30-day months.

The rights of holders of beneficial interests in the New First Lien Senior Secured Notes to receive the payments of interest on the New First Lien Senior Secured Notes are subject to applicable procedures of DTC.

Paying Agent and Registrar for the Notes

The Issuer will maintain a paying agent for the New First Lien Senior Secured Notes in (i) the City of London, (ii) the United States and (iii) for so long as the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and its guidelines so require, Dublin, Ireland. The Issuer will also undertake under the New First Lien Indenture that it will ensure, to the extent practicable, that it maintains a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 regarding the taxation of savings income (the "*Directive*"). The initial Paying Agent will be the Trustee (the "*Paying Agent*").

The Issuer will also maintain one or more registrars (each, a "*Registrar*") and a transfer agent in each of (i) the City of London and (ii) for so long as the Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and its guidelines so require, Dublin, Ireland. The initial Registrar and transfer agent will be the Trustee. The Registrar will maintain a register outside the UK reflecting ownership of Definitive Registered New First Lien Senior Secured Notes outstanding from time to time and the transfer agents in each of London and New York will facilitate transfers of Definitive Registered New First Lien Senior Secured Notes on behalf of the relevant Issuer. Each transfer agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or transfer agent for the New First Lien Senior Secured Notes without prior notice to the noteholders. However, for so long as the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of the Irish Stock Exchange so require, the relevant Issuer will deliver notice of the change in a Paying Agent, Registrar or transfer agent to the Companies Announcement Office in Dublin. The Issuer or any of its Subsidiaries may act as Paying Agent (other than with respect to Global New First Lien Senior Secured Notes) or Registrar.

Optional Redemption

On or after March 1, 2017, the Issuer may redeem New First Lien Senior Secured Notes at its option, in whole at any time or in part from time to time, upon not less than 10 nor more than 60 days' prior notice mailed by prepaid first-class mail to each holder's registered address or otherwise in accordance with DTC procedures for Global Notes, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on March 1 of the years set forth below:

Period	Redemption Price
2017	103.500%
2018	101.750%
2019 and thereafter	100.000%

In addition, prior to March 1, 2017, the Issuer may redeem New First Lien Senior Secured Notes at its option, in whole at any time or in part from time to time, upon not less than 10 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the New First Lien Senior Secured Notes redeemed plus the Applicable Premium as of, and accrued and

unpaid interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to March 1, 2017, the Issuer may redeem in the aggregate up to 40% of the original aggregate principal amount of New First Lien Senior Secured Notes (calculated after giving effect to any issuance of any Additional New First Lien Senior Secured Notes) with the net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 107.000%, plus accrued and unpaid interest and other amounts, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 60% of the original aggregate principal amount of the New First Lien Senior Secured Notes (calculated after giving effect to any issuance of any Additional New First Lien Senior Secured Notes) remains outstanding after each such redemption; provided, further, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 10 nor more than 60 days' notice mailed to each holder of New First Lien Senior Secured Notes being redeemed and otherwise in accordance with the procedures set forth in the New First Lien Indenture.

In addition, during any twelve-month period prior to March 1, 2017, the Issuer may redeem in the aggregate up to 10% of the original aggregate principal amount of the New First Lien Senior Secured Notes issued under the New First Lien Indenture at a redemption price equal to 103.000% of the aggregate principal amount of the New First Lien Senior Secured Notes redeemed, plus accrued and unpaid interest thereon, if any, to the redemption date, subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date (*provided* that if the Issuer redeems less than 10% of the original aggregate principal amount of New First Lien Senior Secured Notes in any such twelve month period, it may redeem a higher amount during any subsequent twelve month period prior to March 1, 2017 so long as the aggregate amount redeemed would not exceed the maximum amount permitted to be redeemed from the Issue Date pursuant to the New First Lien Indenture). For example, if the Issuer does not redeem any New First Lien Senior Secured Notes during the twelve months ended March 1, 2015, the Issuer would be permitted to redeem 20% of the New First Lien Senior Secured Notes during the twelve months ended March 1, 2016, as it would have been permitted to redeem 10% of the New First Lien Senior Secured Notes during the first twelve months after issuance, and then could redeem another 10% twelve months later. For the avoidance of doubt, the Issuer may not redeem more than 30% of the original aggregate principal amount of the New First Lien Senior Secured Notes pursuant to this paragraph prior to March 1, 2017.

In addition, any redemption described above or notice thereof may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering in the case of a redemption upon completion of the related Equity Offering.

If the Issuer effects an optional redemption of New First Lien Senior Secured Notes, it will, for so long as the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and are admitted to trading on the Global Exchange Market thereof, inform the Irish Stock Exchange of such optional redemption and confirm the aggregate principal amount of the New First Lien Senior Secured Notes that will remain outstanding immediately after such redemption.

Selection and Notice

If less than all of the New First Lien Senior Secured Notes are to be redeemed or are required to be repurchased at any time, the Issuer will select and will provide the Trustee with written instructions on identifying the New First Lien Senior Secured Notes for redemption or repurchase in compliance with the requirements of the Irish Stock Exchange or any other principal national securities exchange, if any, on which the New First Lien Senior Secured Notes are then admitted to trading, and subject to the requirements of DTC, or, if the New First Lien Senior Secured Notes are not so admitted to trading or such exchange prescribes no method of selection and the New First Lien Senior Secured Notes are not held through DTC, or DTC prescribes no method of selection, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion deems fair and appropriate; provided, however,

that no New First Lien Senior Secured Note of $75,000 in aggregate principal amount or less, or other than in an integral multiple of $1,000 in excess thereof, shall be redeemed in part. The Trustee will not be liable for selections made by it in accordance with this paragraph.

For so long as the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of the Irish Stock Exchange so require, the Issuer shall deliver notice of redemption to the Companies Announcement Office in Dublin and, with respect to Definitive Registered New First Lien Senior Secured Notes only, mail such notice to noteholders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar, in each case not less than 10 nor more than 60 days prior to the redemption date.

If any New First Lien Senior Secured Notes are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered First Lien Senior Secured Note, a new New First Lien Senior Secured Note in principal amount equal to the unredeemed portion of the original New First Lien Senior Secured Note will be issued in the name of the noteholder thereof upon cancellation of the original New First Lien Senior Secured Note. In the case of a Global First Lien Senior Secured Note, an appropriate notation will be made on such New First Lien Senior Secured Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, New First Lien Senior Secured Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on New First Lien Senior Secured Notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the New First Lien Senior Secured Notes. However, under certain circumstances, the Issuer may be required to offer to purchase New First Lien Senior Secured Notes as described under the captions "—Change of Control" and "—Certain Covenants—Asset Sales." We or our affiliates may at any time and from time to time purchase New First Lien Senior Secured Notes in the open market, negotiated transactions or otherwise.

Redemption for Taxation Reasons

The Issuer may redeem the New First Lien Senior Secured Notes, at its option, in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the noteholders (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined under "—Withholding Taxes" below), if any, then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under "—Withholding Taxes" below) affecting taxation; or

(2) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuer, with respect to its New First Lien Senior Secured Notes, or any Note Guarantor, with respect to a Note Guarantee, as the case may be, is, or on the next interest payment date in respect of the New First Lien Senior Secured Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or such Note Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent or, where such payment would be reasonable, the payment through the Issuer or a Note Guarantor).

In the case of the Issuer or any Note Guarantor as of the Issue Date, the Change in Tax Law must become effective on or after the date of this offering circular. In the case of any Person becoming a Note Guarantor after the Issue Date or in the case of any successor of any Person specified in the preceding sentence, the Change in Tax Law must become effective on or after the date that such Person became a Note Guarantor or such a successor. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor (as defined below) would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the New First Lien Senior Secured Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officers' Certificate stating that it is entitled to effect such redemption and that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the circumstances referred to above exist. The Trustee will accept such Officers' Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the noteholders.

Withholding Taxes

All payments made by the Issuer, any Note Guarantor or a successor of any of the foregoing (each, a "*Payor*") on the New First Lien Senior Secured Notes or the Note Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) the United Kingdom or any political subdivision or governmental authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on the New First Lien Senior Secured Notes or any Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1), (2) and (3), a "*Relevant Taxing Jurisdiction*"), will at any time be required from any payments made with respect to the New First Lien Senior Secured Notes, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by the noteholders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received in respect of such payments on the New First Lien Senior Secured Notes in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant noteholder, if the relevant noteholder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such New First Lien Senior Secured Note or the receipt of any payment in respect thereof;

(2) any Taxes that would not have been so imposed if the holder of the New First Lien Senior Secured Note had reasonably cooperated with the Issuer in completing any claims or other procedural

requirements necessary for the Issuer to obtain authorization from the Relevant Taxing Jurisdiction to make such payment without such a deduction or withholding of any Taxes;

(3) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest on the New First Lien Senior Secured Notes or under any Note Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the Directive (as defined under "—Paying Agent and Registrar for the New First Lien Senior Secured Notes") or any law implementing, or introduced in order to conform to, the Directive;

(6) except in the case of the liquidation, dissolution or winding-up of the Payor, any Taxes imposed in connection with a New First Lien Senior Secured Note presented for payment by or on behalf of a noteholder or beneficial owner who would have been able to avoid such Tax by presenting the relevant New First Lien Senior Secured Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the relevant noteholder had presented the New First Lien Senior Secured Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the noteholder or (y) where, had the beneficial owner of the New First Lien Senior Secured Note been the holder of the New First Lien Senior Secured Note, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of New First Lien Senior Secured Notes then outstanding and (y) the amount of such withholding Taxes paid per $1,000 principal amount of the New First Lien Senior Secured Notes.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the New First Lien Senior Secured Notes, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to noteholders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor shall deliver such Officers' Certificate as promptly as practicable after the date that is 30 days prior to the payment date).

Wherever in the New First Lien Indenture, the New First Lien Senior Secured Notes, any Note Guarantee or this "Description of the New First Lien Senior Secured Notes" there are mentioned, in any context:

(1) the payment of principal,

(2) redemption prices or purchase prices in connection with a redemption or purchase of New First Lien Senior Secured Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the New First Lien Senior Secured Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any New First Lien Senior Secured Notes, the New First Lien Indenture, or any other document or instrument in relation thereto (other than a transfer of the New First Lien Senior Secured Notes) excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the noteholders for any such taxes paid by such noteholders. The foregoing obligations will survive any termination, defeasance or discharge of the New First Lien Indenture and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor or any Note Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

Ranking

The indebtedness evidenced by the New First Lien Senior Secured Notes will be senior Indebtedness of the Issuer, will be equal in right of payment to all existing and future Pari Passu Indebtedness of the Issuer, and will have the benefit of the security interest in the Collateral as described under "—Security" and will be senior in right of payment to all future Subordinated Indebtedness of the Issuer. The indebtedness evidenced by the Note Guarantees will be senior Indebtedness of the applicable Note Guarantor, will be equal in right of payment to all existing and future Pari Passu Indebtedness of such Note Guarantor and will have the benefit of the security interest in the Collateral as described under "—Security" and will be senior in right of payment to all future Subordinated Indebtedness (including guarantees) of such Note Guarantor. Pursuant to the Security Documents and the First Lien Intercreditor Agreement, the security interests securing the New First Lien Senior Secured Notes and the Note Guarantees will be equal in priority to all security interests at any time granted to secure First Priority Lien Obligations, including the Senior Secured Facilities and the Existing 4.00% First Lien Senior Secured Notes. For a description of the Collateral, see "—Security" below.

At December 31, 2013, on a pro forma basis after giving effect to the Transactions:

(1) the Issuer and its Restricted Subsidiaries would have had $2,447 million of Secured Indebtedness outstanding (excluding $161 million of letters of credit issued but undrawn under our synthetic letter of credit facility and $102 million of letters of credit issued but undrawn under our revolving credit facility), of which $1,451 million would have constituted First Priority Lien Obligations (consisting of $809 million of senior secured term loans, $342 million of Existing 4.00% First Lien Senior Secured Notes (at carrying value compared to $390 million principal amount) and $300 million of New First Lien Senior Secured Notes), $325 million would have consisted of the New First-and-a-Half Priority Notes, $80 million would have consisted of existing finance lease obligations and other debt and $591 million would have consisted of the Second Lien PIK Notes (at carrying value compared to $631 million principal amount);

(2) the Issuer and its Restricted Subsidiaries would have had $188 million of Senior Indebtedness that does not constitute Secured Indebtedness, consisting of $43 million of the Senior Unsecured Notes and $145 million of existing finance lease obligations and other debt; and

(3) the Issuer and its Restricted Subsidiaries would have had no Subordinated Indebtedness outstanding.

The amounts above do not include the total outstanding borrowings under the ABL Facilities of $188 million as of December 31, 2013 (with the committed amount of the U.S. ABL Facility being $250 million as of December 31, 2013 and the Australian Receivables Facility being $36 million as of December 31, 2013), since neither of the SPEs is a Restricted Subsidiary. Although the New First Lien Indenture will limit the Incurrence of

Indebtedness by the Issuer and its Restricted Subsidiaries and the issuance of Disqualified Stock and Preferred Stock by the Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. Under certain circumstances, the Issuer and its Subsidiaries may be able to Incur substantial amounts of Indebtedness. Such Indebtedness may be Secured Indebtedness that is secured by a Lien senior to or equal in priority to the Lien securing the New First Lien Senior Secured Notes or by a Lien junior in priority to the Lien securing the New First Lien Senior Secured Notes. Such Lien may also be on assets that do not constitute Collateral. For example, the covenants under the New First Lien Indenture permit us to Incur debt secured by a prior Lien if such Lien is a "Permitted Lien" and a Lien junior to the Lien securing the New First Lien Senior Secured Notes as long as we can incur additional Indebtedness pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock". In addition, the covenants under the New First Lien Indenture will permit us to incur an unlimited amount of senior unsecured debt as long as that debt is designated as "credit agreement" debt if we are in compliance with our first lien leverage ratio test. See clause (a) under the second paragraph of "—Certain Covenants – Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Definitions."

Substantially all of the operations of the Issuer are conducted through its Subsidiaries. Unless a Subsidiary is a Note Guarantor, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Issuer, including holders of the New First Lien Senior Secured Notes. The New First Lien Senior Secured Notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Issuer that are not Note Guarantors. As of December 31, 2013, CEVA's subsidiaries that will not be Note Guarantors, including the SPEs, had $313 million of long-term debt, before intercompany eliminations.

See "Risk Factors—Risks Related to the Notes."

Security

The New First Lien Senior Secured Notes and the Note Guarantees will be secured by security interests (subject to Permitted Liens and the exceptions described below) in the Collateral. The Collateral consists of (i) 100% of the Capital Stock of certain existing and certain future Subsidiaries of the Issuer that are owned directly by the Issuer or any Note Guarantors, and (ii) substantially all of the other property and assets, in each case, that are held by the Issuer or any of the Note Guarantors, to the extent that such assets secure the First Priority Lien Obligations of the Issuer or any Note Guarantor. As of December 31, 2013, we had property, plant and equipment with a book value of $291 million and intangible assets (excluding goodwill) with a book value of $408 million, only some of which will secure the New First Lien Senior Secured Notes. In addition, as of December 31, 2013, our current assets consisted mainly of accounts receivable, which accounts receivable had a book value of $1,241 million, only some of which will secure the New First Lien Senior Secured Notes. In addition, we have the ability to sell or transfer an unlimited amount of receivables in the future and are not required to offer to pay or repurchase the New First Lien Senior Secured Notes with the proceeds thereof or reinvest in assets that constitute Collateral, which sale or transfer will reduce the value of the Collateral for the New First Lien Senior Secured Notes. See "Risk Factors—Risks Related to the Notes—Indebtedness under the ABL Facilities will be structurally senior to the notes and any future accounts receivable sold or contributed to the SPEs will not constitute collateral for the notes." The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of the foregoing will not constitute collateral for the New First Lien Senior Secured Notes. Accordingly, as of the Issue Date, the book value of the collateral for the New First Lien Senior Secured Notes could be substantially less than the aggregate principal amount of our secured indebtedness and it may never exceed our secured indebtedness. See "Risk Factors—Risks Related to the Notes—There may not be sufficient collateral to satisfy our obligations under all or any of the notes."

Certain of our U.S. subsidiaries maintain the U.S. ABL Facility under which we contribute or sell substantially all of our U.S. trade accounts receivable to our subsidiary, CEVA US Receivables, LLC, a bankruptcy remote special purpose entity (the "*U.S. SPE*"), and certain of our Australian subsidiaries maintain the Australian Receivables Facility under which we contribute or sell substantially all of our Australian trade accounts receivable to our subsidiary, CEVA Receivables (Australia) Pty. Ltd., a bankruptcy remote special purpose entity (the "*Australian SPE*" and, together with the U.S. SPE, the "*SPEs*"). Each of the SPEs will be an Unrestricted

Subsidiary, will not guarantee the New First Lien Senior Secured Notes and the New First-and-a-Half Priority Notes and related guarantees will not be secured by a lien on any assets of the SPEs. Any rights to payment and claims by the holders of the New First Lien Senior Secured Notes against the SPEs are, therefore, effectively junior to any rights of payment or claims by our creditors under our ABL Facilities against the SPEs. See "Risk Factors—Risks Related to the Notes— Indebtedness under the ABL Facilities will be structurally senior to the notes and any future accounts receivable sold or contributed to the SPEs will not constitute collateral for the notes." As of the Issue Date, we will be required to provide the holders of the New First Lien Senior Secured Notes with the benefit of security interests in all but an immaterial amount of the aggregate value of the same collateral that secures the Senior Secured Facilities (subject, in all cases, to applicable "hardening" periods). Accordingly, at the Issue Date, the holders of the New First Lien Senior Secured Notes may not have the benefit of enforceable security interests in an immaterial amount of the aggregate value of such collateral. However, we are required to use commercially reasonable efforts to secure enforceable security interests in any remaining portion of the collateral securing the Senior Secured Facilities as promptly as practicable following the Issue Date. See "Risk Factors—Risks Related to the Notes—As of the closing date holders of the notes may not have the benefit of enforceable security interests in certain of the collateral, which may adversely affect the rights of the holders of the notes."

The security interests securing the New First Lien Senior Secured Notes will be equal in priority to any and all security interests at any time granted to secure the First Priority Lien Obligations and will also be subject to all other Permitted Liens, which may secure Indebtedness and may have priority over the Lien securing the New First Lien Senior Secured Notes. The First Priority Lien Obligations include Indebtedness secured by a Lien that is pari passu to the Lien securing the New First Lien Senior Secured Notes and related obligations, as well as certain hedging obligations and certain other obligations in respect of cash management services.

The Issuer and the Note Guarantors will be able to incur additional Indebtedness in the future that could share in the Collateral, including additional First Priority Lien Obligations and additional other indebtedness secured by a Permitted Lien that may be prior or pari passu with Liens securing the New First Lien Senior Secured Notes. In addition, we are permitted to sell an unlimited amount of accounts receivable, which sale will reduce the value of the collateral for the New First Lien Senior Secured Notes and we are not required to offer to pay or repurchase the New First Lien Senior Secured Notes with the proceeds thereof or reinvest in Collateral. The amount of such First Priority Lien Obligations and additional secured indebtedness will be limited by the covenants disclosed under "—Certain Covenants—Liens," and the amount of all such additional Indebtedness will be limited by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Under certain circumstances the amount of such First Priority Lien Obligations and additional secured Indebtedness could be significant.

After-Acquired Collateral

From and after the Issue Date and subject to certain limitations and exceptions, if the Issuer or any Note Guarantor acquires any property or assets (other than Excluded Property) or any Restricted Subsidiary becomes a Note Guarantor, then the Issuer or Note Guarantor must as soon as practical after such property's acquisition or it no longer being Excluded Property (or such Restricted Subsidiary becoming a Note Guarantor) grant a first-priority perfected security interest (subject to Permitted Liens) upon such property as security for the New First Lien Senior Secured Notes.

Security Documents and Intercreditor Agreements

The Issuer, the Note Guarantors and the Trustee (or the Collateral Agent) will enter into one or more Security Documents defining the terms of the security interests that secure the New First Lien Senior Secured Notes and the Note Guarantees. These security interests will secure the payment and performance when due of all of the Obligations of the Issuer and the Note Guarantors under the New First Lien Senior Secured Notes, the New First Lien Indenture, the Note Guarantees and the Security Documents, as provided in the Security Documents. The Issuer and the Note Guarantors will use their commercially reasonable efforts to complete prior to or after the Issue Date all filings and other similar actions required in connection with the perfection of such security interests. See "—Security."

On or prior to the Issue Date, the Collateral Agent will accede to the Intercreditor Agreement (the "*First Lien Intercreditor Agreement*"), which will establish the relative priority of the liens securing the Senior Secured Facilities and the New First Lien Senior Secured Notes. See "—Description of Other Indebtedness—Intercreditor Agreements—First Lien Intercreditor Agreement."

Under the First Lien Intercreditor Agreement, as described below, the "Applicable Authorized Representative" has the right to initiate foreclosures, release Liens in accordance with the Senior Secured Facilities, the New First Lien Indenture and the documents governing any other series of pari passu First Priority Lien Obligations that are included as "Additional Obligations" as defined in and under the First Lien Intercreditor Agreement and take other actions with respect to the Shared Collateral (as defined below), and the representatives of other series of Obligations party to the First Lien Intercreditor Agreement, including the Collateral Agent, have no right to take actions with respect to the Shared Collateral. The Applicable Authorized Representative is currently the administrative agent under the Senior Secured Facilities. As long as such administrative agent is the Applicable Authorized Representative, the Collateral Agent, as representative of the holders of the New First Lien Senior Secured Notes and any representative for any designated "Additional Obligations" (such collateral agents and any such representative, each a "*Non-Controlling Representative*"), will have no rights to take any action under the First Lien Intercreditor Agreement. Generally, "*Shared Collateral*" means, at any time, Collateral in which the holders of two or more series of Obligations (or their respective representatives) hold a valid and perfected security interest.

The administrative agent under the Senior Secured Facilities will remain the Applicable Authorized Representative until the earlier of (1) the discharge of our Obligations under the Senior Secured Facilities and (2) the Cut-Off Date (as defined below). After such date, the Applicable Authorized Representative will be the representative of the series of Obligations that constitutes the largest outstanding principal amount of any then outstanding series of Obligations party to the First Lien Intercreditor Agreement, other than the Obligations under the Senior Secured Facilities, with respect to the Shared Collateral (the "*Major Non-Controlling Representative*") (which may be a series of Obligations other than the New First Lien Senior Secured Notes, including an additional series of Obligations to be incurred in the future). Accordingly, the Collateral Agent, as representative of the holders of the New First Lien Senior Secured Notes, may not ever have the right to control the remedies and take other actions with respect to the Shared Collateral.

The "*Cut-Off Date*" means, with respect to any Non-Controlling Representative, the date which is at least 90 days (throughout which 90 day period such Person was the Major Non-Controlling Representative) after the occurrence of both (i) an Event of Default (under and as defined in the instrument under which such Non-Controlling Representative is appointed as the representative) and (ii) the Applicable Authorized Representative's and each other relevant representative's receipt of written notice from such Non-Controlling Representative certifying that (x) such Non-Controlling Representative is the Major Non-Controlling Representative and an Event of Default has occurred and is continuing and (y) the Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable instrument governing such Obligations; provided, however, that the Cut-Off Date shall be stayed and shall not occur and shall be deemed not to have occurred and be rescinded (1) at any time the administrative agent under the Senior Secured Facilities or the Applicable Authorized Representative has commenced and is diligently pursuing any enforcement action with respect to any Shared Collateral or (2) at any time any grantor which has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

Under the First Lien Intercreditor Agreement, (i) the Applicable Authorized Representative has the sole right to act or refrain from acting with respect to the Shared Collateral, (ii) the Applicable Authorized Representative shall not follow any instructions with respect to such Shared Collateral from any Non-Controlling Representative and (iii) no Non-Controlling Representative or other party to the First Lien Intercreditor Agreement will instruct the Applicable Authorized Representative to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral.

Notwithstanding the equal priority of the Liens on any Shared Collateral, the Applicable Authorized Representative may deal with the Collateral as if such Applicable Authorized Representative had a senior Lien on such Collateral. No Non-Controlling Representative may contest, protest or object to any foreclosure proceeding or action brought by the Applicable Authorized Representative. Each of the parties to the First Lien Intercreditor Agreement will agree that it will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the parties to the First Lien Intercreditor Agreement in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

If an Event of Default (under and as defined in an instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement) has occurred and is continuing and the Applicable Authorized Representative is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made in respect of any Shared Collateral in any insolvency or liquidation proceeding or otherwise of any grantor of Shared Collateral, or the Applicable Authorized Representative or any secured party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by the Applicable Authorized Representative or any secured party and proceeds of any such distribution, shall be applied (i) first, to the payment of all amounts owing to each authorized representative (in its capacity as such) on a pari passu basis pursuant to the terms of the First Lien Intercreditor Agreement and any instrument pursuant to which a series of Obligations whose representative is party to the First Lien Intercreditor Agreement is Incurred on a pro rata basis and (ii) second, subject to certain limited exceptions, to the payment in full of the Obligations of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement on a pro rata basis in accordance with the amounts of such Obligations, with the payment so allocated to each series to be applied to the Obligations of such series in accordance with the terms of the applicable instrument pursuant to which such Obligations have been incurred.

Notwithstanding the foregoing, with respect to any Shared Collateral for which a third party (other than a secured party under the First Lien Intercreditor Agreement) has a lien or security interest that is junior in priority to the security interest of any series of Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other series of Obligations (such condition, an "*Impairment*" and such third party an "*Intervening Creditor*"), the value of any Shared Collateral or proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or proceeds to be distributed in respect of the series of Obligations with respect to which such Impairment exists.

If any party to the First Lien Intercreditor Agreement obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each series of Obligations whose representative is party to the First Lien Intercreditor Agreement, then, subject to certain exceptions, it shall hold such Shared Collateral, proceeds or payment in trust for the other parties to the First Lien Intercreditor Agreement and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Applicable Authorized Representative, to be distributed in accordance with the provisions described in the immediately preceding paragraph.

In addition, under the First Lien Intercreditor Agreement, each secured noteholder and secured party under the Senior Secured Facilities (and any additional Persons who may become party to the First Lien Intercreditor Agreement) will agree that (i) it will not challenge or question in any proceeding the validity or enforceability of any Obligations of any series or any Security Document or the validity, attachment, perfection or priority of any Lien under any Security Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of the First Lien Intercreditor Agreement; (ii) it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Applicable Authorized Representative, (iii) it shall have no right to (A) direct the Applicable Authorized Representative or any other secured party to exercise any right, remedy or power with respect to any Shared Collateral (including pursuant to any intercreditor agreement) or (B) consent to the exercise by the Applicable Authorized Representative or any other secured party of any right, remedy or power with respect to any Shared Collateral, (iv) it will not institute any

suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Applicable Authorized Representative or any other secured party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and none of the Applicable Authorized Representative, any authorized representative or any other secured party shall be liable for any action taken or omitted to be taken by the Applicable Authorized Representative, such authorized representative or other secured party with respect to any Shared Collateral in accordance with the provisions of the First Lien Intercreditor Agreement, (v) it will not seek, and waives any right, to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral and (vi) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the First Lien Intercreditor Agreement.

In addition, each secured party under the First Lien Intercreditor Agreement will agree that if any pledgor shall become subject to a case (a "*Bankruptcy Case*") under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of financing ("*DIP Financing*") to be provided by one or more lenders (the "*DIP Lenders*") under Section 364 of the Bankruptcy Code or the use of cash collateral under Section 363 of the Bankruptcy Code, it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same ("*DIP Financing Liens*") or to any use of cash collateral that constitutes Shared Collateral, unless any series of Obligations constituting the series of secured parties whose authorized representative is the Applicable Authorized Representative for such Shared Collateral (the "*Controlling Secured Party*"), or an authorized representative of any Controlling Secured Party, shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each secured party which is not a Controlling Secured Party (a "*Non-Controlling Secured Party*") will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank pari passu with the Liens on any such Shared Collateral granted to secure the Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth in the First Lien Intercreditor Agreement), in each case so long as (A) the secured parties of each series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-à-vis all the other secured parties (other than any Liens of the secured parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the secured parties of each series are granted Liens on any additional collateral pledged to any secured parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-à-vis the secured parties as set forth in the First Lien Intercreditor Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Obligations, such amount is applied as set forth above, and (D) if any secured parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection is applied as set forth above; provided that the secured parties of each series shall have a right to object to the grant of a Lien to secure the DIP Financing over any collateral subject to Liens in favor of the secured parties of such series or its authorized representative that shall not constitute Shared Collateral; and provided further, that the secured parties receiving adequate protection shall not object to any other secured party receiving adequate protection comparable to any adequate protection granted to such secured parties in connection with a DIP Financing or use of cash collateral.

Each secured party under the First Lien Intercreditor Agreement will further agree that it will not seek relief from the automatic stay or any other stay in any insolvency or liquidation proceeding in respect of the Shared Collateral, without the prior written consent of the Applicable Authorized Representative and the Controlling Secured Parties.

If any secured party under the First Lien Intercreditor Agreement is required in any insolvency or liquidation proceeding or otherwise to turn over or otherwise pay to the estate of any pledgor (or any trustee, receiver or similar person therefor) any amount (a "*Recovery*"), whether received as proceeds of security, enforcement of any right of setoff or otherwise, because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason, then the Obligations of the applicable series shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred. If the First Lien Intercreditor Agreement shall have been terminated prior to such Recovery, the First Lien Intercreditor Agreement

shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties thereto.

By agreeing to purchase the New First Lien Senior Secured Notes, each noteholder authorizes and directs the Trustee and Collateral Agent, as applicable, (1) to act on its behalf under the First Lien Intercreditor Agreement and under each of the other Security Documents and (2) to authorize and direct the Applicable Authorized Representative to take such actions on its behalf and to exercise such powers as are delegated to the Applicable Authorized Representative by the terms of the First Lien Intercreditor Agreement and the other Security Documents, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any grantor thereunder to secure any of the First Priority Lien Obligations, together with such powers and discretion as are reasonably incidental thereto.

On or prior to the Issue Date, the Trustee and Collateral Agent will accede to the Senior/Subordinated Intercreditor Agreement, which establishes the relative rights of certain of the Issuer's creditors under its existing and future financing arrangements. See "—Description of Other Indebtedness—Intercreditor Agreements—Senior/Subordinated Intercreditor Agreement." On or prior to the Issue Date, the Trustee and Collateral Agent will also accede to the First/Junior Lien Intercreditor Agreement, which establishes the priority of the liens securing the Senior Secured Facilities, the Existing 4.00% First Lien Senior Secured Notes, the New First-and-a-Half Priority Notes and the New First Lien Senior Secured Notes over the liens securing the Second Lien PIK Notes. See "—Description of Other Indebtedness—Intercreditor Agreements—First/Junior Lien Intercreditor Agreement." On or prior to the Issue Date, the Trustee and Collateral Agent will also accede to the First/First-and-a-Half Lien Intercreditor Agreement, which establishes the priority of the liens securing the Senior Secured Facilities, the Existing 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes over the liens securing the New First-and-a-Half Priority Notes. See "—Description of Other Indebtedness—Intercreditor Agreements—First/First-and-a-Half Lien Intercreditor Agreement." The Intercreditor Agreements may be amended from time to time without the consent of Holders of the New First Lien Senior Secured Notes to add other parties holding other obligations permitted to be incurred under the New First Lien Indenture. By agreeing to purchase the New First Lien Senior Secured Notes, each noteholder authorizes and directs the Trustee and the Collateral Agent, as applicable, to enter into such amendments from time to time.

Subject to the terms of the Security Documents, the Issuer and the Note Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the New First Lien Senior Secured Notes (other than any cash, securities, obligations and Cash Equivalents constituting part of the Collateral and deposited with the agent under the First Lien Intercreditor Agreement in accordance with the provisions of the Security Documents and other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom. See "Risk Factors— Risks Related to the Notes—Rights of holders of notes in the U.S. collateral may be adversely affected by bankruptcy proceedings in the United States."

Release of Collateral

The Issuer and the Note Guarantors will be entitled to the releases of property and other assets included in the Collateral from the Liens securing the New First Lien Senior Secured Notes under any one or more of the following circumstances:

(1) to enable us to consummate the disposition of such property or assets to the extent not prohibited under the covenant described under "—Certain Covenants—Asset Sales";

(2) in the case of a Note Guarantor that is released from its Note Guarantee with respect to the New First Lien Senior Secured Notes, the release of the property and assets of such Guarantor;

(3) in the case of the property and assets of a specific Note Guarantor, such Note Guarantor making a Transfer to any Restricted Subsidiary of the Issuer that is not a Note Guarantor; provided that such Transfer is permitted by clause (y) of the last paragraph under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets";

(4) in the case that the New First Lien Senior Secured Notes have Investment Grade Ratings, and the Issuer has delivered a written notice of such Investment Grade Ratings to the Trustee, and no Default has occurred and is continuing under the New First Lien Indenture, as set forth in "—Certain Covenants—Covenant Fall-Away";

(5) to enable us to grant a security interest in any Equity Interests of a Receivables Subsidiary or accounts receivable and related assets in connection with a Qualified Receivables Financing; or

(6) described under "—Amendments and Waivers" below.

The security interests in all Collateral securing the New First Lien Senior Secured Notes also will be released upon payment in full of the principal of, together with accrued and unpaid interest (including additional amounts, if any) on, the New First Lien Senior Secured Notes and all other Obligations under the New First Lien Indenture, the Note Guarantees and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest (including additional interest, if any), are paid or a legal defeasance or covenant defeasance under the New First Lien Indenture as described below under "—Defeasance."

Note Guarantees

Each of the Issuer's direct and indirect Restricted Subsidiaries on the Issue Date that guarantee Indebtedness under the Credit Agreement will jointly and severally irrevocably and unconditionally guarantee on a senior basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuer under the New First Lien Indenture and the New First Lien Senior Secured Notes, whether for payment of principal of, premium, if any, or interest on the New First Lien Senior Secured Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Note Guarantors being herein called the "*Guaranteed Obligations*"). The Guaranteed Obligations of each Note Guarantor will be secured by security interests (subject to Permitted Liens) in the Collateral owned by such Note Guarantor. Such Note Guarantors will agree to pay, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the holders in enforcing any rights under the Note Guarantees.

The obligations of the Note Guarantors under their Note Guarantees will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. See "Risk Factors—Risks Related to the Notes— Because each guarantor's liability under its guarantee may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors" and "Certain Insolvency Law Considerations." After the Issue Date, the Issuer will cause each Restricted Subsidiary (unless such Subsidiary is a Receivables Subsidiary) that guarantees certain Indebtedness to execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the New First Lien Senior Secured Notes on the same senior basis. See "—Certain Covenants—Future Note Guarantors."

Each Note Guarantee will be a continuing guarantee and shall:

(1) remain in full force and effect until payment in full of all the Guaranteed Obligations;

(2) subject to the next succeeding paragraph, be binding upon each such Note Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

Subject to the Intercreditor Agreements, a Note Guarantee of a Note Guarantor will be automatically released with respect to the New First Lien Senior Secured Notes upon:

(1) the sale, disposition, exchange or other transfer (including through merger, consolidation or otherwise) of the Capital Stock (including any sale, disposition or other transfer following which the applicable Note Guarantor is no longer a Restricted Subsidiary), of the applicable Note Guarantor if such sale, disposition, exchange or other transfer is made in compliance with, and the release is otherwise in compliance with, the New First Lien Indenture and the Intercreditor Agreements;

(2) the Issuer designating such Note Guarantor to be an Unrestricted Subsidiary in accordance with the covenants described under "—Certain Covenants—Limitation on Restricted Payments" and the definition of "Unrestricted Subsidiary";

(3) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the New First Lien Senior Secured Notes pursuant to the covenant described under "—Certain Covenants—Future Note Guarantors," the release or discharge of the guarantee by such Restricted Subsidiary of Indebtedness which resulted in the obligation to guarantee such New First Lien Senior Secured Notes; and

(4) the Issuer's exercise of its legal defeasance option or covenant defeasance option as described under "Defeasance," or if the Issuer's obligations under the New First Lien Indenture are discharged in accordance with the terms of the New First Lien Indenture.

A Note Guarantee also will be automatically released upon the applicable Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Secured Indebtedness.

Change of Control

Upon the occurrence of any of the following events (each, a "*Change of Control*"), each holder will have the right to require the Issuer to repurchase all or any part of such holder's New First Lien Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuer has previously elected to redeem such New First Lien Senior Secured Notes as described under "—Optional Redemption":

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders; or

(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the Issuer or any direct or indirect parent of the Issuer.

In the event that at the time of such Change of Control the terms of the Bank Indebtedness restrict or prohibit the repurchase of New First Lien Senior Secured Notes pursuant to this covenant, then prior to the mailing of the notice to holders provided for in the immediately following paragraph but in any event within 45 days following any Change of Control, the Issuer shall:

(1) repay in full all Bank Indebtedness or, if doing so will allow the purchase of New First Lien Senior Secured Notes, offer to repay in full all Bank Indebtedness and repay the Bank Indebtedness of each lender that has accepted such offer; or

(2) obtain the requisite consent under the agreements governing the Bank Indebtedness to permit the repurchase of the New First Lien Senior Secured Notes as provided for in the immediately following paragraph.

See "Risk Factors—Risks Related to the Notes—We may not be able to repurchase notes upon a change of control."

Within 45 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the New First Lien Senior Secured Notes by delivery of a notice of redemption as described under "—Optional Redemption," or all conditions to such redemption have been satisfied or waived, the Issuer shall mail a notice (a "*Change of Control Offer*") to each holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuer to repurchase such holder's New First Lien Senior Secured Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) the circumstances and relevant facts and financial information regarding such Change of Control (the "*Change of Control Payment Date*");

(3) the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Issuer, consistent with this covenant, that a holder must follow in order to have its New First Lien Senior Secured Notes purchased.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

In addition, the Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the New First Lien Indenture applicable to a Change of Control Offer made by the Issuer and purchases all New First Lien Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all New First Lien Senior Secured Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all New First Lien Senior Secured Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers' Certificate stating the New First Lien Senior Secured Notes or portions of the New First Lien Senior Secured Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global New First Lien Senior Secured Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global New First Lien Senior Secured Notes in order to reflect thereon the portion of such New First Lien Senior Secured Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered New First Lien Senior Secured Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered New First Lien Senior Secured Notes accepted for purchase by the Issuer.

The Paying Agent will promptly mail to each holder of New First Lien Senior Secured Notes so tendered the Change of Control Payment for such New First Lien Senior Secured Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Notes a new New First Lien Senior Secured Note equal in principal amount to the unpurchased portion of the New First Lien Senior Secured Notes surrendered, if any; provided that each such new New First Lien Senior Secured Note will be in a principal amount that is at least $75,000 and integral multiples of $1,000 in excess thereof.

For so long as the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of such exchange so require, the Issuer will give notice with respect to the results of the Change of Control Offer to the Companies Announcement Office in Dublin.

New First Lien Senior Secured Notes repurchased by the Issuer pursuant to a Change of Control Offer will have the status of New First Lien Senior Secured Notes issued but not outstanding or will be retired and canceled at the option of the Issuer. New First Lien Senior Secured Notes purchased by a third party pursuant to the preceding paragraph will have the status of New First Lien Senior Secured Notes issued and outstanding.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of New First Lien Senior Secured Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

This Change of Control repurchase provision is a result of negotiations between the Issuer and the initial purchasers. The Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Issuer could decide to do so in the future. Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the New First Lien Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Issuer's capital structure or credit rating.

The occurrence of events that would constitute a Change of Control would constitute a default under the Credit Agreement and require an offer to purchase the Existing 4.00% First Lien Senior Secured Notes and the New First-and-a-Half Priority Notes. Future Bank Indebtedness and other Indebtedness of the Issuer may contain prohibitions on certain events that would constitute a Change of Control or require such Bank Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the New First Lien Senior Secured Notes, the Existing 4.00% First Lien Senior Secured Notes and the New First-and-a-Half Priority Notes could cause a default under such Bank Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "Risk Factors—Risks Related to the Notes—We may not be able to repurchase notes upon a change of control."

The definition of Change of Control includes a phrase relating to the sale, lease or transfer of "all or substantially all" the assets of the Issuer and its Subsidiaries taken as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of New First Lien Senior Secured Notes to require the Issuer to

repurchase such New First Lien Senior Secured Notes as a result of a sale, lease or transfer of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the New First Lien Indenture relating to the Issuer's obligation to make an offer to repurchase the New First Lien Senior Secured Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the New First Lien Senior Secured Notes.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the New First Lien Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The New First Lien Indenture will provide that:

(1) the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) the Issuer will not permit any of its Restricted Subsidiaries (other than a Note Guarantor) to issue any shares of Preferred Stock;

provided, however, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; provided, that the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not Note Guarantors shall not exceed the greater of $200 million and 8.0% of Tangible Assets, at any one time outstanding (the "*Non-Guarantor Exception*").

The foregoing limitations will not apply to (collectively, "*Permitted Debt*"):

(a) the Incurrence by the Issuer or its Restricted Subsidiaries of Indebtedness under the Credit Agreement and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof), Existing First Lien Indebtedness (and related guarantees), the New First Lien Senior Secured Notes (and related Note Guarantees), and any Additional New First Lien Senior Secured Notes (and related Note Guarantees) in the aggregate principal amount of (x) the sum of $2,360 million and the aggregate principal amount of any additional Indebtedness (the "*Additional Refinancing Amount*") Incurred to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection with any refinancing, refunding, extension, renewal, defeasance or replacement of any such Existing First Lien Indebtedness (or successive refinancings, refundings, extensions, renewals, defeasances or replacements of such Indebtedness) plus (y) an aggregate additional principal amount outstanding at any one time that does not cause the First Lien Leverage Ratio of the Issuer to exceed 4.80 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom);

(b) the Incurrence by the Issuer and the Note Guarantors of Indebtedness represented by the New First-and-a-Half Priority Notes on the Issue Date and the related guarantees thereof;

(c) Indebtedness existing on the Issue Date, including the Existing Notes and related guarantees (other than Indebtedness described in clauses (a) and (b));

(d) (i) Indebtedness (including Capitalized Lease Obligations) Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries of the Issuer to finance (whether prior to or within 270 days after) the purchase, lease, construction or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets); provided that the aggregate amount of all Indebtedness Incurred pursuant to this clause (d), together with any Refinancing Indebtedness in respect thereof shall not exceed the greater of $200.0 million and 8.0% of Tangible Assets (plus, in the case of any Refinancing Indebtedness, the Additional Refinancing Amount); and (ii) Capitalized Lease Obligations in connection with any sale and leaseback arrangements not in violation of the New First Lien Indenture;

(e) Indebtedness Incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims;

(f) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or any other acquisition or disposition of any business, assets or a Subsidiary of the Issuer in accordance with the terms of the New First Lien Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of the Issuer to a Restricted Subsidiary; provided, that except in respect of intercompany loans to effect a push-down of indebtedness incurred in connection with the Transactions within 180 days after the Issue Date and intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries, any such Indebtedness owed to a Restricted Subsidiary that is not a Note Guarantor shall, to the extent legally permitted, be subordinated in right of payment to the obligations of the Issuer under the New First Lien Senior Secured Notes; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (g);

(h) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (h);

(i) Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; provided, that except in respect of intercompany loans to effect a push-down of indebtedness incurred in connection with the Transactions within 180 days after the Issue Date and intercompany current liabilities incurred in the ordinary course of business in connection with the cash management

operations of the Issuer and its Subsidiaries, if a Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not a Note Guarantor, such Indebtedness shall, to the extent legally permitted, be subordinated in right of payment to the Note Guarantee of such Note Guarantor; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (i);

(j) Hedging Obligations that are Incurred not for speculative purposes but (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the New First Lien Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales;

(k) obligations in respect of performance, bid, appeal and surety bonds and completion guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(l) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of the New First Lien Indenture; provided that (i) if such Indebtedness is by its express terms subordinated in right of payment to the Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of the Issuer or such Note Guarantor with respect to such Indebtedness shall be subordinated in right of payment to the New First Lien Senior Secured Notes or such Note Guarantor's Note Guarantee with respect to the New First Lien Senior Secured Notes, as applicable, substantially to the same extent as such Indebtedness is subordinated to the New First Lien Senior Secured Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, and (ii) if such guarantee is of Indebtedness of the Issuer, such guarantee is Incurred in accordance with the covenant described under "—Certain Covenants—Future Note Guarantors";

(m) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer that serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under the first paragraph of this covenant and clauses (a)(y), (b), (c), (d), (m), (n), (r) and (y) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premium), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith (subject to the following proviso, "*Refinancing Indebtedness*") prior to its respective maturity; provided, however, that such Indebtedness will be Refinancing Indebtedness if and to the extent it:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date one year following the last maturity date of any New First Lien Senior Secured Notes then outstanding were instead due on such date one year following the last date of maturity of the New First Lien Senior Secured Notes;

(2) has a Stated Maturity that is not earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded or refinanced or (y) 91 days following the maturity date of the New First Lien Senior Secured Notes;

(3) refinances (a) Indebtedness junior to the New First Lien Senior Secured Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, such Refinancing Indebtedness is junior to the New First Lien Senior Secured Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock; and

(4) does not include (x) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Note Guarantor that refinances Indebtedness of the Issuer or a Note Guarantor, or (y) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary;

provided, further, that subclauses (1) and (2) of this clause (m) will not apply to any refunding or refinancing of any Secured Indebtedness that constitutes a First Priority Lien Obligation.

(n) Indebtedness, Disqualified Stock or Preferred Stock of (x) the Issuer or any of its Restricted Subsidiaries Incurred to finance an acquisition or (y) Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Issuer or any of its Restricted Subsidiaries in accordance with the terms of the New First Lien Indenture; provided, however, that after giving effect to such acquisition or merger, consolidation or amalgamation either:

(1) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant; or

(2) the Fixed Charge Coverage Ratio of the Issuer would be greater than immediately prior to such acquisition or merger, consolidation or amalgamation;

(o) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not with recourse to the Issuer or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of its Incurrence;

(q) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit;

(r) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Note Guarantor; provided, however, that the aggregate principal amount of Indebtedness Incurred under this clause (r) then outstanding, together with any Refinancing Indebtedness thereof, does not exceed the greater of $200.0 million and 8.0% of Tangible Assets at the time of Incurrence (plus, in the case of Refinancing Indebtedness, the Additional Refinancing Amount); *provided* that, subject to the third paragraph under this covenant, it is understood that any Indebtedness Incurred under this clause (r) shall cease to be deemed Incurred or outstanding for purposes of this clause (r) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (r));

(s) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (1) the financing of insurance premiums or (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(t) Indebtedness Incurred on behalf of, or representing guarantees of Indebtedness of, joint ventures of the Issuer or any Restricted Subsidiary not in excess, at any one time outstanding, of the greater of $100.0 million and 4.0% of Tangible Assets at the time of Incurrence;

(u) Indebtedness under daylight borrowing facilities Incurred in connection with the Transactions or any refinancing (including by way of setoff or exchange) so long as any such Indebtedness is repaid within three Business Days of the date on which such Indebtedness is Incurred;

(v) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference not exceeding at any one time outstanding 200.0% of the net cash proceeds received by the Issuer and the Restricted Subsidiaries since immediately after the Reference Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of the Issuer or any direct or indirect parent entity of the Issuer (which proceeds are contributed to the Issuer or a Restricted Subsidiary) or cash contributed to the capital of the Issuer (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, the Issuer or any of its Subsidiaries) as determined in accordance with clauses (2) and (3) of the definition of "Cumulative Credit" to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the third paragraph of "—Certain Covenants—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(w) Indebtedness arising as a result of implementing composite accounting or other cash pooling arrangements involving solely the Issuer and the Restricted Subsidiaries or solely among Restricted Subsidiaries and entered into in the ordinary course of business;

(x) Indebtedness consisting of Indebtedness issued by the Issuer or a Restricted Subsidiary of the Issuer to current or former officers, directors and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any of its direct or indirect parent companies to the extent described in clause (4) of the third paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments"; and

(y) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (y), together with any Refinancing Indebtedness thereof, does not exceed the greater of $200.0 million and 8.0% of Tangible Assets at the time of Incurrence (plus, in the case of Refinancing Indebtedness, the Additional Refinancing Amount); *provided* that, subject to the third paragraph under this covenant, it is understood that any Indebtedness Incurred under this clause (y) shall cease to be deemed Incurred or outstanding for purposes of this clause (y) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (y)).

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described

in clauses (a) through (y) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant; provided, however, that all Existing First Lien Indebtedness (including Indebtedness under the Credit Agreement outstanding on the Issue Date, and the New First Lien Senior Secured Notes issued on the Issue Date) shall be deemed to have been Incurred pursuant to clause (a)(x) and the Issuer shall not be permitted to reclassify all or any portion of such Indebtedness; and

(2) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above, and in that connection shall be entitled to treat a portion of such Indebtedness as having been Incurred under the first paragraph above (without giving pro forma effect to any Indebtedness Incurred pursuant to the second paragraph above other than clause (n) thereof) and thereafter the remainder of such Indebtedness having been Incurred under the second paragraph above.

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness Disqualified Stock or Preferred Stock, as applicable, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; provided that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with this covenant, the Dollar Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; provided that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than dollars, and such refinancing would cause the applicable dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such dollar-denominated 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; (b) the Dollar Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreements. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, 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.

The New First Lien Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) Indebtedness as subordinated or junior to any other Indebtedness merely because it has a junior priority with respect to security in the same collateral.

Limitation on Restricted Payments. The New First Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests or pay any amounts in respect of Subordinated Shareholder Funding, including any payment made in connection with any merger, amalgamation

or consolidation involving the Issuer (other than (A) dividends or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or in Subordinated Shareholder Funding of the Issuer; or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities (except to the extent non pro rata payments of such dividends or distributions are required by law or under the terms of any agreement in effect on the Reference Date);

(2) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, (i) any Subordinated Shareholder Funding or any Subordinated Indebtedness of the Issuer or any of its Restricted Subsidiaries or (ii) the Second Lien PIK Notes (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness or the Second Lien PIK Notes in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) any Subordinated Indebtedness between the Issuer and the Restricted Subsidiaries or between any of the Restricted Subsidiaries); or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(a) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) immediately after giving effect to such transaction on a pro forma basis, the Issuer could Incur $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Reference Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (1), (4) (only to the extent of one-half of the amounts paid pursuant to such clause), (6) and (8) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by such paragraph), is less than the amount equal to the Cumulative Credit.

"*Cumulative Credit*" means the sum of (without duplication):

(1) 50% of the Consolidated Net Profit of the Issuer for the period (taken as one accounting period, the "Reference Period") beginning on the first day after the end of the Issuer's second full fiscal quarter ending after the Reference Date to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Profit for such period is a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer after the Reference Date (other than net proceeds to the extent such net proceeds have been used to Incur

Indebtedness, Disqualified Stock, or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") from the issue or sale of Equity Interests of the Issuer or Subordinated Shareholder Funding to the Issuer (excluding Refunding Capital Stock (as defined below), Designated Preferred Stock, Excluded Contributions, and Disqualified Stock), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary of the Issuer); plus

(3) 100% of the aggregate amount of contributions to the capital of the Issuer received in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash after the Reference Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, and Disqualified Stock and other than contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"); plus

(4) the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Issuer or any Restricted Subsidiary thereof issued after the Reference Date (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in or Subordinated Shareholder Funding of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer (provided in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished); plus

(5) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer or any Restricted Subsidiary after the Reference Date from:

(A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary of the Issuer) of Restricted Investments made by the Issuer and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Issuer and its Restricted Subsidiaries by any Person (other than the Issuer or any of its Restricted Subsidiaries) and from repayments of loans or advances and releases of guarantees, which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (7) or (10) of the succeeding paragraph),

(B) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary, or

(C) a distribution or dividend from an Unrestricted Subsidiary; plus

(6) in the event after the Reference Date any Unrestricted Subsidiary of the Issuer has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, the Fair Market Value (as determined in good faith by the Issuer or, if such Fair Market Value may exceed $25.0 million, in writing by an Independent Financial Advisor) of the Investment of the Issuer in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after taking into account any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (7) or (10) of the next succeeding paragraph or constituted a Permitted Investment).

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the New First Lien Indenture;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("*Retired Capital Stock*") or Subordinated Indebtedness or Subordinated Shareholder Funding of the Issuer or the Second Lien PIK Notes, any direct or indirect parent of the Issuer or any Note Guarantor in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests or Subordinated Shareholder Funding of the Issuer or any direct or indirect parent of the Issuer or contributions to the equity capital of the Issuer (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of the Issuer) (collectively, including any such contributions, "*Refunding Capital Stock*"), and

(b) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of Refunding Capital Stock;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Note Guarantor or the Second Lien PIK Notes made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Issuer or a Note Guarantor which is Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, any tender premiums, plus any defeasance costs, fees and expenses Incurred in connection therewith);

(b) such new Indebtedness is (x) subordinated to the New First Lien Senior Secured Notes or the related Note Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value or (y) in the case of the Second Lien PIK Notes, such new Indebtedness is secured by a Lien on the Collateral that is junior to the Liens on the Collateral that secure the New First Lien Senior Secured Notes;

(c) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired or (y) 91 days following the maturity date of the New First Lien Senior Secured Notes; and

(d) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, defeased, acquired or retired that were due on or after the date one year following the last maturity date of any New First Lien Senior Secured Notes then outstanding were instead due on such date one year following the last date of maturity of the New First Lien Senior Secured Notes;

(4) a Restricted Payment to pay for the purchase, repurchase, retirement, defeasance, redemption or other acquisition for value of Equity Interests of the Issuer or any direct or indirect parent of the Issuer held by any future, present or former employee, director or consultant of the Issuer or any direct or indirect parent of the Issuer or any Subsidiary of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; provided, however, that the aggregate Restricted Payments made under this clause (4) do not exceed $20.0 million in any calendar year commencing with 2006 (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years subject to a maximum payment (without giving effect to the following proviso) of $40.0 million in any calendar year); provided, further, however, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by the Issuer or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) to members of management, directors or consultants of the Issuer and its Restricted Subsidiaries or any direct or indirect parent of the Issuer that occurs after the Reference Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (c) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments"); plus

(b) the cash proceeds of key man life insurance policies received by the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) or the Issuer's Restricted Subsidiaries after the Reference Date;

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries issued or Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date, (b) a Restricted Payment to any direct or indirect parent of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of the Issuer issued after the Reference Date and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph; provided, however, that, (x) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 and (y) the aggregate amount of dividends declared and paid pursuant to (a) and (b) of this clause (6) does not exceed the net cash proceeds actually received by the Issuer from any such sale or issuance of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date or contributed as Subordinated Shareholder Funding to the Issuer after the Reference Date;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at that time outstanding, not to exceed the greater of $50.0 million and 2.0% of Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) the payment of dividends on the Issuer's common stock (or a Restricted Payment to Parent or any other direct or indirect parent of the Issuer to fund the payment by such direct or indirect parent of the Issuer of dividends on such entity's common stock) of up to 6% per annum of Market Capitalization following an initial public offering by the Issuer or Parent or any other indirect parent of the Issuer;

(9) Restricted Payments that are made with Excluded Contributions;

(10) other Restricted Payments in an aggregate amount not to exceed the greater of $100 million and 4.0% of Tangible Assets at the time made;

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(12) the payment of dividends or other distributions to any direct or indirect parent of the Issuer in amounts required for such parent to pay federal, state or local income taxes (as the case may be) imposed directly on such parent to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries (including, without limitation, by virtue of such parent being the common parent of a consolidated or combined tax group of which the Issuer and/or its Restricted Subsidiaries are members);

(13) the payment of dividends, other distributions or other amounts or the making of loans or advances or any other Restricted Payment, if applicable:

(a) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Issuer, if applicable, and general corporate operating and overhead expenses of any direct or indirect parent of the Issuer, if applicable, in each case to the extent such fees and expenses are attributable to the ownership or operation of the Issuer, if applicable, and its Subsidiaries;

(b) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(c) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses, other than to Affiliates of the Issuer, related to any unsuccessful equity or debt offering of such Parent.

(14) any Restricted Payment used to fund the Transactions and the payment of fees and expenses Incurred in connection with the Transactions or owed by the Issuer or any direct or indirect parent of the Issuer, as the case may be, or Restricted Subsidiaries of the Issuer to Affiliates, in each case to the extent permitted by the covenant described under "—Certain Covenants—Transactions with Affiliates";

(15) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(16) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(17) payments of cash, or dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(18) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness and the Second Lien PIK Notes pursuant to the provisions similar to those described under the captions "—Change of Control" and "Certain Covenants—Asset Sales," *provided* that all New First Lien Senior Secured Notes tendered by holders of the New First Lien Senior Secured Notes in connection with a Change of Control or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(19) any payments made, including any such payments made to any direct or indirect parent of the Issuer to enable it to make payments, in connection with the consummation of the Concurrent Transactions, the 2013 Restructuring Transactions, the Cash Debt Tender, the Apollo Exchange, the Exchange Offers, the Transactions or as contemplated by the Acquisition Documents (other than payments to any Permitted Holder or any Affiliate thereof); and

(20) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets"; provided that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuer shall have made a Change of Control Offer (if required by the New First Lien Indenture) and that all New First Lien Senior Secured Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value;

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (10) and (11), no Default shall have occurred and be continuing or would occur as a consequence thereof

As of the Issue Date, all of the Issuer's Subsidiaries, other than the SPEs, will be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will only be permitted if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Notwithstanding the foregoing, the repayment of any Second Lien PIK Notes outstanding as of the date of this offering circular with proceeds from the issuance of the New First-and-a-Half Priority Notes or the New First Lien Senior Secured Notes or proceeds from the Concurrent Transactions shall not constitute a Restricted Payment; and any capital contribution to the Issuer by Parent on or about the Issue Date in an amount not to exceed such repayment shall not be counted in the calculation of "Cumulative Credit."

Dividend and Other Payment Restrictions Affecting Subsidiaries. The New First Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (1) on its Capital Stock; or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(b) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Credit Agreement, the other Credit Agreement Documents, the Existing Notes and guarantees thereof, the indentures governing the Existing Notes and any related security documents;

(2) the New First Lien Indenture, the New First Lien Senior Secured Notes (and guarantees thereof), the New First-and-a-Half Priority Notes (and guarantees thereof), the indenture pursuant to which the New First-and-a-Half Priority Notes are issued, the Security Documents, the Intercreditor Agreements, any Currency Agreement and any Additional Intercreditor Agreements;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) Secured Indebtedness otherwise permitted to be Incurred pursuant to the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Liens" that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements, similar agreements relating solely to such joint venture and other similar agreements entered into in the ordinary course of business;

(9) Capitalized Lease Obligations and purchase money obligations for property acquired in the ordinary course of business;

(10) customary provisions contained in operating leases, licenses and other similar agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; *provided*, *however*, that such restrictions apply only to such Receivables Subsidiary;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the New First Lien Senior Secured Notes than the encumbrances and restrictions contained in the Credit Agreement as of the Issue Date (as determined in good faith by the Issuer) or (ii) if such

encumbrance or restriction is not materially more disadvantageous to the holders of the New First Lien Senior Secured Notes than is customary in comparable financings (as determined in good faith by the Issuer) and either (x) the Issuer determines that such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the New First Lien Senior Secured Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(13) any Restricted Investment not prohibited by the covenant described under "—Certain Covenants—Limitation on Restricted Payments" and any Permitted Investment; or

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to the Issuer or a Restricted Subsidiary of the Issuer to other Indebtedness Incurred by the Issuer or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Asset Sales. The New First Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) the Issuer or any of its Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; provided that the amount of:

(a) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Issuer or any Restricted Subsidiary of the Issuer (other than liabilities that are by their terms subordinated to the New First Lien Senior Secured Notes or any Note Guarantee) that are assumed by the transferee of any such assets,

(b) any notes or other obligations or other securities or assets received by the Issuer or such Restricted Subsidiary of the Issuer from such transferee that are converted by the Issuer or such Restricted Subsidiary of the Issuer into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(c) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of 2.0% of Tangible Assets and $50.0 million at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value),

shall be deemed to be Cash Equivalents for the purposes of this provision.

Within 15 months after the Issuer's or any Restricted Subsidiary of the Issuer's receipt of the Net Proceeds of any Asset Sale, the Issuer or such Restricted Subsidiary of the Issuer may apply the Net Proceeds from such Asset Sale, at its option:

(1) to repay and/or repurchase (a) Pari Passu Indebtedness constituting First Priority Lien Obligations (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto), (b) Indebtedness of a Restricted Subsidiary that is not a Note Guarantor, (c) Obligations under the New First Lien Senior Secured Notes or (d) other First Priority Lien Obligations that are secured by a Lien that is senior or prior to the Lien securing the New First Lien Senior Secured Notes;

(2) to make an investment in any one or more businesses (provided that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), assets, or property or capital expenditures, in each case used or useful in a Similar Business; or

(3) to make an investment in any one or more businesses (provided that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), properties or assets that replace the properties and assets that are the subject of such Asset Sale.

In the case of clauses (2) and (3) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; provided that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, the Issuer or such Restricted Subsidiary enters into another binding commitment (a "*Second Commitment*") within nine months of such cancellation or termination of the prior binding commitment; provided, further that the Issuer or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale.

Pending the final application of any such Net Proceeds, the Issuer or such Restricted Subsidiary of the Issuer may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in Cash Equivalents or Investment Grade Securities. Any Net Proceeds from any Asset Sale that are not applied as provided and within the time period set forth in the immediately preceding paragraph (it being understood that any portion of such Net Proceeds used to make an offer to purchase New First Lien Senior Secured Notes, as described in clause (1) above, shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute "*Excess Proceeds*." When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuer shall make an offer to all holders of New First Lien Senior Secured Notes (and, at the option of the Issuer, to holders of any First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes) (an "*Asset Sale Offer*") to purchase the maximum principal amount of New First Lien Senior Secured Notes (and such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes), that is at least $75,000 and an integral multiple of $1,000, that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any (or, in respect of such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes, such lesser price, if any, as may be provided for by the terms of such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes), to the date fixed for the closing of such offer, in accordance with the procedures set forth in the New First Lien Indenture. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceeds $25.0 million by mailing the notice required pursuant to the terms of the New First Lien Indenture, with a copy to the Trustee. To the extent that the aggregate amount of New First Lien Senior Secured Notes (and such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of New First Lien

Senior Secured Notes (and such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the New First Lien Senior Secured Notes to be purchased in the manner described below. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the New First Lien Senior Secured Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the New First Lien Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the New First Lien Indenture by virtue thereof.

If more New First Lien Senior Secured Notes (and such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, selection of such New First Lien Senior Secured Notes for purchase will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which such New First Lien Senior Secured Notes are listed, or if such New First Lien Senior Secured Notes are not so listed, on a pro rata basis, by lot or otherwise in accordance with the procedures of DTC or by such other method as the Trustee shall deem fair and appropriate (and in such manner as complies with applicable legal requirements); *provided* that no New First Lien Senior Secured Notes of $75,000 or less shall be purchased in part. Selection of such First Priority Lien Obligations or Pari Passu Indebtedness secured by a Lien that is prior to the Lien securing the New First Lien Senior Secured Notes will be made pursuant to the terms of such Pari Passu Indebtedness.

An Asset Sale Offer insofar as it relates to the New First Lien Senior Secured Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "*Asset Sale Offer Period*"). No later than five Business Days after the termination of the Asset Sale Offer Period the Issuer will purchase the principal amount of the New First Lien Senior Secured Notes (and purchase or repay any relevant Pari Passu Indebtedness required to be so purchased or repaid as set out above) validly tendered.

To the extent that any portion of the Net Proceeds payable in respect of the New First Lien Senior Secured Notes is denominated in a currency other than the currency in which the relevant New First Lien Senior Secured Notes are denominated, the amount payable in respect of such New First Lien Senior Secured Notes shall not exceed the net amount of funds in the currency in which such New First Lien Senior Secured Notes are denominated as is actually received by the Issuer upon converting the relevant portion of the Net Proceeds into such currency.

Notices of an Asset Sale Offer shall be mailed by first-class mail, postage prepaid, or otherwise in accordance with the procedures of DTC at least 10 but not more than 60 days before the purchase date to each holder of New First Lien Senior Secured Notes at such holder's registered address. If any New First Lien Senior Secured Note is to be purchased in part only, any notice of purchase that relates to such New First Lien Senior Secured Note shall state the portion of the principal amount thereof that has been or is to be purchased.

Transactions with Affiliates. The New First Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "*Affiliate Transaction*") involving aggregate consideration in excess of $12.5 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25.0 million, the Issuer delivers to the Trustee a resolution

adopted in good faith by the majority of the Board of Directors of the Issuer, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (a) above.

The foregoing provisions will not apply to the following:

(1) transactions between or among the Issuer and/or any of its Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) and/or between or among Restricted Subsidiaries or any Receivables Subsidiary and any merger, consolidation or amalgamation of the Issuer and any direct parent of the Issuer; *provided* that such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, consolidation or amalgamation is otherwise in compliance with the terms of the New First Lien Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the New First Lien Indenture described above under the covenant "—Certain Covenants—Limitation on Restricted Payments" and Permitted Investments;

(3) (x) the entering into of any agreement (and any amendment or modification of any such agreement) to pay, and the payment of, annual management, consulting, monitoring and advisory fees to the Sponsors in an aggregate amount in any fiscal year not to exceed the greater of (A) $4.0 million and (B) 1.5% of EBITDA of the Issuer and its Restricted Subsidiaries for the immediately preceding fiscal year, plus out-of-pocket expense reimbursement; *provided*, *however*, that any payment not made in any fiscal year commencing 2006 may be carried forward and paid in the following two fiscal years and (y) the payment of the present value of all amounts payable pursuant to any agreement described in clause (3)(x) in connection with the termination of such agreement;

(4) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary or any direct or indirect parent of the Issuer;

(5) payments by the Issuer or any of its Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with the Transactions, acquisitions or divestitures, which payments are (x) made pursuant to the agreements with the Sponsors described in this offering circular or (y) approved by a majority of the Board of Directors of the Issuer in good faith;

(6) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph;

(7) payments or loans (or cancellation of loans) to directors, employees or consultants which are approved by a majority of the Board of Directors of the Issuer in good faith;

(8) any agreement as in effect as of the Issue Date or any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more disadvantageous to the holders of the New First Lien Senior Secured Notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by senior management or the Board of Directors of the Issuer;

(9) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, the Acquisition Documents, the Credit Agreement Documents, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto and the payment of any fees to the Sponsors) to which it is a party as of the Issue Date or any other agreement or arrangement in existence on the Issue Date or described in this offering circular and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the holders of the New First Lien Senior Secured Notes in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date;

(10) the execution of the Concurrent Transactions and the payment of all fees and expenses related to the Concurrent Transactions that are described in this offering circular;

(11) (a) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the New First Lien Indenture, which are fair to the Issuer and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (b) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(12) any transaction effected as part of a Qualified Receivables Financing;

(13) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Funding to any Person;

(14) the issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Issuer or any direct or indirect parent of the Issuer or of a Restricted Subsidiary of the Issuer, as appropriate;

(15) the entering into of any tax sharing agreement or arrangement and any payments permitted by clause (12) of the third paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(16) any contribution to the capital of the Issuer;

(17) transactions permitted by, and complying with, the provisions of the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets";

(18) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Issuer or any direct or indirect parent of the Issuer; *provided*, *however*, that such director abstains from voting as a director of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(21) any employment agreements entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(22) intercompany transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Issuer in an Officers' Certificate) for the purpose of improving the consolidated tax efficiency of the Issuer and its Subsidiaries and not for the purpose of circumventing any covenant set forth in the New First Lien Indenture; and

(23) the payment of premiums, receipt of insurance proceeds and other insurance related transactions in each case on terms customary for such transactions between the Issuer or any Restricted Subsidiary of the Issuer and any Affiliate of the Issuer that is a "captive insurance" entity whose sole business is providing insurance to the Issuer and its Restricted Subsidiaries.

Liens. The New First Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien on any asset or property of the Issuer or such Restricted Subsidiary other than (a) a Permitted Lien or (b) Liens that are junior in priority to the Liens on such assets or property securing the New First Lien Senior Secured Notes and applicable Note Guarantees.

Admission to Trading. The Issuer will use all commercially reasonable efforts to obtain and maintain the admission to and admission to trading on the Global Exchange Market of the Irish Stock Exchange; *provided*, *however*, that if the Issuer is unable to obtain admission to trading of the New First Lien Senior Secured Notes on the Global Exchange Market of the Irish Stock Exchange or if maintenance of such admission to trading becomes unduly onerous, it will use all commercially reasonable efforts to obtain and maintain an admission to trading of such New First Lien Senior Secured Notes on another recognized stock exchange.

Reports and Other Information. For so long as any New First Lien Senior Secured Notes are outstanding, the Issuer will provide to the Trustee the following reports:

(1) within 120 days after the end of each of the Issuer's fiscal years beginning with the fiscal year ending December 31, 2014, annual reports containing the following information in a level of detail that is comparable in all material respect to this offering circular: (a) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the three most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) pro forma income statement and balance sheet information of the Issuer (which need not comply with Article 11 of Regulation S-X under the Exchange Act, "*Regulation S-X*"), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year unless pro forma information has been provided in a previous report pursuant to clause (2) or (3) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the business, management, management compensation and shareholders of the Issuer, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments (in each case to the extent such information would be required to be disclosed if the Issuer were a reporting company under the Exchange Act); (e) a description of material risk factors and material recent developments; (f) earnings before interest, taxes, depreciation and amortization; (g) capital expenditures; (h) depreciation and amortization; (i) income (loss) from operations; and (j) information for the guarantor, and the non-guarantor, Subsidiaries substantially consistent with the disclosure contained in footnotes (5) and (6) to the diagram under "Summary—Organizational Structure" in this offering circular; *provided* that any item of disclosure that complies in all material respects with the requirements that would be applicable under Form 20-F under the

Exchange Act with respect to such item will be deemed to satisfy the Issuer's obligations under this clause (1) with respect to such item;

(2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Issuer beginning with the quarter ended March 31, 2014, all quarterly financial statements of the Issuer containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) pro forma income statement and balance sheet information of the Issuer (which need not comply with Article 11 of Regulation S-X), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year unless pro forma information has been provided in a previous report pursuant to clause (2) or (3); (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer, and a discussion of material commitments and contingencies and critical accounting policies; and (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; *provided* that that any item of disclosure that complies in all material respects with the requirements that would be applicable under Form 10-Q under the Exchange Act with respect to such item will be deemed to satisfy the Issuer's obligations under this clause (2) with respect to such item; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring of the Issuer and the Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Issuer or change in auditors of the Parent or any other material event that the Parent or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statements shall be for the Issuer and/or its predecessor, as applicable. All financial statements and pro forma financial information shall be prepared in accordance with GAAP on a consistent basis for the periods presented and shall comply with the applicable requirements of any exchange on which the New First Lien Senior Secured Notes are listed; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods, subject to the provisions of the New First Lien Indenture. Except as provided for above, no report need include separate financial statements for the Parent, the Issuer or Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering circular.

Contemporaneously with the furnishing of each such report discussed above, the Issuer will also (a) issue a press release through the newswire service of Bloomberg (or if Bloomberg does not then operate any similar agency) announcing the issuance of such report and setting forth summary financial information and (b) post such report on the Issuer's website.

In the event that the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, the Issuer will, for so long as it continues to file the reports required by Section 13(a) with the SEC, make available to the Trustee the annual reports, information, documents and other reports that it is required to file with the SEC pursuant to such Section 13(a) or 15(d). By complying with the foregoing requirements of this paragraph, the Issuer will be deemed to have complied with the provisions contained in the preceding three paragraphs for the relevant period.

The New First Lien Indenture will also provide that, so long as any of the New First Lien Senior Secured Notes remain outstanding and during any period during which the Issuer is not subject to section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g 3-2(b) of the Exchange Act, the Issuer will make available to the holders of the New First Lien Senior Secured Notes and to prospective investors, upon their request, the information required to be delivered pursuant to by Rule 144A(d)(4) under the Securities Act. The Issuer will also make any of the foregoing information available during normal business hours at the offices of the Paying Agent in Dublin if and so long as the New First Lien Senior Secured

Notes are admitted to trading on the Official List of the Irish Stock Exchange and are traded on the Global Exchange Market thereof and the guidelines of the stock exchange so require.

Notwithstanding the foregoing, consolidated reporting at Parent's level in a manner consistent with that described above for the Issuer will satisfy this covenant, and the Issuer is permitted to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to Parent; *provided* that such financial information of the Parent is accompanied by consolidating information (which may be in narrative form) in a level of detail that is comparable to this offering circular that explains in reasonable detail the material differences between the information relating to such Parent and any of its Subsidiaries other than the Issuer and its Subsidiaries, on the one hand, and the information relating to the Issuer and its Subsidiaries, on the other hand.

Future Note Guarantors. The New First Lien Indenture will provide that the Issuer will not permit any of its Restricted Subsidiaries (unless such Subsidiary is a Receivables Subsidiary) that is not a Note Guarantor to guarantee, assume or in any other manner become liable with respect to (i) any Credit Agreement of the Issuer or any Note Guarantor or (ii) any Public Debt of the Issuer or any Note Guarantor, unless such Subsidiary executes and delivers to the Trustee a supplemental indenture pursuant to which such Subsidiary will guarantee payment of the New First Lien Senior Secured Notes.

Notwithstanding the foregoing:

(a) no Note Guarantee shall be required as a result of any guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(b) such Note Guarantee need not be secured unless required pursuant to the "—Certain Covenants—Liens" covenant;

(c) if such Indebtedness is by its terms expressly subordinated to the New First Lien Senior Secured Notes or any Note Guarantee, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary's Note Guarantee of the New First Lien Senior Secured Notes at least to the same extent as such Indebtedness is subordinated to the New First Lien Senior Secured Notes or any other senior guarantee;

(d) no Note Guarantee shall be required as a result of any guarantee given to a bank or trust company incorporated in any member state of the European Union as of the date of the New First Lien Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System, (or any branch, Subsidiary or Affiliate thereof) in each case having combined capital and surplus and undivided profits of not less than $500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the Issuer's benefit or that of any Restricted Subsidiary;

(e) no Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, "whitewash" or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary; and

(f) each such Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Each Note Guarantee shall be released in accordance with the provisions of the New First Lien Indenture and the Intercreditor Agreements described under "—Note Guarantees" and "Description of Other Indebtedness—Intercreditor Agreements."

Impairment of Security Interests. Subject to the rights of the holders of Permitted Liens and to the provisions governing the release of Collateral as described under "—Release of Collateral," the Issuer will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would or could reasonably be expected to have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Trustee and the Holders of the New First Lien Senior Secured Notes, unless such action or failure to take action is otherwise permitted or contemplated by the New First Lien Indenture or the Security Documents. The Issuer shall not amend, modify or supplement, or permit or consent to any amendment, modification or supplement of, the Security Documents in any way that would be adverse to the holders of the New First Lien Senior Secured Notes in any material respect, except as described above under "—Security" or as permitted under "Amendments and Waivers" or under the Security Documents.

After-Acquired Property. Upon the acquisition by the Issuer or any Note Guarantor of any property or assets (other than Excluded Property), the Issuer or such Note Guarantor shall execute and deliver such mortgages, deeds of trust, security instruments, financing statements and certificates and opinions of counsel as shall be reasonably necessary to vest in the Trustee and/or Collateral Agent, for the benefit of the Holders and the Trustee, a first-priority perfected security interest, subject only to Permitted Liens, in such property and to have such property, added to the Collateral, and thereupon all provisions of the New First Lien Indenture relating to the Collateral shall be deemed to relate to such property or assets to the same extent and with the same force and effect.

Limitation on Issuer. The Issuer will not (x) own any material assets or other property, other than (i) Capital Stock of Subsidiaries and joint ventures, (ii) Indebtedness or other obligations owing to the Issuer by Subsidiaries and joint ventures and (iii) Cash Equivalents, or (y) engage in any trade or conduct any business other than treasury, cash management, hedging and cash pooling activities and activities incidental thereto and activities related to being a holding company for its Subsidiaries (including the issuance from time to time of additional Capital Stock of the Issuer in accordance with the terms of the New First Lien Indenture). The Issuer will not Incur any material liabilities or obligations other than its obligations pursuant to, or as permitted by, the New First Lien Senior Secured Notes, the New First Lien Indenture, the Security Documents, the Existing Notes and any related security documents, the indentures governing the Existing Notes, the Credit Agreement and other Indebtedness permitted to be Incurred by the Issuer as described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and liabilities and obligations pursuant to business activities permitted by this covenant (including without limitation pursuant to agreements relating to investments in Subsidiaries and joint ventures permitted under the New First Lien Indenture).

Covenant Fall-Away. If, on any date following the Issue Date, (i) the New First Lien Senior Secured Notes have Investment Grade Ratings from both Rating Agencies, and the Issuer has delivered written notice of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the New First Lien Indenture then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the New First Lien Senior Secured Notes, the covenants specifically listed under the following captions in this "Description of the New First Lien Senior Secured Notes" section of this offering circular will no longer be applicable to the New First Lien Senior Secured Notes:

(1) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(2) "—Limitation on Restricted Payments";

(3) "—Dividend and Other Payment Restrictions Affecting Subsidiaries";

(4) "—Asset Sales";

(5) "—Transactions with Affiliates";

(6) "—Future Note Guarantors";

(7) "—Security";

(8) "—Impairment of Security Interests";

(9) "—After-Acquired Property"; and

(10) clause (4) of the first paragraph of "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

In addition, during any period of time that (i) the New First Lien Senior Secured Notes have Investment Grade Ratings from both Rating Agencies, and the Issuer has delivered written notice of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the New First Lien Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Issuer and its Restricted Subsidiaries will not be subject to the covenant described under "Change of Control" (the "*Suspended Covenant*"). In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenant with respect to the New First Lien Senior Secured Notes under the New First Lien Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the New First Lien Senior Secured Notes below an Investment Grade Rating and/or (b) the Issuer or any of its Affiliates enters into an agreement to effect a transaction that would result in a Change of Control and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the New First Lien Senior Secured Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenant with respect to the New First Lien Senior Secured Notes under the New First Lien Indenture with respect to future events, including, without limitation, a proposed transaction described in clause (b) above.

There can be no assurance that the New First Lien Senior Secured Notes will ever achieve or maintain Investment Grade Ratings.

The Trustee will have no obligation to determine if a Covenant Suspension Event has occurred or has terminated or to provide Holders with notice of the commencement or termination of a Covenant Suspension Event.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The New First Lien Indenture will provide that the Issuer may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to any Person unless:

(1) the Issuer is the surviving person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding up or conversion (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, (the Issuer or such Person, as the case may be, being

herein called the "*Successor Company*"); *provided* that in the case where the surviving Person is not a corporation, a co-obligor of the New First Lien Senior Secured Notes is a corporation;

(2) the Successor Company (if other than the Issuer) expressly assumes all the obligations of the Issuer under the New First Lien Indenture, the New First Lien Senior Secured Notes and the Security Documents pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction) no Default shall have occurred and be continuing;

(4) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), either:

(a) the Successor Company would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

(b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction;

(5) each Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Note Guarantee shall apply to such Person's obligations under the New First Lien Indenture and the New First Lien Senior Secured Notes; and

(6) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case, stating that such consolidation, merger, amalgamation or transfer and such supplemental indentures (if any) comply with the New First Lien Indenture.

The Successor Company (if other than the Issuer) will succeed to, and be substituted for, the Issuer under the New First Lien Indenture and the New First Lien Senior Secured Notes, and in such event the Issuer will automatically be released and discharged from its obligations under the New First Lien Indenture and the New First Lien Senior Secured Notes. Notwithstanding the foregoing clauses (3) and (4), (a) any Restricted Subsidiary may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary, and (b) the Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in another member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, or may convert into a limited liability company, so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby. This "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

The New First Lien Indenture will further provide that, subject to certain limitations in the New First Lien Indenture governing release of a Note Guarantee upon the sale or disposition of a Restricted Subsidiary of the Issuer that is a Note Guarantor, no Note Guarantor will, and the Issuer will not permit any Note Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Note Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(1) either (a) such Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Note Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof (such Note Guarantor or such Person, as the case may be, being herein called the "*Successor Note Guarantor*"), and the Successor Note Guarantor (if other than such Note Guarantor) expressly assumes all the obligations of such Note Guarantor under the New First Lien Indenture, such Note Guarantors' Note Guarantee and the Security Documents pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of the covenant described above under the caption "—Certain Covenants—Asset Sales"; and

(2) the Successor Note Guarantor (if other than such Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with the New First Lien Indenture.

Subject to certain limitations described in the New First Lien Indenture, the Successor Note Guarantor (if other than such Note Guarantor) will succeed to, and be substituted for, such Note Guarantor under the New First Lien Indenture and such Note Guarantor's Note Guarantee, and such Note Guarantor will automatically be released and discharged from its obligations under the New First Lien Indenture and such Note Guarantor's Note Guarantee. Notwithstanding the foregoing, (1) a Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Note Guarantor in another member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, so long as the amount of Indebtedness of the Note Guarantor is not increased thereby, and (2) a Note Guarantor may merge, amalgamate or consolidate with another Note Guarantor or the Issuer.

In addition, notwithstanding the foregoing, any Note Guarantor may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "*Transfer*") to (x) the Issuer or any Note Guarantor or (y) any Restricted Subsidiary of the Issuer that is not a Note Guarantor; provided that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed 5.0% of the consolidated assets of the Issuer and the Note Guarantors as shown on the most recent available balance sheet of the Issuer and the Restricted Subsidiaries after giving effect to each such Transfer and including all Transfers occurring from and after the Issue Date. Upon a permitted Transfer to a Restricted Subsidiary that is not a Note Guarantor, any Collateral securing the New First Lien Senior Secured Notes will be automatically released and the New First Lien Senior Secured Notes shall no longer have the benefit of such Collateral.

Additional Covenants. The New First Lien Indenture will also contain covenants with respect to the following matters: (a) payment of the principal, premium, any Additional Amounts and interest; (b) maintenance of an office or agency in London; and (c) arrangements regarding the handling of money held in trust.

Defaults

An Event of Default will be defined in the New First Lien Indenture as:

(1) a default in any payment of interest on any New First Lien Senior Secured Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any New First Lien Senior Secured Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) the failure by the Issuer or any of Restricted Subsidiaries to comply with the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" above;

(4) the failure by the Issuer or any of Restricted Subsidiaries to comply for 60 days after notice with its other agreements contained in the New First Lien Senior Secured Notes or the New First Lien Indenture (other than those referred to in (1), (2), (3) above or (10) below);

(5) the failure by the Issuer or any Significant Subsidiary to pay any Indebtedness (other than Indebtedness owing to the Issuer or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds $35.0 million or its foreign currency equivalent (the "*cross-acceleration provision*");

(6) certain events of bankruptcy, insolvency or reorganization of the Issuer or a Significant Subsidiary (the "*bankruptcy provisions*");

(7) failure by the Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of $35.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the "*judgment default provision*");

(8) any Note Guarantee of a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms thereof or the terms of the New First Lien Indenture or the Intercreditor Agreements) with respect to the New First Lien Senior Secured Notes or any Note Guarantor denies or disaffirms its obligations under the New First Lien Indenture or any Note Guarantee with respect to the New First Lien Senior Secured Notes and such Default continues for 20 days;

(9) unless all of the Collateral has been released from the Liens in accordance with the provisions of the Security Documents, the Issuer shall assert or any Subsidiary shall assert, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable and, in the case of any such Subsidiary, the Issuer fails to cause such Subsidiary to rescind such assertions within 30 days after the Issuer has actual knowledge of such assertion; or

(10) the failure by the Issuer or any Restricted Subsidiary to comply for 60 days after notice with its other agreements related to the Collateral contained in the New First Lien Indenture or the Security Documents except for a failure that would not be material to the holders of the New First Lien Senior Secured Notes and would not materially affect the value of the second priority security interests in the Collateral taken as a whole (together with the defaults described in clause (9) the "security default provisions").

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clauses (4), (5), (7) or (10) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding New First Lien Senior Secured Notes notify the Issuer of the default and the Issuer does not cure such default within the time specified in clause (4) hereof after receipt of such notice.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding New First Lien Senior Secured Notes by notice to the Issuer may declare the principal of, premium, if any, and accrued but unpaid interest on all the New First Lien Senior Secured Notes to be due and payable; *provided*, *however*, that so long as any Bank Indebtedness remains outstanding, no such acceleration shall be effective until the earlier of (1) five Business Days after the giving of written notice to the Issuer and the

Representative under the Credit Agreement and (2) the day on which any Bank Indebtedness is accelerated. Upon such a declaration, such principal and interest with respect to the New First Lien Senior Secured Notes will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the New First Lien Senior Secured Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding New First Lien Senior Secured Notes may rescind any such acceleration with respect to the New First Lien Senior Secured Notes and its consequences.

In the event of any Event of Default with respect to the New First Lien Senior Secured Notes specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the New First Lien Senior Secured Notes, if within 20 days after such Event of Default arose the Issuer delivers an Officers' Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged, (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the New First Lien Senior Secured Notes as described above be annulled, waived or rescinded upon the happening of any such events.

In case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the New First Lien Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the New First Lien Indenture or the New First Lien Senior Secured Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing,

(2) holders of at least 25% in principal amount of the outstanding New First Lien Senior Secured Notes have requested the Trustee to pursue the remedy,

(3) such holders have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense,

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(5) the holders of a majority in principal amount of the outstanding New First Lien Senior Secured Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of outstanding New First Lien Senior Secured Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the New First Lien Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the New First Lien Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The New First Lien Indenture will provide that if a Default with respect to the New First Lien Senior Secured Notes occurs and is continuing and is actually known to the Trustee, the Trustee must mail to each holder of New First Lien Senior Secured Notes a notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a

Default in the payment of principal of, premium (if any) or interest on any New First Lien Senior Secured Note, the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the holders of the New First Lien Senior Secured Notes. In addition, the Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Intercreditor Agreements

The New First Lien Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any Indebtedness permitted to be Incurred under the New First Lien Indenture constituting Pari Passu Indebtedness (including First Priority Lien Obligations) or Subordinated Indebtedness of the Issuer or any Note Guarantor, the Issuer, the relevant Restricted Subsidiaries and the Trustee shall enter into with the holder of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") on substantially the same terms as the Intercreditor Agreements (or terms not materially less favorable to the holders of the New First Lien Senior Secured Notes), including substantially the same terms with respect to the subordination, payment blockage, limitation on enforcement and release of Note Guarantees; provided, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the New First Lien Indenture or the Intercreditor Agreements .

The New First Lien Indenture will also provide that, at the direction of the Issuer and without the consent of noteholders, the Trustee shall from time to time enter into one or more amendments to the Intercreditor Agreements or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, mistake, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or a Restricted Subsidiary (including, with respect to any Intercreditor Agreement or any Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the New First Lien Senior Secured Notes, the New First-and-a-Half Priority Notes and/or the Existing Notes), (3) add parties to the Intercreditor Agreements or an Additional Intercreditor Agreement, including Note Guarantors, or successors, including successor trustees or other Representatives or (4) make any other change to any such agreement that does not adversely affect the New First Lien Senior Secured Notes in any material respect. The Issuer shall not otherwise direct the Trustee to enter into any amendment to the Intercreditor Agreements or Additional Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the New First Lien Senior Secured Notes then outstanding, except as otherwise permitted below under "Amendments and Waivers," and the Issuer may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the New First Lien Indenture or any Intercreditor Agreement.

With respect to all matters governed by the Senior/Subordinated Intercreditor Agreement, holders of the New First Lien Senior Secured Notes will vote together as a class with all other secured creditors, including the lenders under our Senior Secured Facilities, the holders of the New First-and-a-Half Priority Notes and the holders of the Second Lien PIK Notes. With respect to all matters governed by the First/First-and-a-Half Lien Intercreditor Agreement, holders of the New First Lien Senior Secured Notes will vote together as a class with all other secured creditors other than holders of the New First-and-a-Half Priority Notes and holders of secured debt that ranks equal or junior to the New First-and-a-Half Priority Notes. With respect to all matters governed by the First/Junior Lien Intercreditor Agreement, holders of the New First Lien Senior Secured Notes will vote together as a class with all other secured creditors other than holders of the Second Lien PIK Notes and holders of secured debt that ranks equal or junior to the Second Lien PIK Notes.

The New First Lien Indenture also will provide that each noteholder, by accepting a New First Lien Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of any Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein). A copy of the Intercreditor Agreements shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the Trustee and, for so long as any New First Lien Senior

Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof at the offices of the Paying Agent in Dublin.

The Trustee and Collateral Agent are not responsible for the terms or contents of such agreements, or for the validity or enforceability thereof, or the sufficiency thereof for any purpose.

Amendments and Waivers

Subject to certain exceptions, the New First Lien Indenture and the Security Documents may be amended (including, consistent with the amendment and waiver provisions of the indentures governing the Second Lien PIK Notes and New First-and-a-Half Priority Notes, to release any and all Collateral other than in accordance with the New First Lien Indenture or Security Documents) with the consent of the holders of a majority in principal amount of the New First Lien Senior Secured Notes then outstanding voting as a single class and any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the New First Lien Senior Secured Notes then outstanding voting as a single class. Notwithstanding the foregoing, without the consent of 90% of the then outstanding aggregate principal amount of the New First Lien Senior Secured Notes affected, no amendment may:

(1) reduce the amount of New First Lien Senior Secured Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any New First Lien Senior Secured Note,

(3) reduce the principal of or extend the Stated Maturity of any New First Lien Senior Secured Note,

(4) reduce the premium payable upon the redemption of any New First Lien Senior Secured Note or change the time at which any New First Lien Senior Secured Note may be redeemed as described under "—Optional Redemption" above,

(5) make any Note payable in money other than that stated in such New First Lien Senior Secured Note,

(6) expressly subordinate the New First Lien Senior Secured Notes or any Note Guarantee to any other Indebtedness of the Issuer or any Note Guarantor not otherwise permitted by the New First Lien Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's New First Lien Senior Secured Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's New First Lien Senior Secured Notes,

(8) make any change in the amendment provisions which require the holder's consent as described in this sentence or in the waiver provisions,

(9) except to the extent expressly permitted by the New First Lien Indenture, modify any Note Guarantee in any manner adverse to the holders, or

(10) make any change in the provisions in the Intercreditor Agreements or the New First Lien Indenture dealing with the application of proceeds of Collateral that would adversely affect the holders of the New First Lien Senior Secured Notes.

Without the consent of any holder, the Issuer and Trustee may amend the New First Lien Indenture, any Security Document or the Intercreditor Agreements to cure any ambiguity, omission, mistake, defect or inconsistency, to effect any provision of the New First Lien Indenture (including the release of any Note Guarantees

in accordance with the terms of the New First Lien Indenture, and to comply with the covenant under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets"), to provide for the assumption by a Successor Company of the obligations of the Issuer under the New First Lien Indenture and the New First Lien Senior Secured Notes, to provide for the assumption by a Successor Guarantor of the obligations of a Note Guarantor under the New First Lien Indenture and its Note Guarantee, to provide for uncertificated New First Lien Senior Secured Notes in addition to or in place of certificated New First Lien Senior Secured Notes (provided that the uncertificated New First Lien Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code), to add a Note Guarantee with respect to the New First Lien Senior Secured Notes, to secure the New First Lien Senior Secured Notes, to add assets as collateral, to release collateral from any Lien pursuant to the New First Lien Indenture, any Security Document and the Intercreditor Agreements when permitted or required by the New First Lien Indenture, to modify the Intercreditor Agreements to secure additional extensions of credit and add additional secured creditors holding secured obligations so long as such other secured obligations are not prohibited by the provisions of the Credit Agreement or the New First Lien Indenture, to add to the covenants of the Issuer or any Note Guarantor for the benefit of the holders or to surrender any right or power conferred upon the Issuer, to make any change that does not adversely affect the rights of any holder, to evidence and process for the acceptance and appointment under the New First Lien Indenture and/or the Intercreditor Agreements of a successor Trustee, to provide for the accession of the Trustee to any instrument in connection with the New First Lien Senior Secured Notes or to make certain changes to the New First Lien Indenture to provide for the issuance of Additional New First Lien Senior Secured Notes, at the Issuer's election, to comply with any requirement of the SEC in connection with the qualification of the New First Lien Indenture under the Trust Indenture Act of 1939, as amended, if such qualification is required, or to conform any provision to this "Description of New First Lien Senior Secured Notes." In addition, the First Lien Intercreditor Agreement provides that, subject to certain exceptions, any amendment, waiver or consent to any of the Security Documents with respect to the Senior Secured Facilities will also apply automatically to the comparable Security Documents with respect to the New First Lien Senior Secured Notes.

The Trustee shall be entitled to require and rely absolutely on such evidence as it reasonably deems appropriate, including an Opinion of Counsel and an Officers' Certificate as it may request from the Issuer.

The consent of the noteholders is not necessary under the New First Lien Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

The Issuer will, for so long as the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof, to the extent required by the guidelines of the Irish Stock Exchange, (i) inform the Irish Stock Exchange of any of the foregoing amendments, supplements and waivers and provide, if necessary, a supplement to this prospectus setting forth reasonable details in connection with any such amendments, supplements or waivers and (ii) deliver notice of any amendment, supplement and waiver to the Companies Announcement Office in Dublin.

After an amendment under the New First Lien Indenture becomes effective with respect to the New First Lien Senior Secured Notes, the Issuer is required to mail to the noteholders a notice briefly describing such amendment. However, the failure to give such notice to all noteholders entitled to receive such notice, or any defect therein, will not impair or affect the validity of the amendment.

No Personal Liability of Directors, Officers, Employees, Managers, Incorporators and Stockholders

No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or any direct or indirect parent corporation, as such, will have any liability for any obligations of the Issuer under the New First Lien Senior Secured Notes, the New First Lien Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a New First Lien Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the New First Lien Senior Secured Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange New First Lien Senior Secured Notes in accordance with the New First Lien Indenture. Upon any transfer or exchange, the registrar and the Trustee may require a noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a noteholder to pay any taxes required by law or permitted by the New First Lien Indenture. The Issuer is not required to transfer or exchange any New First Lien Senior Secured Note selected for redemption or to transfer or exchange any First Lien Note for a period of 15 days prior to a selection of New First Lien Senior Secured Notes to be redeemed. The New First Lien Senior Secured Notes will be issued in registered form and the registered holder of a Note will be treated as the owner of such New First Lien Senior Secured Note for all purposes.

Satisfaction and Discharge

The New First Lien Indenture will be discharged and will cease to be of further effect (except for any surviving provisions expressly provided for in the New First Lien Indenture) as to all outstanding New First Lien Senior Secured Notes when:

(1) either (a) all the New First Lien Senior Secured Notes theretofore authenticated and delivered (except lost, stolen or destroyed New First Lien Senior Secured Notes which have been replaced or paid and New First Lien Senior Secured Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the New First Lien Senior Secured Notes (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the New First Lien Senior Secured Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the New First Lien Senior Secured Notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer and/or the Note Guarantors have paid all other sums payable under the New First Lien Indenture; and

(3) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the New First Lien Indenture relating to the satisfaction and discharge of the New First Lien Indenture have been complied with.

Defeasance

The Issuer at any time may terminate all its obligations under the New First Lien Senior Secured Notes, the Security Documents and the New First Lien Indenture with respect to the New First Lien Senior Secured Notes ("*legal defeasance*"), and cure any existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the New First Lien Senior Secured Notes, to replace mutilated, destroyed, lost or stolen New First Lien Senior Secured Notes and to maintain a registrar and paying agent in respect of the New First Lien Senior Secured Notes. The Issuer at any time may terminate its obligations with respect to the New First Lien Senior Secured Notes under the covenants described under "—Certain Covenants," the operation of the cross acceleration provision, the security default provisions, the bankruptcy provisions with respect to Significant Subsidiaries, and the judgment default provision described under "Defaults" and the undertakings and covenants contained under "—Change of Control" and "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" ("*covenant defeasance*"). If the Issuer exercises its legal defeasance option or its covenant defeasance option with respect to the New First Lien Senior Secured Notes, each Note Guarantor will be released from all of its obligations with respect to its Note Guarantee

and the Issuer and each Note Guarantor will be released from all of its obligations with respect to the Security Documents.

The Issuer may exercise its legal defeasance option with respect to the New First Lien Senior Secured Notes notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option with respect to the New First Lien Senior Secured Notes, payment of the New First Lien Senior Secured Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option with respect to the New First Lien Senior Secured Notes, payment of the New First Lien Senior Secured Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6), (7) (with respect only to Significant Subsidiaries), (8), (9) or (10) under "Defaults" or because of the failure of the Issuer to comply with the first clause (4) under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

In order to exercise its defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee money in dollars or U.S. Government Obligations for the payment of principal, premium (if any) and interest (with the interest rate through redemption or maturity, as the case may be, calculated at the interest rate applicable on the date of such deposit) on the New First Lien Senior Secured Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that beneficial owners of the New First Lien Senior Secured Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or change in applicable U.S. Federal income tax law).

Concerning the Trustee

Wilmington Trust, National Association will be the Trustee under the New First Lien Indenture and has been appointed by the Issuer as Registrar and Paying Agent with regard to the New First Lien Senior Secured Notes.

Notices

All notices to noteholders will be validly given if mailed to them at their respective addresses in the register of the holders of the New First Lien Senior Secured Notes, if any, maintained by the Registrar. In addition, for so long as any of the New First Lien Senior Secured Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of the Irish Stock Exchange so require, notices, with respect to the New First Lien Senior Secured Notes admitted to trading on the Irish Stock Exchange will be published by delivery to the Companies Announcement Office in Dublin. In addition, for so long as any New First Lien Senior Secured Notes are represented by Global New First Lien Senior Secured Notes, all notices to holders of the New First Lien Senior Secured Notes will be delivered to DTC which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made, provided that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a noteholder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to him if so mailed within the time prescribed. Failure to mail a notice or communication to a noteholder or any defect in it shall not affect its sufficiency with respect to other noteholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Currency Indemnity and Calculation of Dollar-denominated Restrictions

The U.S. dollar is the sole currency of account and payment for all sums payable by the Issuer or any Note Guarantor under or in connection with the New First Lien Senior Secured Notes, including damages. Any amount

received or recovered in a currency other than dollars, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or any Note Guarantor or otherwise by any noteholder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor will only constitute a discharge to the Issuer or any Note Guarantor to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient or the Trustee under any New First Lien Senior Secured Note, the Issuer and any Note Guarantor will indemnify such recipient against any loss sustained by it as a result. In any event, the relevant Issuer and any Note Guarantor will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the holder of a New First Lien Senior Secured Note or the Trustee to certify in a manner satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer and any Note Guarantor's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of a New First Lien Senior Secured Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any New First Lien Senior Secured Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any U.S. dollar-denominated restriction herein, the Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S.-dollar currency, as applicable, shall be calculated based on the relevant currency exchange rate in effect on the date such non-dollar amount is Incurred or made.

Consent to Jurisdiction and Service

Each of the Issuer and the Note Guarantors will irrevocably and unconditionally: (1) submit itself and its property in any legal action or proceeding relating to the New First Lien Indenture to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the Courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, the courts of the United States of America for the Southern District of New York, appellate courts from any thereof and courts of its own corporate domicile, with respect to actions brought against it as defendant; (2) consent that any such action or proceeding may be brought in such courts and waive any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and (3) appoint CT Corporation System, currently having an office at 111 Eighth Avenue, New York, New York 10011, as its agent to receive on its behalf service of all process in any such action or proceeding, such service being hereby acknowledged by each of the Issuer and the Note Guarantors to be effective and binding in every respect.

Enforceability of Judgments

Since many of the assets of the Issuer and the Note Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any Note Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, redemption price and any purchase price with respect to the New First Lien Senior Secured Notes, may not be collectable within the United States.

Governing Law

The New First Lien Indenture, the Security Documents, the Intercreditor Agreements and the New First Lien Senior Secured Notes will be governed by, and construed in accordance with, the laws of the State of New York (or, to the extent required, the law of the jurisdiction in which the Collateral is located). See "Certain Insolvency Law Considerations" and "Risk Factors—Risks Related to the Notes—Enforcing your rights as a holder of the notes or under the guarantees or security documents across multiple jurisdictions may be difficult."

Book-Entry, Delivery and Form

General

The New First Lien Senior Secured Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be represented by one or more global New First Lien Senior Secured Notes in registered form without interest coupons attached (collectively, the "*Rule 144A Global New First Lien Senior Secured Notes*"). The Rule 144A Global New First Lien Senior Secured Notes will be deposited upon issuance with a custodian for The Depository Trust Company ("*DTC*") and registered in the name of Cede & Co., as nominee of DTC.

The New First Lien Senior Secured Notes sold outside the United States in reliance on Regulation S under the Securities Act will be represented by one or more global New First Lien Senior Secured Notes in registered form without interest coupons attached (collectively, the "*Regulation S Global New First Lien Senior Secured Notes*" and together with the Rule 144A Global New First Lien Senior Secured Notes, the "*Global New First Lien Senior Secured Notes*"). The Regulation S Global New First Lien Senior Secured Notes will be deposited upon issuance with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. Beneficial ownership interests in the Regulation S Global Notes may be exchanged for interests in the Rule 144A Global New First Lien Senior Secured Notes or a Definitive Registered First Lien Senior Secured Note only after the 40th day after the issuance of the New First Lien Senior Secured Notes, and then only in the case of an exchange for a Definitive Registered First Lien Senior Secured Note, in compliance with the requirements described under "—Transfers."

In the event that Additional New First Lien Senior Secured Notes are issued pursuant to the terms of the New First Lien Indenture, the Issuer may, in its sole discretion, cause some or all of such Additional New First Lien Senior Secured Notes, if any, to be issued in the form of one or more global New First Lien Senior Secured Notes (the "*Additional Global New First Lien Senior Secured Notes*") and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Rule 144A Global First Senior Secured Lien Note ("*Restricted Book-Entry Interests*") and ownership of interests in each Regulation S Global First Lien Senior Secured Note (the "*Unrestricted Book-Entry Interests*") and ownership of interests in each Additional Global First Lien Senior Secured Note (the "*Additional New First Lien Senior Secured Notes Book-Entry Interests*" and, together with the Restricted Book-Entry Interests and the Unrestricted Book-Entry Interests, the "*Book-Entry Interests*") will be limited to persons that have accounts with the Depositary or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by the Depositary and its participants. As used in this section, "Depositary" means, with respect to the Global New First Lien Senior Secured Notes and the Additional Global New First Lien Senior Secured Notes, if any, DTC.

The Book-Entry Interests will not be held in definitive form. Instead, the Depositary will credit on its book-entry registration and transfer systems a participant's account with the interests beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge or grant any other security interest in Book-Entry Interests. In addition, while the New First Lien Senior Secured Notes are in global form, "holders" of Book-Entry Interests may not be considered the owners or "holders" of New First Lien Senior Secured Notes for purposes of the New First Lien Indenture.

So long as the New First Lien Senior Secured Notes and any Additional New First Lien Senior Secured Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global New First Lien Senior Secured Notes for all purposes under the New First Lien Indenture. As such, participants must rely on the procedures of DTC and indirect participants must rely on the procedures of DTC and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the New First Lien Indenture.

The Issuer and the Trustee and their respective agents will not have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered New First Lien Senior Secured Notes

Under the terms of the New First Lien Indenture, owners of Book-Entry Interests will not receive definitive New First Lien Senior Secured Notes in registered form ("Definitive Registered New First Lien Senior Secured Notes") in exchange for their Book-Entry Interests unless (a) the Issuer has consented thereto in writing, or such transfer or exchange is made pursuant to one of clauses (i), (ii) or (iii) of this paragraph and (b) such transfer or exchange is in accordance with the applicable rules and procedures of the Depositary and the applicable provisions of the New First Lien Indenture. Subject to applicable provisions of the New First Lien Indenture, Definitive Registered New First Lien Senior Secured Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global First Lien Senior Secured Note if:

(i) the Issuer notifies the Trustee in writing that the applicable Depositary or Depositaries are unwilling or unable to continue to act as depositary and the Issuer does not appoint a successor depositary within 120 days;

(ii) any Depositary so requests if an event of default under the New First Lien Indenture has occurred and is continuing; or

(iii) the Issuer, at its option, notifies the Trustee in writing that it elects to issue Definitive Registered New First Lien Senior Secured Notes under the New First Lien Indenture.

In such an event, Definitive Registered New First Lien Senior Secured Notes will be issued and registered in the name or names and issued in any approved denominations, requested by or on behalf of the Depositary, as applicable (in accordance with its customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests), and such Definitive Registered New First Lien Senior Secured Notes will bear the restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by the New First Lien Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the New First Lien Senior Secured Notes shall be payable at the place of payment designated by the Issuer pursuant to the New First Lien Indenture; provided, however, that at the Issuer's option, payment of interest on a New First Lien Senior Secured Note may be made by check mailed to the person entitled thereto to such address as shall appear on the New First Lien Senior Secured Note register.

Redemption of the Global New First Lien Senior Secured Notes

In the event any Global First Lien Senior Secured Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global First Lien Senior Secured Note so redeemed to the holders of the Book-Entry Interests in such Global First Lien Senior Secured Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Depositary in connection with the redemption of such Global First Lien Senior Secured Note (or any portion thereof). We understand that under existing practices of DTC, if fewer than all of the New First Lien Senior Secured Notes are to be redeemed at any time, DTC will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no book-entry interest of less than $75,000 in principal amount may be redeemed in part.

Payments on Global New First Lien Senior Secured Notes

Payments of any amounts owing in respect of the Global New First Lien Senior Secured Notes (including principal, premium, interest and Additional Amounts) will be made by the Issuer in U.S. Dollars, in each case to the paying agents under the New First Lien Indenture. The paying agents will, in turn, make such payments to the Depositary or its nominee, as the case may be, which will distribute such payments to their respective participants in accordance with their respective procedures.

Under the terms of the New First Lien Indenture, the Issuer, the Trustee and the paying agents will treat the registered holders of the Global New First Lien Senior Secured Notes as the owners thereof for the purpose of receiving payments and other purposes under the New First Lien Indenture. Consequently, the Issuer, the Trustee and the paying agents and their respective agents have not and will not have any responsibility or liability for:

- any aspect of the records of the Depositary or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by the Depositary or any participant or indirect participants, or maintaining, supervising or reviewing the records of the Depositary or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- the Depositary or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is the case with securities held for the accounts of customers registered in "street name."

Action by Owners of Book-Entry Interests

We understand that the Depositary will take any action permitted to be taken by a holder of New First Lien Senior Secured Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global New First Lien Senior Secured Notes are credited and only in respect of such portion of the aggregate principal amount of New First Lien Senior Secured Notes as to which such participant or participants has or have given such direction. The Depositary will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global New First Lien Senior Secured Notes. However, if there is an event of default under the New First Lien Senior Secured Notes, the Depositary reserves the right to exchange the Global New First Lien Senior Secured Notes for Definitive Registered New First Lien Senior Secured Notes in certificated form, and to distribute such Definitive Registered New First Lien Senior Secured Notes to its respective participants.

Transfers

Each Global First Lien Senior Secured Note will bear a legend to the effect set forth under the caption "Transfer Restrictions."

Transfers of Global New First Lien Senior Secured Notes shall be limited to transfers of such Global First Lien Senior Secured Note in whole, but (subject to the provisions described above under "—Book-Entry, Delivery and Form—Issuance of Definitive Registered New First Lien Senior Secured Notes," to provisions described below in this section "—Transfers" and the applicable provisions of the New First Lien Indenture) not in part, to the Depositary, its successors or their respective nominees or transfers between the Depositary for the Rule 144A Global New First Lien Senior Secured Notes (initially DTC) and the Depositary for the Regulation S Global New First Lien Senior Secured Notes (initially DTC).

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of Unrestricted Book-Entry Interests only upon delivery by the transferor of a written certification (as provided in the New First Lien Indenture) to the effect that such transfer is made in accordance with Regulation S under the Securities Act or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Unrestricted Book-Entry Interests may be transferred to a person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written certification (as provided in the New First Lien Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Subject to the foregoing, and as set forth in "Transfer Restrictions," Book-Entry Interests may be transferred and exchanged in a manner otherwise in accordance with the terms of the New First Lien Indenture. Any

Book-Entry Interest in one of the Global New First Lien Senior Secured Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global First Lien Senior Secured Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global First Lien Senior Secured Note and become a Book-Entry Interest in the relevant Global First Lien Senior Secured Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global First Lien Senior Secured Note for as long as that person retains such Book-Entry Interests.

Definitive Registered New First Lien Senior Secured Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global First Lien Senior Secured Note only pursuant to the terms of the New First Lien Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the New First Lien Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such New First Lien Senior Secured Notes. See "Transfer Restrictions."

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the New First Lien Senior Secured Notes will be made in U.S. Dollars. Book-Entry Interests owned through Depositary accounts will follow the settlement procedures applicable to conventional dollar denominated bonds in registered form. In the case of Book-Entry Interests held through DTC, such Book-Entry Interests will be credited to the securities custody account of DTC holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of the Depositary, and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning DTC

All Book-Entry Interests will be subject to the operations and procedures of DTC. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we nor the initial purchaser is responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under New York Banking Law;
- a "banking organization" under New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the U.S. Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC's owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. and a number of its direct participants. Others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

The information in this section concerning DTC and its book-entry system has been obtained from sources we believe to be reliable, but we take no responsibility for the accuracy thereof.

Certain Definitions

"*2007 Notes*" means $400 million aggregate principal amount of 10% Second-Priority Senior Secured Notes due 2014 of the Issuer issued on August 13, 2007 and the 12% Second-Priority Senior Secured Notes due 2014 issued by the Issuer in the Exchange Offers.

"*2007 U.S. Collateral Agreement*" means the U.S. collateral agreement dated as of November 4, 2006, as supplemented by the Supplement to the U.S. collateral agreement dated as of August 2, 2007, among CEVA Logistics U.S. Holdings Inc. (formerly, Louis U.S. Holdco, Inc.), as U.S. borrower, each subsidiary of the U.S. Borrower party thereto, CEVA Ltd. (formerly, Louis No. 3 Limited) and Credit Suisse, as administrative agent.

"*2013 Restructuring Transactions*" means transactions described in the Offering Memorandum, Consent Solicitation and Disclosure Statement dated April 3, 2013, with respect to the exchange offers, the consent solicitations, the solicitation of acceptances of the pre-packaged plan of reorganization, the issuance of the Existing 4.00% First Lien Senior Secured Notes, the issuance of the Second Lien PIK Notes and other matters described therein.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Acquisition Agreements*" means the Apollo Acquisition Agreement and the EGL Acquisition Agreement.

"*Acquisition Documents*" means the Acquisition Agreements and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to August 13, 2007 or thereafter (so long as any amendment, supplement or modification after August 13, 2007, together with all other amendments, supplements and modifications after the Issue Date, taken as a whole, is not more disadvantageous to the holders of the New First Lien Senior Secured Notes in any material respect than the Acquisition Documents as in effect on August 13, 2007).

"*Additional Intercreditor Agreement*" has the meaning specified under "—Intercreditor Agreements."

"*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 purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"*Anji*" means Anji Automotive Logistics Company Limited, a company which is incorporated in China, of which the Issuer owned indirectly a 50% interest on the Issue Date.

"*Apollo Acquisition*" means the acquisition by Affiliates of the Sponsors of substantially all of the outstanding shares of capital stock of the Issuer, pursuant to the Apollo Acquisition Agreement.

"*Apollo Acquisition Agreement*" means that certain Agreement for the Sale and Purchase of All the Issued and Outstanding Shares in the Capital of TNT Logistics Holdings B.V. and the SNCF Business, dated August 23, 2006, by and between TNT N.V. and UK Bidco.

"*Apollo Exchange*" means the exchange of (1) €73 million of the 2006 Senior Notes for €73 million of 8½% Senior Notes due June 30, 2018 of the Issuer (the "*Apollo Senior Notes*"), (2) €57 million of the 2006 Senior Subordinated Notes for €57 million of 10% Senior Subordinated Notes due June 30, 2018 of the Issuer (the "*Apollo Senior Subordinated Notes*") and (3) $629 million of loans under the Senior Bridge Loan Agreement, dated as of August 2, 2007, as amended, for $629 million of loans with a maturity date of June 30, 2018 (the "*Apollo Senior Unsecured Loans*"), in the case of each of clauses (1), (2) and (3), held by the Apollo Sponsors, in each case, which exchange occurred on March 24, 2010.

"*Applicable Authorized Representative*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Applicable Premium*" means, with respect to any New First Lien Senior Secured Note on any applicable redemption date, the greater of

(1) 1% of the then outstanding principal amount of the New First Lien Senior Secured Note; and

(2) the excess of

(a) the present value at such redemption date of (i) the redemption price of such New First Lien Senior Secured Note, at March 1, 2017 (such redemption price being set forth in the applicable table appearing above under "—Optional Redemption") plus (ii) all required interest payments due on the New First Lien Senior Secured Note through March 1, 2017 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of the Note.

"*Asset Sale*" means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/Leaseback Transaction) outside the ordinary course of business of the Issuer or any Restricted Subsidiary of the Issuer (each referred to in this definition as a "disposition") or

(2) the issuance or sale of Equity Interests (other than directors' qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary of the Issuer) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of Cash Equivalents or Investment Grade Securities or obsolete, surplus or worn-out property or equipment in the ordinary course of business;

(b) transactions permitted pursuant to the provisions described above under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments";

(d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value of less than $10.0 million;

(e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to a Restricted Subsidiary of the Issuer;

(f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(g) foreclosure or any similar action with respect to any property or any other asset of the Issuer or any of its Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory, trading stock or other assets in the ordinary course of business;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know how or any other intellectual property;

(l) an issuance of Capital Stock pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(m) dispositions consisting of the granting of Permitted Liens;

(n) dispositions of receivables 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;

(o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer 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;

(p) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(q) a transfer of accounts receivable and related assets of the type specified in the definition of "Receivables Financing" (or a fractional undivided interest therein) by a Receivables Subsidiary or any Restricted Subsidiary (x) in a Qualified Receivables Financing or (y) pursuant to any other factoring on arm's length terms or (z) in the ordinary course of business;

(r) the sale of any property in a Sale/Leaseback Transaction within six months of the acquisition of such property; and

(s) in the ordinary course of business, any swap of assets, or any lease, assignment or sublease of any real or personal property, in exchange for services (including in connection with any outsourcing arrangements) of comparable or greater value or usefulness to the business of the Issuer and the Restricted Subsidiaries taken as a whole, as determined in good faith by the

Issuer; provided, that any cash or Cash Equivalents received must be applied in accordance with the covenant described under "—Certain Covenants—Asset Sales."

"*Australian Receivables Facility*" means the means the receivables facility entered into by CEVA Receivables (Australia) Pty. Ltd., in October 2012 that is secured by Australian trade accounts receivable, as such agreement may be amended, modified, restated, supplemented, replaced or refinanced from time to time.

"*Bank Indebtedness*" means any and all amounts payable under or in respect of the Credit Agreement and the other Credit Agreement Documents as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of the Credit Agreement), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

"*Bankruptcy Case*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended.

"*Board of Directors*" means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"*Book-Entry Interests*" has the meaning specified under "—Book-Entry, Delivery and Form."

"*Business Day*" means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City and London.

"*CapRe Parties*" means certain funds advised by Capital Research and Management Company that from time to time hold debt and/or equity of the Issuer.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Capitalized Lease Obligation*" means, 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.

"*Cash Debt Tender*" means the cash debt tender offer and related consent solicitation made by the Issuer pursuant to an Offer to Purchase dated February 24, 2010, as amended, to purchase the 2007 Notes for cash, and the concurrent exchange by the Apollo Sponsors with respect to the 2007 Notes held by them, in each case, which closed on March 24, 2010.

"*Cash Equivalents*" means:

(1) U.S. dollars, pounds sterling, euro, the national currency of any member state in the European Union or, in the case of any Restricted Subsidiary that is not organized or existing under the laws of the United States, any member state of the European Union or any state or territory thereof, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the U.S., Canadian, Swiss or Japanese government or any country that is a member of the European Union or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank whose long-term debt is rated "A" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Monetary Union, Switzerland or Norway or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than the Sponsors or any of their Affiliates) with a rating of "A" or higher from S&P or "A-2" or higher from Moody's in each case with maturities not exceeding two years from the date of acquisition;

(8) for the purpose of paragraph (a) of the definition of "Asset Sale," any marketable securities of third parties owned by the Issuer and/or its Restricted Subsidiaries on the Reference Date;

(9) interest in investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

(10) instruments equivalent to those referred to in clauses (1) through (8) above denominated in euro or any other foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Collateral*" means all property subject or purported to be subject, from time to time, to a Lien under any Security Document.

"*Concurrent Transactions*" means transactions described in this offering circular dated March 13, 2014, with respect to the tender offers and consent solicitations with respect to, and redemptions of, the Existing First Lien Senior Secured Notes, the Existing First-and-a-Half Priority Notes, the Old Second Priority Notes and the 12% Senior Notes, the refinancing of the Credit Agreement, the partial redemption of the Second Lien PIK Notes and other matters described therein.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Profit (including amortization of original issue discount, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations and excluding amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any capitalizing interest on Subordinated Shareholder Funding); plus

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than the Issuer and its Restricted Subsidiaries; minus

(4) interest income for such period.

"*Consolidated Net Profit*" means, with respect to any Person for any period, the aggregate of the Net Profit of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; provided, however, that:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income, expenses or charges (less all fees and expenses relating thereto), any severance expenses and expenses or charges related to any Equity Offering, Permitted Investment, acquisition or Indebtedness permitted to be Incurred by the New First Lien Indenture (in each case, whether or not successful), including any such fees, expenses, charges or change in control payments made under the Acquisition Documents or otherwise related to the Transactions, in each case, shall be excluded;

(2) any increase in amortization or depreciation or any one-time non-cash charges or increases or reductions in Net Profit, in each case resulting from purchase accounting in connection with the Transactions or any acquisition that is consummated after the Reference Date shall be excluded;

(3) the Net Profit for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of the Issuer) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness or Hedging Obligations or other derivative instruments shall be excluded;

(7) the Net Profit 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 Restricted Subsidiary thereof in respect of such period;

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of Cumulative Credit contained in "—Certain Covenants—Limitation on Restricted Payments," the Net Profit for such period of any Restricted Subsidiary (other than any Note Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Profit is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived; *provided* that the Consolidated Net Profit of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

(9) an amount equal to the amount of Tax Distributions actually made to any parent of such Person in respect of such period in accordance with clause (12) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(10) any non-cash impairment charges or asset write-offs, and the amortization of intangibles arising in each case pursuant to GAAP or the pronouncements of the IASB shall be excluded;

(11) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, grants and sales of stock, stock appreciation or similar rights, stock options or other rights to officers, directors and employees shall be excluded;

(12) any (a) severance or relocation costs or expenses, (b) one-time non-cash compensation charges, (c) the costs and expenses after the Reference Date related to employment of terminated employees, (d) costs or expenses realized in connection with, resulting from or in anticipation of the Transactions or (e) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Reference Date of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(13) accruals and reserves that are established or adjusted as a result of the Transactions (including as a result of the adoption or modification of accounting policies in connection with the Transactions) within 12 months after the Reference Date, and that are so required to be established in accordance with GAAP shall be excluded;

(14) solely for purposes of calculating EBITDA, (a) the Net Profit of any Person and its Restricted 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 Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted 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 (7) above shall be included;

(15) (a) (i) the non-cash portion of "straight-line" rent expense shall be excluded and (ii) the cash portion of "straight-line" rent expense that exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP shall be excluded;

(16) unrealized gains and losses relating to hedging transactions and mark-to-market of Indebtedness denominated in foreign currencies resulting from the applications of the applicable standard under GAAP shall be excluded;

(17) any expenses incurred in the 18 months following the Reference Date that constitute transition expenses attributable to the Issuer becoming an independent operating company in connection with the Transactions (including without limitation re-branding costs) shall be excluded; and

(18) solely for the purpose of calculating Restricted Payments, the difference, if positive, of the Consolidated Taxes of the Issuer calculated in accordance with GAAP and the actual Consolidated Taxes paid in cash by the Issuer during any Reference Period shall be included.

Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Profit any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of the Issuer or a Restricted Subsidiary of the Issuer to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (4) and (5) of the definition of Cumulative Credit contained therein.

"*Consolidated Non-cash Charges*" means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Profit of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP, but excluding any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

"*Consolidated Taxes*" means provision for taxes based on income, profits or capital, including, without limitation, state, franchise and similar taxes and any Tax Distributions taken into account in calculating Consolidated Net Profit.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Controlling Secured Party*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Credit Agreement*" means (i) the amended and restated credit agreement entered into on or about the Issue Date, as further amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, increased as permitted under clause (a) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount

loaned or issued thereunder or altering the maturity thereof, among the Issuer, the guarantors named therein, the financial institutions named therein, and Credit Suisse, as administrative agent, and (ii) whether or not the credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of "Credit Agreement," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"*Credit Agreement Documents*" means the collective reference to the Credit Agreement, any notes issued pursuant thereto and the guarantees thereof, and the collateral documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Cut-Off Date*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Designated Preferred Stock*" means Preferred Stock of the Issuer or any direct or indirect parent of the Issuer (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officers' Certificate, on the issuance date thereof.

"*DIP Financing*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*DIP Financing Liens*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*DIP Lenders*" has the meaning specified under "—Security Documents and Intercreditor Agreements." "*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 redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale, provided that the relevant asset sale or change of control provisions, taken as a whole, are not materially more disadvantageous to the holders of the New First Lien Senior Secured Notes than is customary in comparable transactions (as determined in good faith by the Issuer));

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person; or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than solely as a result of a change of control or asset sale),

in each case prior to 91 days after the maturity date of the New First Lien Senior Secured Notes or the date the New First Lien Senior Secured Notes are no longer outstanding; *provided*, *however*, 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 shall be deemed to be Disqualified Stock; *provided*, *further*, *however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided*, *further*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"*Dollar Equivalent*" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time of determination by the Issuer or the Trustee, 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 "Currency Rates" 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 Issuer) on the date of such determination.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Profit of such Person for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Profit:

(1) Consolidated Taxes; plus

(2) Consolidated Interest Expense; plus

(3) Consolidated Non-cash Charges; plus

(4) business optimization expenses and other restructuring charges or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory or service optimization programs, site closures, retention, systems establishment costs and excess pension charges); provided that with respect to each business optimization expense or other restructuring charge, the Issuer shall have delivered to the Trustee an Officers' Certificate specifying and quantifying such expense or charge and stating that such expense or charge is a business optimization expense or other restructuring charge, as the case may be; plus

(5) the amount of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsors (or any accruals relating to such fees and related expenses) during such period pursuant to the terms of the agreements between the Sponsors and the Issuer and its Subsidiaries as described with particularity in this offering circular and as was in effect on the Reference Date;

less, without duplication,

(6) non-cash items increasing Consolidated Net Profit for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period).

"*EGL Acquisition*" means the acquisition of EGL, Inc. by the Issuer, pursuant to the EGL Acquisition Agreement.

"*EGL Acquisition Agreement*" means that certain Agreement and Plan of Merger, dated as of May 24, 2007, among the Issuer, CEVA Texas Holdco Inc., and EGL, Inc., as amended, supplemented or modified from time to time on or prior to August 13, 2007.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public or private sale after the Issue Date of common stock or Preferred Stock of the Issuer or any direct or indirect parent of the Issuer, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or such direct or indirect parent's common stock registered on Form S-8; and

(2) any such public or private sale that constitutes an Excluded Contribution.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Exchange Offers*" means the issuance by the Issuer on July 22, 2009 of (1) €120 million principal amount of 12% Second-Priority Senior Secured Notes due 2014 in exchange for €153 million principal amount of the Issuer's 2006 Senior Notes and €50 million principal amount of the Issuer's 2006 Senior Subordinated Notes and (2) $127 million principal amount of 12% Second-Priority Senior Secured Notes due 2014 in exchange for $205 million of loans under the Senior Bridge Loan Agreement, dated as of August 2, 2007, as amended.

"*Excluded Contributions*" means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of the Issuer) received by the Issuer after the Reference Date from:

(1) contributions to its common equity capital and

(2) the sale (other than to a Subsidiary of the Issuer or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer,

in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by an Officer of the Issuer on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"*Excluded Property*" means (a) any vehicle covered by a certificate of title or ownership, whether now owned or hereafter acquired, (b) any assets not required to be pledged as collateral under the 2007 U.S. Collateral Agreement (regardless of whether the 2007 U.S. Collateral Agreement has been terminated), (c) any Letter of Credit Rights (as defined in the New York Uniform Commercial Code) to the extent the Issuer or any Guarantor, is required by applicable law to apply the proceeds of a drawing of such Letter of Credit for a specified purpose, (d) any right, title or interest in any license, contract or agreement or any of its right, title or interest thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement, result in a breach of the terms of, or constitute a default under, or result in the abandonment, invalidation or unenforceability of, any license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the New York Uniform Commercial Code or any other applicable law (including, without limitation, Title 11 of the United States Code) or principles of equity), (e) any Equipment ((as defined in the New York Uniform Commercial Code) that is subject to a purchase money lien or a Capital Lease Obligation if the contract or other agreement in which such Lien is granted (or the documentation providing for such Capital Lease Obligation) prohibits or requires the consent of any person other than the Issuer or any Guarantor as a condition to the creation of any other security interest on such Equipment, (f) any property that is not required to become subject to Liens in favor of the Collateral Agent as set forth in the Security Documents, (g) assets subject to Liens securing Qualified Receivables Financing and any Equity Interests

or Indebtedness of Receivables Subsidiaries (i) which are pledged to secure a Qualified Receivables Financing or (ii) if the pledge of such Equity Interests or Indebtedness would result in a breach of the terms of, or constitute a default under, a Qualified Receivables Financing or (h) with respect to any property which would not be subject to the U.S. Collateral Agreements, any property that would not be required to be pledged as security pursuant to the Senior Secured Facilities, if the documentation governing the Senior Secured Facilities as of the Issue Date was then in effect. For purposes of this definition, "Capital Lease Obligations" means the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP.

"*Existing First-and-a-Half Priority Notes*" means the $210,000,000 aggregate principal amount of 11⅝% Senior Secured Notes due 2016 of the Issuer issued on October 6, 2009 that remains outstanding on the Issue Date after giving effect to the Concurrent Transactions.

"*Existing First Lien Indebtedness*" means all Indebtedness of the Issuer or any Guarantor outstanding on the Issue Date (after giving effect to the Concurrent Transactions) that constitutes First Priority Lien Obligations (including without limitation, the Existing 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes and Indebtedness under the Credit Agreement).

"*Existing First Lien Senior Secured Notes*" means the aggregate principal amount of 8.375% Senior Secured Notes due 2017 of the Issuer that remains outstanding on the Issue Date after giving effect to the Concurrent Transactions.

"*Existing 4.00% First Lien Senior Secured Notes*" means the $304,863,114 aggregate principal amount of 4.00% First Lien Senior Secured Notes due 2018 of the Issuer issued on May 2, 2013.

"*Existing Notes*" means the Existing First-and-a-Half Priority Notes, the Existing First Lien Senior Secured Notes, the Existing 4.00% First Lien Senior Secured Notes, the Second Lien PIK Notes, the Old Second Priority Notes, the Unexchanged Notes, the Senior Unsecured Notes and the New First-and-a-Half Priority Notes.

"*Fair Market Value*" means, with respect to any asset or property, the price that could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction (as determined by the Issuer).

"*First/First-and-a-Half Lien Intercreditor Agreement*" means the Lien Subordination and Intercreditor Agreement, dated as of October 6, 2009, as acceded to by the Trustee and Collateral Agent on the Issue Date, among the Issuer, the subsidiaries of the Issuer party thereto, Credit Suisse, as intercreditor agent, the trustee and collateral agent for the New First-and-a-Half Priority Notes and the Trustee and Collateral Agent, as it may be amended, restated or replaced from time to time in accordance with the New First Lien Indenture.

"*First/Junior Lien Intercreditor Agreement*" means the Lien Subordination and Intercreditor Agreement, dated as of August 13, 2007, as acceded to by the Trustee and Collateral Agent on the Issue Date, among the Issuer, the subsidiaries of the Issuer party thereto, Credit Suisse, as intercreditor agent, the trustee and collateral agent for the Second Lien PIK Notes, the trustee and collateral agent for the New First-and-a-Half Priority Notes and the Trustee and Collateral Agent, as it may be amended, restated or replaced from time to time in accordance with the New First Lien Indenture.

"*First Lien Intercreditor Agreement*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*First Lien Leverage Ratio*" means, with respect to any Person, at any date the ratio of (i) Secured Indebtedness of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) that constitutes First Priority Lien Obligations *(provided* that any Secured Indebtedness Incurred pursuant to clause (a) of the second paragraph under "Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" shall be deemed to be First Priority Lien

Obligations for this purpose) less the amount of cash and Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the commencement of the period for which the First Lien Leverage Ratio is being calculated but prior to the event for which the calculation of the First Lien Leverage Ratio is made (the "*First Lien Leverage Calculation Date*"), then the First Lien Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; provided that the Issuer may elect pursuant to an Officers' Certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or have made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the First Lien Leverage Calculation Date (each, for purposes of this definition, a "*pro forma event*") shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions), discontinued operations and other operational changes (and the change of any associated Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the First Lien Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officers' Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions) and (2) all adjustments of the nature used in connection with the calculation of "Pro Forma Adjusted EBITDA" as set forth in footnote (2) in "Summary—Summary Historical Financial Data—Pro Forma Financial Information and Ratios" in this offering circular, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

"*First Priority Lien Obligations*" means (i) all Bank Indebtedness secured by a Lien on the Collateral that is pari passu to the Lien securing the New First Lien Senior Secured Notes, (ii) all other Obligations (not constituting Indebtedness) of the Issuer and its Restricted Subsidiaries under the agreements governing Indebtedness described in clause (i), (iii) all other Obligations of the Issuer or any of its Restricted Subsidiaries in respect of Hedging Obligations or Obligations in respect of cash management services, in each case owing to a Person that is a holder of Indebtedness described in clause (i) or Obligations described in clause (ii) or an Affiliate of such holder at the time of entry into such Hedging Obligations or Obligations in respect of cash management services that is secured by a Lien on the Collateral that is pari passu to the Liens securing the New First Lien Senior Secured Notes, (iv) all other Indebtedness that is secured by a Permitted Lien on the Collateral that is pari passu or senior to the Lien securing the New First Lien Senior Secured Notes, (v) the New First Lien Senior Secured Notes and the Note Guarantees, (vi) all other Obligations (not constituting Indebtedness) of the Issuer and its Restricted Subsidiaries under the agreements governing the New First Lien Senior Secured Notes and the Note Guarantees and (vii) all other Obligations of the Issuer or any of its Restricted Subsidiaries in respect of Hedging Obligations or Obligations in respect of cash management services, in each case owing to a Person that is a holder of Indebtedness described in

clause (v) or Obligations described in clause (vi) or an Affiliate of such holder at the time of entry into such Hedging Obligations or Obligations in respect of cash management services that is secured by a Lien on the Collateral that is pari passu to the Liens securing the New First Lien Senior Secured Notes.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, including the Transactions and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date (each, for purposes of this definition, a "*pro forma event*") shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, including the Transactions, discontinued operations and operational changes (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officers' Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions) and (2) all adjustments of the nature used in connection with the calculation of "Pro Forma Adjusted EBITDA" as set forth in footnote (2) in "Summary—Summary Historical Financial Data—Pro Forma Financial Information and Ratios" in this offering circular, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period (excluding in the case of the Issuer any non-cash interest expense relating to the Second Lien PIK Notes (and non-cash interest expense relating to any Refinancing Indebtedness in respect thereof) that is owed to Parent); and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

"*Franklin Parties*" means certain funds and accounts advised by Franklin Advisors, Inc. and Franklin Templeton Investments Corp. that from time to time hold the Existing 4.00% First Lien Senior Secured Notes.

"*GAAP*" means the International Financial Reporting Standards ("*IFRS*") as in effect (except as otherwise provided in the New First Lien Indenture) on the Reference Date. Except as otherwise expressly provided in the New First Lien Indenture, all ratios and calculations based on GAAP contained in the New First Lien Indenture shall be computed in conformity with GAAP. At any time after the Reference Date, the Issuer may elect to apply generally accepted accounting principles in the U.S. ("*U.S. GAAP*") in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean U.S. GAAP as in effect (except as otherwise provided in the New First Lien Indenture) on the date of such election; provided that any such election, once made, shall be irrevocable and that, upon first reporting its fiscal year results under U.S. GAAP it shall restate its financial statements on the basis of U.S. GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of U.S. GAAP. The Issuer shall give notice of any such election to the Trustee and the noteholders.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"*holder*" or "*noteholder*" means the Person in whose name a New First Lien Senior Secured Note is registered on the Registrar's books.

"*IASB*" means the International Accounting Standards Board and any other organization or agency that shall issue pronouncements regarding the application of GAAP.

"*Incur*" means issue, 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 Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

"*Indebtedness*" means, with respect to any Person (without duplication):

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with

GAAP), (d) in respect of Capitalized Lease Obligations or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations referred to in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Person; and

(4) to the extent not otherwise included, with respect to the Issuer and its Restricted Subsidiaries, the amount then outstanding (i.e., advanced, and received by, and available for use by, the Issuer or any of its Restricted Subsidiaries) under any Receivables Financing (as set forth in the books and records of the Issuer or any Restricted Subsidiary and confirmed by the agent, trustee or other representative of the institution or group providing such Receivables Financing) where there is recourse to the Issuer or its Restricted Subsidiaries (as that term is understood in the context of recourse and non-recourse receivable financings);

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) Obligations under or in respect of Qualified Receivables Financing; (5) obligations under the Acquisition Documents; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the New First Lien Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the New First Lien Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and any such amounts that would have constituted Indebtedness under the New First Lien Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the New First Lien Indenture.

"*Independent Financial Advisor*" means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

"*Intercreditor Agreements*" means the First Lien Intercreditor Agreement, the Senior/Subordinated Intercreditor Agreement, the First/Junior Lien Intercreditor Agreement and the First/First-and-a-Half Lien Intercreditor Agreement.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S., Canadian or Japanese government or any member state of the European Monetary Union or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody's or BBB- (or equivalent) by S&P, or an equivalent rating by any other Rating Agency, but excluding any debt securities or loans or advances between and among the Issuer and its Subsidiaries;

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

"*Investments*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "—Certain Covenants—Limitation on Restricted Payments":

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Issuer.

"*Issue Date*" means the date on which the New First Lien Senior Secured Notes are originally issued.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any other agreement to give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Management Group*" means the group consisting of the directors, executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as the case may be, on the Issue Date together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of the Issuer or any direct or indirect parent of the Issuer, as applicable, was approved by a vote of a majority of the directors of the Issuer or any direct or indirect parent of the Issuer, as applicable, then still in office who were either directors on the Issue Date or whose election or nomination was previously so approved and (2) executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as applicable, hired at a time when the directors on the Issue Date, together with the directors so

approved, constituted a majority of the directors of the Issuer or any direct or indirect parent of the Issuer, as applicable.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the Issuer or any direct or indirect parent of the Issuer that has consummated an initial public offering 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 declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*Net Proceeds*" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding the assumption by the acquiring person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non- cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to the second paragraph of the covenant described under "—Certain Covenants—Asset Sales") to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"*Net Profit*" means, with respect to any Person, the Net Profit (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"*New First-and-a-Half Priority Notes*" means the $325,000,000 aggregate principal amount of 9.0% Senior Secured Notes due 2021 of the Issuer to be issued on the Issue Date.

"*Non-Controlling Authorized Representative*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Non-Controlling Secured Party*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Note Guarantee*" means any guarantee of the obligations of the Issuer under the New First Lien Indenture and the New First Lien Senior Secured Notes by any Person in accordance with the provisions of the New First Lien Indenture.

"*Note Guarantor*" means any Person that Incurs a Note Guarantee; provided that upon the release or discharge of such Person from its Note Guarantee in accordance with the New First Lien Indenture, such Person ceases to be a Note Guarantor.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to the New First Lien Senior Secured Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the New First Lien Senior Secured Notes.

"*Officer*" of any Person means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of such Person or any other person that the board of directors of such person shall designate for such purpose.

"*Officers' Certificate*" means a certificate signed on behalf of the Issuer by two Officers of the Issuer or of a Subsidiary or parent of the Issuer that is designated by the Issuer, one of whom must be the principal executive officer, the principal financial officer, the treasurer, the principal accounting officer or similar position of the Issuer or such Subsidiary or parent that meets the requirements set forth in the New First Lien Indenture.

"*Old Second Priority Notes*" means the outstanding 11.5% Junior Priority Senior Secured Notes due 2018 of the Issuer issued on March 24, 2010, which were not tendered pursuant to the 2013 Restructuring Transactions.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee (acting reasonably). The counsel may be an employee of, or counsel to, the Issuer or the Trustee.

"*Parent*" means Ceva Holdings, LLC, a Marshall Islands limited liability company and its successors.

"*Pari Passu Indebtedness*" means:

(1) with respect to the Issuer, the New First Lien Senior Secured Notes and any Indebtedness that ranks pari passu in right of payment to the New First Lien Senior Secured Notes; and

(2) with respect to any Note Guarantor, its Note Guarantee and any Indebtedness that ranks pari passu in right of payment to such Note Guarantor's Note Guarantee.

"*Permitted Holders*" means, at any time, each of (i) the Sponsors, (ii) the Management Group, (iii) TNT N.V. and its Affiliates, (iv) AlpInvest Partners Beheer 2006 Ltd and its Affiliates, (v) AAA Guarantor Co-Invest VI, L.P. and its Affiliates, (vi) the CapRe Parties and (vii) the Franklin Parties. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the New First Lien Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Issuer, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of "—Certain Covenants—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; provided that the amount of any such Investment only may be increased as required by the terms of such Investment as in existence on the Issue Date (including any Investment in Anji);

(6) advances to officers, directors or employees, taken together with all other advances made pursuant to this clause (6), not to exceed $20.0 million at any one time outstanding;

(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Issuer 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 Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under clause (j) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(9) any Investment by the Issuer or any of its Restricted Subsidiaries in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of (x) $200.0 million and (y) 14.0% of Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

(10) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding, not to exceed the greater of (x) $150.0 million and (y) 9.0% of Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (10) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be a Restricted Subsidiary;

(11) loans and advances to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(12) Investments the payment for which consists of Equity Interests or Subordinated Shareholder Funding of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer, as applicable; provided, however, that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the definition of Cumulative Credit contained in "Certain Covenants—Limitation on Restricted Payments";

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (6), (7) and (11)(b) of such paragraph);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees issued in accordance with the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Future Note Guarantors";

(16) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property;

(17) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness;

(18) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer's group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(19) any Investment in an entity which is not a Restricted Subsidiary to which a Restricted Subsidiary sells accounts receivable pursuant to a Receivables Financing;

(20) additional Investments in joint ventures of the Issuer or any of its Restricted Subsidiaries existing on the Issue Date not to exceed at any one time in the aggregate outstanding, $75 million; provided, however, that if any Investment pursuant to this clause (20) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (20) for so long as such Person continues to be a Restricted Subsidiary; and

(21) Investments of a Restricted Subsidiary of the Issuer acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with the Issuer or a Restricted Subsidiary of the Issuer in a transaction that is not prohibited by the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" after the Issue 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.

"*Permitted Liens*" means, with respect to any Person:

(1) 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 U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, 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 or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and 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 such Person;

(6) (A) Liens on assets of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Restricted Subsidiary permitted to be Incurred pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (B) Liens on the Collateral securing (i) Indebtedness incurred under clause (a) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including Existing First Lien Indebtedness) and other Obligations of the type specified in clauses (ii), (iii), (vi) and (vii) of the definition of First Priority Lien Obligations, provided that any such Liens rank on a parity with the Liens securing the New First Lien Senior Secured Notes (and guarantees thereof) and (ii) any other Indebtedness permitted to be Incurred under the New First Lien Indenture if as of the date such Indebtedness was Incurred, and after giving effect to the Incurrence of such Indebtedness and the application of proceeds therefrom on such date, the First Lien Leverage Ratio of the Issuer does not exceed 4.80 to 1.00; *provided* that in the case of each of clause (i) and (ii) any such Liens rank on a parity with the Liens securing the New First Lien Senior Secured Notes (and guarantees thereof) and (C) Liens securing Indebtedness Incurred pursuant to clause (d), (r) or (y) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; *provided*, *further*, *however*, that such Liens securing Indebtedness incurred pursuant to such clause (d) may not extend to any other property or equipment owned by the Issuer or any Restricted Subsidiary;

(7) Liens existing on the Issue Date, including Liens securing the New First-and-a-Half Priority Notes, and the Second Lien PIK Notes (other than Liens described in clause (6));

(8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided, however, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(9) Liens on assets or property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided*, *further*, *however*, that the Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary of the Issuer permitted to be Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(11) Liens securing Hedging Obligations not Incurred in violation of the New First Lien Indenture; provided that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(15) Liens in favor of the Issuer or any Note Guarantor;

(16) Liens on accounts receivable and related assets of the type specified in the definition of "Receivables Financing" or accounts into which collections or proceeds of such assets are deposited, in each case, arising from or in connection with a Qualified Receivables Financing, including any Liens incurred in connection with a Qualified Receivables Financing under this clause (16), the proceeds of which Qualified Receivables Financing are used to refinance, refund, extend, renew or replace Indebtedness secured by any Lien (or successive refinancings, refundings, extensions, renewals or replacements);

(17) deposits made in the ordinary course of business to secure liability to insurance carriers;

(18) Liens on the Equity Interests of Unrestricted Subsidiaries or Receivables Subsidiaries;

(19) grants of software and other technology licenses in the ordinary course of business;

(20) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6), (7), (8), (9), (10), (11), (15) and (20); *provided*, *however*, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), (10), (11), (15) and (20) at the time the original Lien became a Permitted Lien under the New First Lien Indenture and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement and (z) if any of the property secured is Collateral, such new Lien shall have the same or lesser priority as the Lien securing the original Indebtedness compared to the Lien securing the New First Lien Senior Secured Notes and the guarantees thereof (it being understood that such new Lien may have higher priority to the extent such Lien is incurred under another clause of this definition of "Permitted Liens" or is incurred pursuant to clause (b) of the covenant described under "—Certain Covenants – Liens"); *provided further*, *however*, that in the case of any Liens to secure any refinancing, refunding, extension or renewal of Indebtedness secured by a Lien referred to in clause (6), the principal amount of any Indebtedness Incurred for such refinancing, refunding, extension or renewal shall be deemed secured by a Lien under clause (6) and not this clause (20) for purposes of determining the principal amount of Indebtedness outstanding under clause (6), and for purposes of the definition of First Priority Lien Obligations;

(21) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer's or such Restricted Subsidiary's client at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens arising by virtue of any statutory or common law 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 or financial institution;

(25) any interest or title of a lessor under any Capitalized Lease Obligation;

(26) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(27) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(28) other Liens securing obligations Incurred in the ordinary course of business and Liens securing Indebtedness which obligations and principal amount of Indebtedness do not exceed $200.0 million and 8.0% of Tangible Assets at any one time outstanding; and

(29) an interest of the kind referred to in section 12(3) of the Personal Property Securities Act (2009) (Cth) where the transaction concerned does not, in substance, secure payment or performance of an obligation.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding-up.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act or (b) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S of such Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC. The term "Public Debt" (i) shall not include the New First Lien Senior Secured Notes (or any Additional New First Lien Senior Secured Notes) and (ii) for the avoidance of doubt, 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 Credit Agreement, 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."

"*Purchase Money Note*" means a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from the Issuer or any Subsidiary of the Issuer to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

"*Qualifying IPO*" means one or more underwritten primary or secondary public offering or offerings of common equity of the Issuer or any direct or indirect parent of the Issuer pursuant to an effective registration

statement under the Securities Act or other distribution method involving a listing of such common equity on an established international securities exchange that, when taken together, result in cumulative gross proceeds of not less than $250.0 million.

"*Qualified Receivables Financing*" means any Receivables Financing that meets the following conditions:

(1) the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer or, as the case may be, the Subsidiary in question;

(2) all sales of accounts receivable and related assets are made at Fair Market Value (as determined in good faith by the Issuer); and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Subsidiaries (other than a Receivables Subsidiary or the Subsidiary undertaking such Receivables Financing) to secure Bank Indebtedness, Indebtedness in respect of the New First Lien Senior Secured Notes or any Refinancing Indebtedness with respect to the New First Lien Senior Secured Notes shall not be deemed a Qualified Receivables Financing.

As of the Issue Date, the U. S. ABL Facility and the Australian Receivables Facility shall each constitute a Qualified Receivables Financing (and shall each continue to constitute a Qualified Receivables Financing so long as any amendment, refinancing or replacement thereof continues to satisfy the conditions set forth in clauses (1) through (3) above).

"*Rating Agency*" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the New First Lien Senior Secured Notes for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or any direct or indirect parent of the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing 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, off-set 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.

"*Receivables Subsidiary*" means a Wholly Owned Subsidiary of the Issuer (or any other Person formed for the purposes of engaging in Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Restricted Subsidiary of the Issuer transfers accounts

receivable and related assets) that engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and that is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is with recourse to or obligates the Issuer or any other Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Issuer or any other Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(c) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions; provided, however, that no such designation by the Board of Directors of the Issuer shall be required in the case of designating any of CEVA US Receivables, LLC, CEVA Receivables (Australia) Pty Ltd., CEVA Logistics Receivables Trust, CEVA Freight Receivables Trust or CEVA Collections LLP, each of which shall be deemed a Receivables Subsidiary as of the Issue Date (and shall continue to be deemed a Receivables Subsidiary so long as it continues to satisfy the conditions set forth in clauses (a) through (c) above).

"*Recovery*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Reference Date*" means December 6, 2006.

"*Refinancing Indebtedness*" has the meaning given to it in paragraph (m) of "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"*Representative*" means the trustee, agent or representative (if any) for an issue of Indebtedness; provided that if, and for so long as, such Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

"*Restricted Cash*" means cash and Cash Equivalents held by such Person and its Restricted Subsidiaries that would appear as "restricted" on a consolidated balance sheet of the Parent, the Issuer or any of the Issuer's Restricted Subsidiaries.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this "Description of the New First Lien Senior Secured Notes," all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of the Issuer.

"*Sale/Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or such Restricted Subsidiary leases it from such Person, other than leases between the Issuer and a Restricted Subsidiary of the Issuer or between Restricted Subsidiaries of the Issuer.

"*S&P*" means Standard & Poor's Ratings Group or any successor to the rating agency business thereof.

"*SEC*" means the Securities and Exchange Commission.

"*Second Lien PIK Notes*" means the $688,893,689 aggregate principal amount of 10% Second Lien Secured PIK Notes due 2023 of the Issuer issued on May 2, 2013 pursuant to the 2013 Restructuring Transaction (together with all 10% Second Lien Secured PIK Notes due 2023 issued as payable-in-kind interest in accordance with the terms of the related indenture).

"*Secured Indebtedness*" means any Indebtedness secured by a Lien (other than letters of credit to the extent undrawn, Hedging Obligations and Obligations in respect of cash management services).

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Security Documents*" means the Intercreditor Agreements, security agreements, pledge agreements, collateral assignments and related agreements, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the New First Lien Indenture or any of the foregoing.

"*Senior/Subordinated Intercreditor Agreement*" means the intercreditor agreement dated November 4, 2006, as amended and restated on December 6, 2006, among the Issuer, the other companies party thereto, the financial institutions thereto, and Credit Suisse, as secured senior agent, unsecured senior bridge agent and security agent, as it may be amended, restated or replaced from time to time in accordance with the New First Lien Indenture and as parties may accede to it from time to time.

"*Senior Unsecured Notes*" means the outstanding 12.75% Senior Notes due 2020 of the Issuer issued on February 1, 2012, which were not tendered pursuant to the 2013 Restructuring Transactions.

"*Shared Collateral*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer or any of its

Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*SPEs*" has the meaning specified under "—Security."

"*Sponsors*" means (i) Apollo Management, L.P., and any of its Affiliates (collectively, the "*Apollo Sponsors*") and (ii) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Apollo Sponsors; provided that any Apollo Sponsor (x) owns a majority of the voting power and (y) controls a majority of the Board of Directors of the Issuer.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Subsidiary, 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 final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"*Subordinated Indebtedness*" means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the New First Lien Senior Secured Notes and (b) with respect to any Note Guarantor, any Indebtedness of such Note Guarantor which is by its terms subordinated in right of payment to its Note Guarantee.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any parent, any Affiliate of any parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that such Subordinated Shareholder Funding:

(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 Stated Maturity of the New First Lien Senior Secured Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the New First Lien Senior Secured Notes is restricted by the Intercreditor Agreements, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the first anniversary of the Stated Maturity of the New First Lien Senior Secured Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or that the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreements or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions 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 (in each case, prior to the first anniversary of the Stated Maturity of the New First Lien Senior Secured Notes) or the payment of any amount as a result of any such action or provision, or the exercise of any rights or enforcement action (in each case, prior to the first anniversary of the Stated Maturity of the New First Lien Senior Secured Notes) is restricted by the Intercreditor Agreements or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or to the Intercreditor Agreements, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the New First Lien Senior Secured Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreements as in effect on the Reference Date with respect to the "Subordinated Debt" (as defined therein).

"*Subsidiary*" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total 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 is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; provided, that notwithstanding the foregoing, if Anji would not be a "Subsidiary" of the Issuer under this definition, (a) for so long as the Issuer owns, directly or indirectly, at least 50% of the equity interests in Anji, Anji shall be deemed to be a "Restricted Subsidiary" of the Issuer and (b) if the Issuer owns less than 50% of the equity interests in Anji, Anji shall be deemed a "Subsidiary" but not a Restricted Subsidiary of the Issuer, and in each case, shall be deemed accounted for under the proportional consolidation method of accounting rather than the equity method of accounting.

"*Tangible Assets*" means Total Assets less the goodwill, net and other intangible assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer.

"*Tax Distributions*" means any distributions described in clause (12) of the covenant entitled "—Certain Covenants—Limitation on Restricted Payments."

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties, assessments, governmental charges of whatever nature and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed, levied, collected, withheld or assessed by any government or other taxing authority.

"*Total Assets*" means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer.

"*Transactions*" means (1) the Apollo Acquisition and the transactions related thereto (including the transactions contemplated in that certain Memorandum on Structure dated as of November 1, 2006, prepared by PricewaterhouseCoopers), the issuance and sale of the 2006 Notes on the Reference Date and borrowings made pursuant to the Credit Agreement on the Reference Date and (2) the EGL Acquisition and the transactions related thereto (including the transactions contemplated in that certain Memorandum on Structure dated as of August 2, 2007, prepared by PricewaterhouseCoopers), the issuance and sale of the Issuer's 10% Second-Priority Senior Secured Notes due 2014 on August 13, 2007 and borrowings made pursuant to the Senior Bridge Loan Agreement, dated as of August 2, 2007 and the Credit Agreement on August 2, 2007.

"*Transfer*" has the meaning specified under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve

Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the date the redemption notice is mailed (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to March 1, 2017; *provided*, that if the period from the redemption date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trust Officer*" means any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee (1) who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject, and (2) who shall have direct responsibility for the administration of the New First Lien Indenture.

"*Trustee*" means the party named as such in the New First Lien Indenture until a successor replaces it and, thereafter, means the successor.

"*UK Bidco*" means CEVA Ltd. (formerly known as Louis No. 3 Ltd.), a private limited liability company organized under the laws of England and Wales.

"*U.S. ABL Facility*" means the asset-based revolving credit facility entered into by CEVA US Receivables, LLC on November 19, 2010, as increased on November 30, 2010, and as further amended on December 31, 2013, that is secured by U.S. trade accounts receivable, as such agreement may be amended, modified, restated, supplemented, replaced or refinanced from time to time.

"*Unexchanged Notes*" means the 12% Senior Notes due 2014 (formerly known as the 12% Second-Priority Senior Secured Notes due 2014 but which became unsecured as a result of the completion of the Cash Debt Tender) issued by the Company, which were not tendered pursuant to the 2013 Restructuring Transactions.

"*Unrestricted Subsidiary*" means:

(1) (x) (i) CEVA US Receivables, LLC, (ii) CEVA Receivables (Australia) Pty Ltd., (iii) CEVA Logistics Receivables Trust, (iv) CEVA Freight Receivables Trust and (v) CEVA Collections LLP, and (y) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided*, *however*, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any of its Restricted Subsidiaries; *provided*, *further*, *however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, *however*, that immediately after giving effect to such designation:

(x) (1) the Issuer could Incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Collateral Agreements*" means each of (1) the U.S. Collateral Agreement, to be dated as of the Issue Date, among CEVA Limited, each U.S. subsidiary of CEVA Limited party thereto and the Collateral Agent, (2) the Single Grantor U.S. Collateral Agreement, to be dated as of the Issue Date, between CEVA International Inc. and the Collateral Agent, and (3) the Trademark Security Agreement, to be dated as of the Issue Date, among Eagle Partners, L.P. and the Collateral Agent, in each case securing the obligations hereunder, and in each case, as they may be amended, restated or replaced from time to time in accordance with the New First Lien Indenture and the Intercreditor Agreements.

"*U.S. Government Obligations*" means any security that is (1) a direct obligation of the United States of America, for the payment of which its full faith and credit is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

"*Wholly Owned Restricted Subsidiary*" is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares or other similar shares required pursuant to applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

DESCRIPTION OF THE NEW FIRST-AND-A-HALF PRIORITY LIEN NOTES

General

CEVA Group Plc, a public limited liability company organized under the laws of England and Wales (the "*Issuer*"), will issue notes under an indenture (the "*New First-and-a-Half Priority Lien Indenture*"), to be dated as of March 19, 2014, by and among itself, the Note Guarantors, Wilmington Trust, National Association, as Trustee (as defined below), and Law Debenture Trust Company of New York, as collateral agent (the "*Collateral Agent*").

The following summary of certain provisions of the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes (as defined below) does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the New First-and-a-Half Priority Lien Indenture. Capitalized terms used in this "Description of the New First-and-a-Half Priority Lien Notes" section and not otherwise defined have the meanings set forth in the section "—Certain Definitions." As used in this "Description of the New First-and-a-Half Priority Lien Notes" section, "we," "us" and "our" mean the Issuer and its Subsidiaries.

On the Issue Date, the Issuer will issue 9.0% Senior Secured Notes due 2021 in an initial aggregate principal amount of $325,000,000 (the "*New First-and-a-Half Priority Lien Notes*"). The New First-and-a-Half Priority Lien Notes are intended, as of the Issue Date, to be secured by security interests senior in priority to the security interests securing our Second Lien PIK Notes, and as of the Issue Date, equal in priority to the security interests securing the Existing First-and-a-Half Priority Lien Notes.

The Issuer may issue additional New First-and-a-Half Priority Lien Notes from time to time after this offering (collectively, "*Additional New First-and-a-Half Priority Lien Notes*"); *provided* that if the Additional New First-and-a-Half Priority Lien Notes are not fungible with the New First-and-a-Half Priority Lien Notes for U.S. federal income tax purposes, the Additional New First-and-a-Half Priority Lien Notes will have a separate CUSIP number. Any offering of Additional New First-and-a-Half Priority Lien Notes is subject to the covenants described below under the captions "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Liens." The New First-and-a-Half Priority Lien Notes and any Additional New First-and-a-Half Priority Lien Notes subsequently issued under the New First-and-a-Half Priority Lien Indenture will be treated as a single class for all purposes under the New First-and-a-Half Priority Lien Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Holders of Additional New First-and-a-Half Priority Lien Notes actually issued will share equally and ratably in the Collateral. Unless the context otherwise requires, for all purposes of the New First-and-a-Half Priority Lien Indenture and this "Description of the New First-and-a-Half Priority Lien Notes," references to the New First-and-a-Half Priority Lien Notes include any Additional New First-and-a-Half Priority Lien Notes actually issued.

Principal of, premium, if any, and interest on the New First-and-a-Half Priority Lien Notes will be payable, and the New First-and-a-Half Priority Lien Notes may be exchanged or transferred, at the office or agency designated by the Issuer (which initially shall be the principal corporate trust office of the Trustee (and not as an agent or office for service of process)).

The New First-and-a-Half Priority Lien Notes will be issued only in fully registered form, without coupons, in minimum denominations of $75,000 and any integral multiple of $1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of New First-and-a-Half Priority Lien Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Terms of the New First-and-a-Half Priority Lien Notes

The New First-and-a-Half Priority Lien Notes will be senior secured obligations of the Issuer and will mature on September 1, 2021. Interest on the New First-and-a-Half Priority Lien Notes will accrue at a rate per annum equal to 9.0%, and will be payable in cash. Each New First-and-a-Half Priority Lien Note will bear interest from the Issue Date or the most recent date to which interest has been paid or provided for, payable semi-annually to holders of record at the close of business on May 15 or November 15 immediately preceding the interest payment

date on June 1 and December 1 of each year, commencing December 1, 2014. Interest will be computed on the basis of a 360 day year comprised of twelve 30-day months.

The rights of holders of beneficial interests in the New First-and-a-Half Priority Lien Notes to receive the payments of interest on the New First-and-a-Half Priority Lien Notes are subject to applicable procedures of DTC.

Paying Agent and Registrar for the Notes

The Issuer will maintain a paying agent for the New First-and-a-Half Priority Lien Notes in (i) the City of London, (ii) the United States and (iii) for so long as the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and its guidelines so require, Dublin, Ireland. The Issuer will also undertake under the New First-and-a-Half Priority Lien Indenture that it will ensure, to the extent practicable, that it maintains a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 regarding the taxation of savings income (the "*Directive*"). The initial Paying Agent will be the Trustee (the "*Paying Agent*").

The Issuer will also maintain one or more registrars (each, a "*Registrar*") and a transfer agent in each of (i) the City of London and (ii) for so long as the Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and its guidelines so require, Dublin, Ireland. The initial Registrar and transfer agent will be the Trustee. The Registrar will maintain a register outside the UK reflecting ownership of Definitive Registered New First-and-a-Half Priority Lien Notes outstanding from time to time and the transfer agents in each of London and New York will facilitate transfers of Definitive Registered New First-and-a-Half Priority Lien Notes on behalf of the relevant Issuer. Each transfer agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or transfer agent for the New First-and-a-Half Priority Lien Notes without prior notice to the noteholders. However, for so long as the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of the Irish Stock Exchange so require, the relevant Issuer will deliver notice of the change in a Paying Agent, Registrar or transfer agent to the Companies Announcement Office in Dublin. The Issuer or any of its Subsidiaries may act as Paying Agent (other than with respect to Global New First-and-a-Half Priority Lien Notes) or Registrar.

Optional Redemption

On or after March 1, 2017, the Issuer may redeem New First-and-a-Half Priority Lien Notes at its option, in whole at any time or in part from time to time, upon not less than 10 nor more than 60 days' prior notice mailed by prepaid first-class mail to each holder's registered address or otherwise in accordance with DTC procedures for Global Notes, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on March 1 of the years set forth below:

Period	Redemption Price
2017	104.500%
2018	102.250%
2019 and thereafter	100.000%

In addition, prior to March 1, 2017, the Issuer may redeem New First-and-a-Half Priority Lien Notes at its option, in whole at any time or in part from time to time, upon not less than 10 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the New First-and-a-Half Priority Lien Notes redeemed plus the Applicable Premium as of, and accrued

and unpaid interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to March 1, 2017, the Issuer may redeem in the aggregate up to 40% of the original aggregate principal amount of New First-and-a-Half Priority Lien Notes (calculated after giving effect to any issuance of any Additional New First-and-a-Half Priority Lien Notes) with the net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 109.000%, plus accrued and unpaid interest and other amounts, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 60% of the original aggregate principal amount of the New First-and-a-Half Priority Lien Notes (calculated after giving effect to any issuance of any Additional New First-and-a-Half Priority Lien Notes) remains outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 10 nor more than 60 days' notice mailed to each holder of New First-and-a-Half Priority Lien Notes being redeemed and otherwise in accordance with the procedures set forth in the New First-and-a-Half Priority Lien Indenture.

In addition, at any time prior to September 1, 2015, the Issuer may redeem all (but not less than all) of the New First-and-a-Half Priority Lien Notes with the net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 106.750%, plus accrued and unpaid interest and other amounts, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 10 nor more than 60 days' notice mailed to each holder of New First-and-a-Half Priority Lien Notes being redeemed and otherwise in accordance with the procedures set forth in the New First-and-a-Half Priority Lien Indenture.

In addition, any redemption described above or notice thereof may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering in the case of a redemption upon completion of the related Equity Offering.

If the Issuer effects an optional redemption of New First-and-a-Half Priority Lien Notes, it will, for so long as the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and are admitted to trading on the Global Exchange Market thereof, inform the Irish Stock Exchange of such optional redemption and confirm the aggregate principal amount of the New First-and-a-Half Priority Lien Notes that will remain outstanding immediately after such redemption.

Selection and Notice

If less than all of the New First-and-a-Half Priority Lien Notes are to be redeemed or are required to be repurchased at any time, the Issuer will select and will provide the Trustee with written instruction on identifying the New First-and-a-Half Priority Lien Notes for redemption or repurchase in compliance with the requirements of the Irish Stock Exchange or any other principal national securities exchange, if any, on which the New First-and-a-Half Priority Lien Notes are then admitted to trading, and subject to the requirements of DTC or, if the New First-and-a-Half Priority Lien Notes are not so admitted to trading or such exchange prescribes no method of selection and the New First-and-a-Half Priority Lien Notes are not held through DTC, or DTC prescribes no method of selection, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion deems fair and appropriate; *provided*, *however*, that no New First-and-a-Half Priority Lien Note of $75,000 in aggregate principal amount or less, or other than in an integral multiple of $1,000 in excess thereof, shall be redeemed in part. The Trustee will not be liable for selections made by it in accordance with this paragraph.

For so long as the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of the Irish Stock Exchange so require, the Issuer shall deliver notice of redemption to the Companies Announcement Office in Dublin and, with respect to Definitive Registered New First-and-a-Half Priority Lien Notes only, mail such notice to noteholders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar, in each case not less than 10 nor more than 60 days prior to the redemption date.

If any New First-and-a-Half Priority Lien Notes are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered New First-and-a-Half Priority Lien Note, a new New First-and-a-Half Priority Lien Note in principal amount equal to the unredeemed portion of the original New First-and-a-Half Priority Lien Note will be issued in the name of the noteholder thereof upon cancellation of the original New First-and-a-Half Priority Lien Note. In the case of a Global New First-and-a-Half Priority Lien Note, an appropriate notation will be made on such New First-and-a-Half Priority Lien Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, New First-and-a-Half Priority Lien Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on New First-and-a-Half Priority Lien Notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the New First-and-a-Half Priority Lien Notes. However, under certain circumstances, the Issuer may be required to offer to purchase New First-and-a-Half Priority Lien Notes as described under the captions "—Change of Control" and "—Certain Covenants—Asset Sales." We or our affiliates may at any time and from time to time purchase New First-and-a-Half Priority Lien Notes in the open market, negotiated transactions or otherwise.

Redemption for Taxation Reasons

The Issuer may redeem the New First-and-a-Half Priority Lien Notes, at its option, in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the noteholders (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined under "—Withholding Taxes" below), if any, then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under "—Withholding Taxes" below) affecting taxation; or

(2) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuer, with respect to its New First-and-a-Half Priority Lien Notes, or any Note Guarantor, with respect to a Note Guarantee, as the case may be, is, or on the next interest payment date in respect of the New First-and-a-Half Priority Lien Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or such Note Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent or, where such payment would be reasonable, the payment through the Issuer or a Note Guarantor).

In the case of the Issuer or any Note Guarantor as of the Issue Date, the Change in Tax Law must become effective on or after the date of this offering circular. In the case of any Person becoming a Note Guarantor after the Issue Date or in the case of any successor of any Person specified in the preceding sentence, the Change in Tax Law must become effective on or after the date that such Person became a Note Guarantor or such a successor. Notice of

redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor (as defined below) would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the New First-and-a-Half Priority Lien Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officers' Certificate stating that it is entitled to effect such redemption and that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the circumstances referred to above exist. The Trustee will accept such Officers' Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the noteholders.

Withholding Taxes

All payments made by the Issuer, any Note Guarantor or a successor of any of the foregoing (each, a "*Payor"*) on the New First-and-a-Half Priority Lien Notes or the Note Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) the United Kingdom or any political subdivision or governmental authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on the New First-and-a-Half Priority Lien Notes or any Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax,

(each of clause (1), (2) and (3), a "*Relevant Taxing Jurisdiction*"), will at any time be required from any payments made with respect to the New First-and-a-Half Priority Lien Notes, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by the noteholders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts that would have been received in respect of such payments on the New First-and-a-Half Priority Lien Notes in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant noteholder, if the relevant noteholder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such New First-and-a-Half Priority Lien Note or the receipt of any payment in respect thereof;

(2) any Taxes that would not have been so imposed if the holder of the New First-and-a-Half Priority Lien Note had reasonably cooperated with the Issuer in completing any claims or other procedural requirements necessary for the Issuer to obtain authorization from the Relevant Taxing Jurisdiction to make such payment without such a deduction or withholding of any Taxes;

(3) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest on the New First-and-a-Half Priority Lien Notes or under any Note Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the Directive (as defined under "—Paying Agent and Registrar for the New First-and-a-Half Priority Lien Notes") or any law implementing, or introduced in order to conform to, the Directive;

(6) except in the case of the liquidation, dissolution or winding-up of the Payor, any Taxes imposed in connection with a New First-and-a-Half Priority Lien Note presented for payment by or on behalf of a noteholder or beneficial owner who would have been able to avoid such Tax by presenting the relevant New First-and-a-Half Priority Lien Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the relevant noteholder had presented the New First-and-a-Half Priority Lien Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the noteholder or (y) where, had the beneficial owner of the New First-and-a-Half Priority Lien Note been the holder of the New First-and-a-Half Priority Lien Note, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per $1,000 principal amount of the New First-and-a-Half Priority Lien Notes.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the New First-and-a-Half Priority Lien Notes, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to noteholders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor shall deliver such Officers' Certificate as promptly as practicable after the date that is 30 days prior to the payment date).

Wherever in the New First-and-a-Half Priority Lien Indenture, the New First-and-a-Half Priority Lien Notes, any New First-and-a-Half Priority Lien Note Guarantee or this "Description of the New First-and-a-Half Priority Lien Notes" there are mentioned, in any context:

(1) the payment of principal,

(2) redemption prices or purchase prices in connection with a redemption or purchase of New First-and-a-Half Priority Lien Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the New First-and-a-Half Priority Lien Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any New First-and-a-Half Priority Lien Notes, the New First-and-a-Half Priority Lien Indenture, or any other document or instrument in relation thereto (other than a transfer of the New First-and-a-Half Priority Lien Notes) excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the noteholders for any such taxes paid by such noteholders. The foregoing obligations will survive any termination, defeasance or discharge of the New First-and-a-Half Priority Lien Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor or any Note Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

Ranking

The indebtedness evidenced by the New First-and-a-Half Priority Lien Notes will be senior Indebtedness of the Issuer, will be equal in right of payment to all existing and future Pari Passu Indebtedness of the Issuer, and will have the benefit of the security interest in the Collateral as described under "—Security" and will be senior in right of payment to all future Subordinated Indebtedness of the Issuer. The indebtedness evidenced by the Note Guarantees will be senior Indebtedness of the applicable Note Guarantor, will be equal in right of payment to all existing and future Pari Passu Indebtedness of such Note Guarantor and will have the benefit of the security interest in the Collateral as described under "—Security" and will be senior in right of payment to future Subordinated Indebtedness (including guarantees) of such Note Guarantor. Pursuant to the Security Documents, the First/Junior Lien Intercreditor Agreement and the First/First-and-a-Half Lien Intercreditor Agreement, the security interests securing the New First-and-a-Half Priority Lien Notes and the Note Guarantees are senior in priority to the Second Lien PIK Notes and related guarantees, and junior in priority to all security interests at any time granted to secure First Priority Lien Obligations that are secured by a senior lien. In the event of a bankruptcy or insolvency, the holders of such First Priority Lien Obligations and holders of obligations secured by Permitted Liens will have a prior secured claim to any collateral securing the debt owed to them. For a description of the Collateral, see "—Security" below.

At December 31, 2013, on a pro forma basis after giving effect to the Transactions:

(1) the Issuer and its Restricted Subsidiaries would have had $2,447 million of Secured Indebtedness outstanding (excluding $161 million of letters of credit issued but undrawn under our synthetic letter of credit facility and $102 million of letters of credit issued but undrawn under our revolving credit facility), of which $1,451 million would have constituted First-Priority Lien Obligations (consisting of $809 million of senior secured term loans, $342 million of Existing 4.00% First Lien Senior Secured Notes (at carrying value compared to $390 million principal amount) and $300 million of New First Lien Senior Secured Notes), $325 million would have consisted of the New First-and-a-Half Priority Lien Notes offered hereby, $80 million would have consisted of existing finance lease obligations and other debt and $591 million would have consisted of the Second Lien PIK Notes (at carrying value compared to $631 million principal amount);

(2) the Issuer and its Restricted Subsidiaries would have had $188 million of Senior Indebtedness that does not constitute Secured Indebtedness, consisting of $43 million of Senior Unsecured Notes and $145 million of existing finance lease obligations and other debt; and

(3) the Issuer and its Restricted Subsidiaries would have had no Subordinated Indebtedness outstanding.

The amounts above do not include the total outstanding borrowings under the ABL Facilities of $188 million as of December 31, 2013 (with the committed amount of the U.S. ABL Facility being $250 million as of December 31, 2013 and the Australian Receivables Facility being $36 million as of December 31, 2013), since neither of the SPEs is a Restricted Subsidiary. Although the New First-and-a-Half Priority Lien Indenture will limit the Incurrence of Indebtedness by the Issuer and its Restricted Subsidiaries and the issuance of Disqualified Stock and Preferred Stock by the Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. Under certain circumstances, the Issuer and its Subsidiaries may be able to Incur substantial amounts of Indebtedness. Such Indebtedness may be Secured Indebtedness that is secured by a Lien senior in priority to the Lien securing the New First-and-a-Half Priority Lien Notes, including by a Lien that is pari

passu or junior in priority to the Lien securing the First Priority Lien Obligations. Such Lien may also be on assets that do not constitute Collateral. For example, the covenants under the New First-and-a-Half Priority Lien Indenture permit us to Incur debt secured by a prior Lien if such Lien is a "Permitted Lien" and a Lien junior to the Lien securing the New First-and-a-Half Priority Lien Notes as long as we can incur additional Indebtedness pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock". In addition, the covenants under the New First-and-a-Half Priority Lien Indenture will permit us to incur an unlimited amount of senior unsecured debt as long as that debt is designated as "credit agreement" debt if we are in compliance with our first lien leverage ratio test. See clause (a) under the second paragraph of "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Definitions."

Substantially all of the operations of the Issuer are conducted through its Subsidiaries. Unless a Subsidiary is a Note Guarantor, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Issuer, including holders of the New First-and-a-Half Priority Lien Notes. The New First-and-a-Half Priority Lien Notes, therefore, will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Issuer that are not Note Guarantors. As of December 31, 2013, CEVA's subsidiaries that will not be Note Guarantors, including the SPEs, had $313 million of long-term debt, before intercompany eliminations.

See "Risk Factors—Risks Related to the Notes."

Security

The New First-and-a-Half Priority Lien Notes and the Note Guarantees will be secured by security interests (subject to Permitted Liens and the exceptions described below) in the Collateral. The Collateral consists of (i) 100% of the Capital Stock of certain existing and certain future Subsidiaries of the Issuer that are owned directly by the Issuer or any Note Guarantors, and (ii) substantially all of the other property and assets, in each case, that are held by the Issuer or any of the Note Guarantors, to the extent that such assets secure the First Priority Lien Obligations and to the extent that a junior priority security interest is able to be granted or perfected therein. As of December 31, 2013, we had property, plant and equipment with a book value of $291 million and intangible assets (excluding goodwill) with a book value of $408 million, only some of which will secure the New First-and-a-Half Priority Lien Notes. In addition, as of December 31, 2013 our current assets consisted mainly of accounts receivable, which accounts receivable had a book value of $1,241 million, only some of which will secure the New First-and-a-Half Priority Lien Notes. In addition, we have the ability to sell or transfer an unlimited amount of receivables in the future and are not required to offer to pay or repurchase the New First-and-a-Half Priority Liens Notes with the proceeds thereof or reinvest in assets that constitute Collateral, which sale or transfer will reduce the value of the Collateral for the New First-and-a-Half Priority Lien Notes. See "Risk Factors—Risks Related to the Notes—Indebtedness under the ABL Facilities will be structurally senior to the notes and any future accounts receivable sold or contributed to the SPEs will not constitute collateral for the notes." The book value of our assets may not be indicative of the fair market value of such assets, which could be substantially lower. In addition, a substantial portion of the foregoing will not constitute collateral for the New First-and-a-Half Priority Lien Notes. Accordingly, as of the Issue Date, the book value of the collateral for the New First-and-a-Half Priority Lien Notes could be substantially less than the aggregate principal amount of our secured indebtedness and it may never exceed our secured indebtedness. See "Risk Factors—Risks Related to the Notes—There may not be sufficient collateral to satisfy our obligations under all or any of the notes."

Certain of our U.S. subsidiaries maintain the U.S. ABL Facility under which we contribute or sell substantially all of our U.S. trade accounts receivable to our subsidiary, CEVA US Receivables, LLC, a bankruptcy remote special purpose entity (the "*U.S. SPE*"), and certain of our Australian. subsidiaries maintain the Australian Receivables Facility under which we contribute or sell substantially all of our Australian trade accounts receivable to our subsidiary, CEVA Receivables (Australia) Pty. Ltd., a bankruptcy remote special purpose entity (the "*Australian SPE*" and, together with the U.S. SPE, the "*SPEs*"). Each of the SPEs will be an Unrestricted Subsidiary, will not guarantee the New First Lien Senior Secured Notes and the New First-and-a-Half Priority Lien Notes and related guarantees will not be secured by a lien on any assets of the SPEs. Any rights to payment and claims by the holders of the New First-and-a-Half Priority Lien Notes against the SPEs are, therefore, effectively

junior to any rights of payment or claims by our creditors under our ABL Facilities against the SPEs. See "Risk Factors—Risks Related to the Notes—Indebtedness under the ABL Facilities will be structurally senior to the notes and any future accounts receivable sold or contributed to the SPEs will not constitute collateral for the notes." As of the Issue Date, we will be required to provide the holders of the New First-and-a-Half Priority Lien Notes with the benefit of security interests in all but an immaterial amount of the aggregate value of the same collateral that secures the Senior Secured Facilities (subject, in all cases, to applicable "hardening" periods). Accordingly, at the Issue Date, the holders of the New First-and-a-Half Priority Lien Notes may not have the benefit of enforceable security interests in an immaterial amount of the aggregate value of such collateral. However, we are required to use commercially reasonable efforts to secure enforceable security interests in any remaining portion of the collateral securing the Senior Secured Facilities as promptly as practicable following the Issue Date. See "Risk Factors—Risks Related to the Notes—As of the closing date holders of the notes may not have the benefit of enforceable security interests in certain of the collateral, which may adversely affect the rights of the holders of the notes."

The security interests securing the New First-and-a-Half Priority Lien Notes will be senior in priority to the Second Lien PIK Notes and second in priority to any and all security interests at any time granted to secure the First Priority Lien Obligations that are secured by a senior priority lien and will also be subject to all other Permitted Liens. The First Priority Lien Obligations include Indebtedness under the Credit Agreement, the First Priority Lien Senior Secured Notes and related obligations, as well as certain hedging obligations and certain other obligations in respect of cash management services. The Person holding such First Priority Lien Obligations may have rights and remedies with respect to the property subject to such Liens that, if exercised, could adversely affect the value of the Collateral or the ability of the agent under the Intercreditor Agreements to realize or foreclose on the Collateral on behalf of holders of the New First-and-a-Half Priority Lien Notes.

The Issuer and the Note Guarantors will be able to incur additional Indebtedness in the future that could share in the Collateral, including additional First Priority Lien Obligations and additional other indebtedness secured by a Permitted Lien that may be prior or *pari passu* with Liens securing the New First-and-a-Half Priority Lien Notes. In addition, we are permitted to sell an unlimited amount of accounts receivable, which sale will reduce the value of the collateral for the New First-and-a-Half Priority Lien Notes and we are not required to offer to pay or repurchase the New First-and-a-Half Priority Lien Notes with the proceeds thereof or reinvest in Collateral. The amount of such First Priority Lien Obligations and additional secured indebtedness will be limited by the covenants disclosed under "—Certain Covenants—Liens," and the amount of all such additional Indebtedness will be limited by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Under certain circumstances the amount of such First Priority Lien Obligations and additional secured Indebtedness could be significant.

After-Acquired Collateral

From and after the Issue Date and subject to certain limitations and exceptions, if the Issuer or any Note Guarantor acquires any property or assets (other than Excluded Property) or any Restricted Subsidiary becomes a Note Guarantor and grants a lien to secure any First Priority Lien Obligations (which include Obligations in respect of the Credit Agreement), it must use commercially reasonable efforts to concurrently grant a security interest (subject to Permitted Liens, including the First Priority Lien that secures obligations in respect of the First Priority Lien Obligations) upon such property as security for the New First-and-a-Half Priority Lien Notes. Also, if granting a security interest in such property requires the consent of a third party, the Issuer will use commercially reasonable efforts to obtain such consent with respect to the security interest for the benefit of the Trustee on behalf of the holders of the New First-and-a-Half Priority Lien Notes. If such third party does not consent to the granting of the security interest after the use of such commercially reasonable efforts, the applicable entity will not be required to provide such security interest. See "Risk Factors—Risks Related to the Notes—Rights of holders of notes in the collateral may be adversely affected by the failure to perfect security interests in certain collateral acquired in the future."

Security Documents and Intercreditor Agreements

The Issuer, the Note Guarantors and the Trustee (or the Collateral Agent) will enter into one or more Security Documents defining the terms of the security interests that secure the New First-and-a-Half Priority Lien Notes and the Note Guarantees. These security interests will secure the payment and performance when due of all of

the Obligations of the Issuer and the Note Guarantors under the New First-and-a-Half Priority Lien Notes, the New First-and-a-Half Priority Lien Indenture, the Note Guarantees and the Security Documents, as provided in the Security Documents. The Issuer and the Note Guarantors will use their commercially reasonable efforts to complete prior to or after the Issue Date all filings and other similar actions required in connection with the perfection of such security interests. See "—Security."

On or prior to the Issue Date, the Trustee and Collateral Agent will accede to the Senior/Subordinated Intercreditor Agreement, which establishes the relative rights of certain of the Issuer's creditors under its existing and future financing arrangements. See "—Description of Other Indebtedness—Intercreditor Agreements—Senior/Subordinated Intercreditor Agreement." On or prior to the Issue Date, the Trustee and Collateral Agent will also accede to the First/Junior Lien Intercreditor Agreement, which establishes the priority of the liens securing the Senior Secured Facilities, the Existing 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes and the New First-and-a-Half Priority Lien Notes over the liens securing the Second Lien PIK Notes. See "—Description of Other Indebtedness—Intercreditor Agreements—First/Second Lien Intercreditor Agreement." In addition, on or prior to the Issue Date, the Trustee and the Collateral Agent will accede to the First/First-and-a-Half Lien Intercreditor Agreement described below. The Intercreditor Agreements may be amended from time to time without the consent of Holders of the New First-and-a-Half Priority Lien Notes to add other parties holding other obligations permitted to be incurred under the New First-and-a-Half Priority Lien Indenture. By agreeing to purchase the New First-and-a-Half Priority Lien Notes, each noteholder authorizes and directs the Trustee and the Collateral Agent, as applicable, to enter into such amendments from time to time.

Pursuant to the terms of the First/First-and-a-Half Lien Intercreditor Agreement, at any time at which First Priority Lien Obligations that are senior in priority to the New First-and-a-Half Priority Lien Notes are outstanding (whether incurred prior to, on or after the Issue Date), the intercreditor agent thereunder will determine the time and method by which the security interests in the Collateral will be enforced. The Trustee and Collateral Agent will not be permitted to enforce the security interests even if an Event of Default under the New First-and-a-Half Priority Lien Indenture has occurred and the New First-and-a-Half Priority Lien Notes have been accelerated except (a) in any insolvency or liquidation proceeding, as necessary to file a claim or statement of interest with respect to such New First-and-a-Half Priority Lien Notes or (b) as necessary to take any action (that is not adverse to the liens securing any First Priority Lien Obligations) in order to create, prove, preserve, perfect or protect (but not enforce) its rights in the junior priority Liens. See "Risk Factors— Risks Related to the Notes—Holders of the notes will not control decisions regarding collateral." After all such First Priority Lien Obligations have been discharged in full, if an Event of Default under the New First-and-a-Half Priority Lien Indenture has occurred and the New First-and-a-Half Priority Lien Notes have been accelerated, the Trustee and Collateral Agent in accordance with the provisions of the New First-and-a-Half Priority Lien Indenture and the Security Documents will distribute all cash proceeds (after payment of the costs of enforcement and collateral administration) of the Collateral received by it under the Security Documents for the ratable benefit of the holders of the New First-and-a-Half Priority Lien Notes. The proceeds from the sale of the Collateral remaining after the satisfaction of all such First Priority Lien Obligations may not be sufficient to satisfy the obligations owed to the holders of the New First-and-a-Half Priority Lien Notes. By its nature some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, if saleable. See "Risk Factors—Risks Related to the Notes—There may not be sufficient collateral to satisfy our obligations under all or any of the notes."

In addition, the Security Documents and the First/First-and-a-Half Lien Intercreditor Agreement provide that, so long as there are First Priority Lien Obligations that are senior in priority to the New First-and-a-Half Priority Lien Notes outstanding (whether incurred prior to, on or after the Issue Date), (1) the holders of such First Priority Lien Obligations may direct the agent under the First/First-and-a-Half Lien Intercreditor Agreement to take actions with respect to the Collateral (including the release of Collateral and the manner of realization) without the consent of the holders of the New First-and-a-Half Priority Lien Notes, (2) the Issuer and the Note Guarantors may require the Trustee to agree to modify the Security Documents or the First/ First-and-a-Half Lien Intercreditor Agreement, without the consent of the Trustee, the Collateral Agent and the holders of the New First-and-a-Half Priority Lien Notes, to secure additional extensions of credit and add additional secured creditors so long as such modifications do not expressly violate the provisions of the Credit Agreement or the New First-and-a-Half Priority Lien Indenture and (3) the holders of such First Priority Lien Obligations may change, waive, modify or vary the security documents without the consent of the holders of the New First-and-a-Half Priority Lien Notes, *provided* that

any such change, waiver or modification does not materially adversely affect the rights of the holders of the New First-and-a-Half Priority Lien Notes and not the other secured creditors in a like or similar manner. Any provider of additional extensions of credit shall be entitled to rely on the determination of an Officer that such modifications do not expressly violate the provisions of the Credit Agreement or the New First-and-a-Half Priority Lien Indenture if such determination is set forth in an Officer's Certificate delivered to such provider; *provided*, *however*, that such determination will not affect whether or not the Issuer has complied with its undertakings in the New First-and-a-Half Priority Lien Indenture, the Security Documents or the Intercreditor Agreements. See "Risk Factors—Risks Related to the Notes—Holders of notes will not control decisions regarding collateral."

Subject to the terms of the Security Documents, the Issuer and the Note Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the New First-and-a-Half Priority Lien Notes (other than any cash, securities, obligations and Cash Equivalents constituting part of the Collateral and deposited with the agent under the First/First-and-a-Half Intercreditor Agreement in accordance with the provisions of the Security Documents and other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom. See "Risk Factors—Risks Related to the Notes—Rights of holders of notes in the U.S. collateral may be adversely affected by bankruptcy proceedings in the United States."

Release of Collateral

The Issuer and the Note Guarantors will be entitled to the releases of property and other assets included in the Collateral from the Liens securing the New First-and-a-Half Priority Lien Notes under any one or more of the following circumstances:

(1) if all other Liens on such property or assets securing First Priority Lien Obligations that are secured by a senior priority Lien (including all commitments and letters of credit thereunder) are released; *provided*, *however*, that if the Issuer or any Note Guarantor subsequently incurs First Priority Lien Obligations that are secured by senior priority Liens on property or assets of the Issuer or any Note Guarantor of the type constituting the Collateral and the related Liens are incurred in reliance on clause (6) of the definition of Permitted Liens, then the Issuer and its Restricted Subsidiaries will be required to reinstitute the security arrangements with respect to the Collateral in favor of the New First-and-a-Half Priority Lien Notes, which, in the case of any such subsequent First Priority Lien Obligations that are secured by a senior priority Lien, will be junior in priority to the Liens on the Collateral securing such First Priority Lien Obligations to the same extent provided by the Security Documents and on the terms and conditions of the security documents relating to such First Priority Lien Obligations, with the Lien held either by the administrative agent, collateral agent or other representative for such First Priority Lien Obligations or by a collateral agent or other representative designated by the Issuer to hold the Liens for the benefit of the Holders of the New First-and-a-Half Priority Lien Notes and subject to an intercreditor agreement that provides the administrative agent or collateral agent substantially the same rights and powers as afforded under the Intercreditor Agreements;

(2) to enable us to consummate the disposition of such property or assets to the extent not prohibited under the covenant described under "—Certain Covenants—Asset Sales";

(3) in the case of a Note Guarantor that is released from its Note Guarantee with respect to the New First-and-a-Half Priority Lien Notes, the release of the property and assets of such Guarantor;

(4) in the case of the property and assets of a specific Note Guarantor, such Note Guarantor making a Transfer to any Restricted Subsidiary of the Issuer that is not a Note Guarantor; *provided* that such Transfer is permitted by clause (y) of the last paragraph under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets";

(5) in the case that the New First-and-a-Half Priority Lien Notes have Investment Grade Ratings, and the Issuer has delivered a written notice of such Investment Grade Ratings to the Trustee, and no Default has occurred and is continuing under the New First-and-a-Half Priority Lien Indenture, as set forth in "—Certain Covenants—Covenant Fall-Away";

(6) to enable us to grant a security interest in any Equity Interests of a Receivables Subsidiary or accounts receivable and related assets in connection with a Qualified Receivables Financing; or

(7) described under "—Amendments and Waivers" below.

If an Event of Default under the New First-and-a-Half Priority Lien Indenture exists on the date on which the First Priority Lien Obligations that are secured by a senior priority Lien are repaid in full and terminated (including all commitments and letters of credit thereunder), the Liens on the Collateral securing the New First-and-a-Half Priority Lien Notes will not be released, except to the extent the Collateral or any portion thereof was disposed of in order to repay such First Priority Lien Obligations secured by the Collateral, and thereafter the Trustee (acting at the direction of the holders of a majority of outstanding principal amount of the junior priority Indebtedness, including the New First-and-a-Half Priority Lien Notes, under the First/First-and-a-Half Intercreditor Agreement) will have the right to direct the agent under the First/First-and-a-Half Intercreditor Agreement to foreclose upon the Collateral (but in such event, the Liens on the Collateral securing the New First-and-a-Half Priority Lien Notes will be released when such Event of Default and all other Events of Default under the New First-and-a-Half Priority Lien Indenture cease to exist).

The security interests in all Collateral securing the New First-and-a-Half Priority Lien Notes also will be released upon payment in full of the principal of, together with accrued and unpaid interest (including additional amounts, if any) on, the New First-and-a-Half Priority Lien Notes and all other Obligations under the New First-and-a-Half Priority Lien Indenture, the Note Guarantees and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest (including additional interest, if any), are paid or a legal defeasance or covenant defeasance under the New First-and-a-Half Priority Lien Indenture as described below under "—Defeasance."

Note Guarantees

Each of the Issuer's direct and indirect Restricted Subsidiaries on the Issue Date that guarantee Indebtedness under the Credit Agreement will jointly and severally irrevocably and unconditionally guarantee on a senior basis the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all obligations of the Issuer under the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes, whether for payment of principal of, premium, if any, or interest on the New First-and-a-Half Priority Lien Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Note Guarantors being herein called the "*Guaranteed Obligations*"). The Guaranteed Obligations of each Note Guarantor will be secured by security interests (subject to Permitted Liens) in the Collateral owned by such Note Guarantor. Such Note Guarantors will agree to pay, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the holders in enforcing any rights under the Note Guarantees.

The obligations of the Note Guarantors under their Note Guarantees will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. See "Risk Factors—Risks Related to the Notes—Because each guarantor's liability under its guarantee may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors" and "Certain Insolvency Law Considerations." After the Issue Date, the Issuer will cause each Restricted Subsidiary (unless such Subsidiary is a Receivables Subsidiary) that guarantees certain Indebtedness to execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will guarantee payment of the New First-and-a-Half Priority Lien Notes on the same senior basis. See "—Certain Covenants—Future Note Guarantors."

Each Note Guarantee will be a continuing guarantee and shall:

(1) remain in full force and effect until payment in full of all the Guaranteed Obligations;

(2) subject to the next succeeding paragraph, be binding upon each such Note Guarantor and its successors; and

(3) inure to the benefit of and be enforceable by the Trustee, the holders and their successors, transferees and assigns.

Subject to the Intercreditor Agreements, a Note Guarantee of a Note Guarantor will be automatically released with respect to the New First-and-a-Half Priority Lien Notes upon:

(1) the sale, disposition, exchange or other transfer (including through merger, consolidation or otherwise) of the Capital Stock (including any sale, disposition or other transfer following which the applicable Note Guarantor is no longer a Restricted Subsidiary), of the applicable Note Guarantor if such sale, disposition, exchange or other transfer is made in compliance with, and the release is otherwise in compliance with, the New First-and-a-Half Priority Lien Indenture and the Intercreditor Agreements;

(2) the Issuer designating such Note Guarantor to be an Unrestricted Subsidiary in accordance with the covenants described under "—Certain Covenants—Limitation on Restricted Payments" and the definition of "Unrestricted Subsidiary";

(3) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the New First-and-a-Half Priority Lien Notes pursuant to the covenant described under "—Certain Covenants—Future Note Guarantors," the release or discharge of the guarantee by such Restricted Subsidiary of Indebtedness which resulted in the obligation to guarantee such New First-and-a-Half Priority Lien Notes; and

(4) the Issuer's exercise of its legal defeasance option or covenant defeasance option as described under "—Defeasance," or if the Issuer's obligations under the New First-and-a-Half Priority Lien Indenture are discharged in accordance with the terms of the New First-and-a-Half Priority Lien Indenture.

A Note Guarantee also will be automatically released upon the applicable Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Secured Indebtedness.

Change of Control

Upon the occurrence of any of the following events (each, a "*Change of Control*"), each holder will have the right to require the Issuer to repurchase all or any part of such holder's New First-and-a-Half Priority Lien Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuer has previously elected to redeem such New First-and-a-Half Priority Lien Notes as described under "—Optional Redemption":

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders; or

(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the Issuer or any direct or indirect parent of the Issuer.

In the event that at the time of such Change of Control the terms of the Bank Indebtedness restrict or prohibit the repurchase of New First-and-a-Half Priority Lien Notes pursuant to this covenant, then prior to the

mailing of the notice to holders provided for in the immediately following paragraph but in any event within 45 days following any Change of Control, the Issuer shall:

(1) repay in full all Bank Indebtedness or, if doing so will allow the purchase of New First-and-a-Half Priority Lien Notes, offer to repay in full all Bank Indebtedness and repay the Bank Indebtedness of each lender that has accepted such offer; or

(2) obtain the requisite consent under the agreements governing the Bank Indebtedness to permit the repurchase of the New First-and-a-Half Priority Lien Notes as provided for in the immediately following paragraph.

See "Risk Factors—Risks Related to the Notes—We may not be able to repurchase notes upon a change of control."

Within 45 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the New First-and-a-Half Priority Lien Notes by delivery of a notice of redemption as described under "—Optional Redemption," or all conditions to such redemption have been satisfied or waived, the Issuer shall mail a notice (a "*Change of Control Offer*") to each holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuer to repurchase such holder's New First-and-a-Half Priority Lien Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) the circumstances and relevant facts and financial information regarding such Change of Control (the "Change of Control Payment Date");

(3) the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Issuer, consistent with this covenant, that a holder must follow in order to have its New First-and-a-Half Priority Lien Notes purchased.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

In addition, the Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the New First-and-a-Half Priority Lien Indenture applicable to a Change of Control Offer made by the Issuer and purchases all New First-and-a-Half Priority Lien Notes validly tendered and not withdrawn under such Change of Control Offer.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all New First-and-a-Half Priority Lien Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all New First-and-a-Half Priority Lien Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers' Certificate stating the New First-and-a-Half Priority Lien Notes or portions of the New First-and-a-Half Priority Lien Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global New First-and-a-Half Priority Lien Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global New First-and-a-Half Priority Lien Notes in order to

reflect thereon the portion of such New First-and-a-Half Priority Lien Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered New First-and-a-Half Priority Lien Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered New First-and-a-Half Priority Lien Notes accepted for purchase by the Issuer.

The Paying Agent will promptly mail to each holder of New First-and-a-Half Priority Lien Notes so tendered the Change of Control Payment for such New First-and-a-Half Priority Lien Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of New First-and-a-Half Priority Lien Notes a new New First-and-a-Half Priority Lien Note equal in principal amount to the unpurchased portion of the New First-and-a-Half Priority Lien Notes surrendered, if any; *provided* that each such new New First-and-a-Half Priority Lien Note will be in a principal amount that is at least $75,000 and integral multiples of $1,000 in excess thereof.

For so long as the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of such exchange so require, the Issuer will give notice with respect to the results of the Change of Control Offer to the Companies Announcement Office in Dublin.

New First-and-a-Half Priority Lien Notes repurchased by the Issuer pursuant to a Change of Control Offer will have the status of New First-and-a-Half Priority Lien Notes issued but not outstanding or will be retired and canceled at the option of the Issuer. New First-and-a-Half Priority Lien Notes purchased by a third party pursuant to the preceding paragraph will have the status of New First-and-a-Half Priority Lien Notes issued and outstanding.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of New First-and-a-Half Priority Lien Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

This Change of Control repurchase provision is a result of negotiations between the Issuer and the initial purchasers. The Issuer has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Issuer could decide to do so in the future. Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the New First-and-a-Half Priority Lien Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Issuer's capital structure or credit rating.

The occurrence of events that would constitute a Change of Control would constitute a default under the Credit Agreement and require an offer to purchase the Existing 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes. Future Bank Indebtedness and other Indebtedness of the Issuer may contain prohibitions on certain events that would constitute a Change of Control or require such Bank Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the New First-and-a-Half Priority Lien Notes, the Existing 4.00% First Lien Senior Secured Notes and the New First Lien Senior Secured Notes could cause a default under such Bank Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "Risk Factors—Risks Related to the Notes—We may not be able to repurchase notes upon a change of control."

The definition of Change of Control includes a phrase relating to the sale, lease or transfer of "all or substantially all" the assets of the Issuer and its Subsidiaries taken as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of New First-and-a-Half Priority Lien Notes to require the Issuer

to repurchase such New First-and-a-Half Priority Lien Notes as a result of a sale, lease or transfer of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the New First-and-a-Half Priority Lien Indenture relating to the Issuer's obligation to make an offer to repurchase the New First-and-a-Half Priority Lien Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the New First-and-a-Half Priority Lien Notes.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the New First-and-a-Half Priority Lien Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The New First-and-a-Half Priority Lien Indenture will provide that:

(1) the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and

(2) the Issuer will not permit any of its Restricted Subsidiaries (other than a Note Guarantor) to issue any shares of Preferred Stock;

provided, *however*, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided* that the amount of Indebtedness that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not Note Guarantors shall not exceed the greater of 200 million and 8.0% of Tangible Assets, at any one time outstanding (the "*Non-Guarantor Exception*").

The foregoing limitations will not apply to (collectively, "*Permitted Debt*"):

(a) the Incurrence by the Issuer or its Restricted Subsidiaries of Indebtedness under the Credit Agreement and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof), Existing First Lien Indebtedness (and related guarantees), the New First Lien Senior Secured Notes (and related Note Guarantees), and any Additional New First Lien Senior Secured Notes (and related Note Guarantees) in the aggregate principal amount of (x) the sum of $2,360 million and the aggregate principal amount of any additional Indebtedness (the "*Additional Refinancing Amount*") Incurred to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection with any refinancing, refunding, extension, renewal, defeasance or replacement of any such Existing First Lien Indebtedness (or successive refinancings, refundings, extensions, renewals, defeasances or replacements of such Indebtedness) plus (y) an aggregate additional principal amount outstanding at any one time that does not cause the First Lien Leverage Ratio of the Issuer to exceed 4.80 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom);

(b) the Incurrence by the Issuer and the Note Guarantors of Indebtedness represented by the New First-and-a-Half Priority Lien Notes (not including any Additional New First-and-a-Half Priority Lien Notes) and the Note Guarantees;

(c) Indebtedness existing on the Issue Date, including the Existing Notes and related guarantees (other than Indebtedness described in clauses (a) and (b));

(d) (i) Indebtedness (including Capitalized Lease Obligations) Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries of the Issuer to finance (whether prior to or within 270 days after) the purchase, lease, construction or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets); *provided* that the aggregate amount of all Indebtedness Incurred pursuant to this clause (d), together with any Refinancing Indebtedness in respect thereof shall not exceed the greater of $200.0 million and 8.0% of Tangible Assets (plus, in the case of any Refinancing Indebtedness, the Additional Refinancing Amount); and (ii) Capitalized Lease Obligations in connection with any sale and leaseback arrangements not in violation of the New First-and-a-Half Priority Lien Indenture;

(e) Indebtedness Incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims;

(f) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or any other acquisition or disposition of any business, assets or a Subsidiary of the Issuer in accordance with the terms of the New First-and-a-Half Priority Lien Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(g) Indebtedness of the Issuer to a Restricted Subsidiary; *provided* that except in respect of intercompany loans to effect a push-down of indebtedness incurred in connection with the Transactions within 180 days after the Issue Date and intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries, any such Indebtedness owed to a Restricted Subsidiary that is not a Note Guarantor shall, to the extent legally permitted, be subordinated in right of payment to the obligations of the Issuer under the New First-and-a-Half Priority Lien Notes; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (g);

(h) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (h);

(i) Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that except in respect of intercompany loans to effect a push-down of indebtedness incurred in connection with the Transactions within 180 days after the Issue Date and intercompany current

liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries, if a Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not a Note Guarantor, such Indebtedness shall, to the extent legally permitted, be subordinated in right of payment to the Note Guarantee of such Note Guarantor; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (i);

(j) Hedging Obligations that are Incurred not for speculative purposes but (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of the New First-and-a-Half Priority Lien Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales;

(k) obligations in respect of performance, bid, appeal and surety bonds and completion guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice;

(l) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of the New First-and-a-Half Priority Lien Indenture; *provided* that (i) if such Indebtedness is by its express terms subordinated in right of payment to the New First-and-a-Half Priority Lien Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of the Issuer or such Note Guarantor with respect to such Indebtedness shall be subordinated in right of payment to the New First-and-a-Half Priority Lien Notes or such Note Guarantor's Note Guarantee with respect to the New First-and-a-Half Priority Lien Notes, as applicable, substantially to the same extent as such Indebtedness is subordinated to the New First-and-a-Half Priority Lien Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, and (ii) if such guarantee is of Indebtedness of the Issuer, such guarantee is Incurred in accordance with the covenant described under "—Certain Covenants—Future Note Guarantors";

(m) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer that serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under the first paragraph of this covenant and clauses (a)(y), (b), (c), (d), (m), (n), (r) and (y) of this paragraph or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premium), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith (subject to the following proviso, "*Refinancing Indebtedness*") prior to its respective maturity; *provided*, *however*, that such Indebtedness will be Refinancing Indebtedness if and to the extent it:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date one year following the last maturity date of any New First-and-a-Half Priority Lien Notes then outstanding were instead due on such date one year following the last date of maturity of the New First-and-a-Half Priority Lien Notes;

(2) has a Stated Maturity that is not earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded or refinanced or (y) 91 days following the maturity date of the New First-and-a-Half Priority Lien Notes;

(3) refinances (a) Indebtedness junior to the New First-and-a-Half Priority Lien Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, such Refinancing Indebtedness is junior to the New First-and-a-Half Priority Lien Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock; and

(4) does not include (x) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Note Guarantor that refinances Indebtedness of the Issuer or a Note Guarantor, or (y) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary;

provided, *further*, that subclauses (1) and (2) of this clause (m) will not apply to any refunding or refinancing of any Secured Indebtedness that constitutes a First Priority Lien Obligation.

(n) Indebtedness, Disqualified Stock or Preferred Stock of (x) the Issuer or any of its Restricted Subsidiaries Incurred to finance an acquisition or (y) Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Issuer or any of its Restricted Subsidiaries in accordance with the terms of the New First-and-a-Half Priority Lien Indenture; *provided*, *however*, that after giving effect to such acquisition or merger, consolidation or amalgamation either:

(1) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant; or

(2) the Fixed Charge Coverage Ratio of the Issuer would be greater than immediately prior to such acquisition or merger, consolidation or amalgamation;

(o) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not with recourse to the Issuer or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of its Incurrence;

(q) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit;

(r) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Note Guarantor; *provided*, *however*, that the aggregate principal amount of Indebtedness Incurred under this clause (r) then outstanding, together with any Refinancing Indebtedness thereof, does not exceed the greater of $200.0 million and 8.0% of Tangible Assets at the time of Incurrence (plus, in the case of Refinancing Indebtedness, the Additional Refinancing Amount); *provided* that, subject to the third paragraph under this covenant, it is understood that any Indebtedness Incurred under this clause (r) shall cease to be deemed Incurred or outstanding for purposes of this clause (r) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (r));

(s) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (1) the financing of insurance premiums or (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(t) Indebtedness Incurred on behalf of, or representing guarantees of Indebtedness of, joint ventures of the Issuer or any Restricted Subsidiary not in excess, at any one time outstanding, of the greater of $100.0 million and 4.0% of Tangible Assets at the time of Incurrence;

(u) Indebtedness under daylight borrowing facilities Incurred in connection with the Transactions or any refinancing (including by way of setoff or exchange) so long as any such Indebtedness is repaid within three Business Days of the date on which such Indebtedness is Incurred;

(v) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference not exceeding at any one time outstanding 200.0% of the net cash proceeds received by the Issuer and the Restricted Subsidiaries since immediately after the Reference Date from the issue or sale of Equity Interests or Subordinated Shareholder Funding of the Issuer or any direct or indirect parent entity of the Issuer (which proceeds are contributed to the Issuer or a Restricted Subsidiary) or cash contributed to the capital of the Issuer (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, the Issuer or any of its Subsidiaries) as determined in accordance with clauses (2) and (3) of the definition of "*Cumulative Credit*" to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the third paragraph of "—Certain Covenants—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(w) Indebtedness arising as a result of implementing composite accounting or other cash pooling arrangements involving solely the Issuer and the Restricted Subsidiaries or solely among Restricted Subsidiaries and entered into in the ordinary course of business;

(x) Indebtedness consisting of Indebtedness issued by the Issuer or a Restricted Subsidiary of the Issuer to current or former officers, directors and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any of its direct or indirect parent companies to the extent described in clause (4) of the third paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments"; and

(y) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (y), together with any Refinancing Indebtedness thereof, does not exceed the greater of $200.0 million and 8.0% of Tangible Assets at the time of Incurrence (plus, in the case of Refinancing Indebtedness, the Additional Refinancing Amount); *provided* that subject to the third paragraph under this covenant, it is understood that any Indebtedness Incurred under this clause (y) shall cease to be deemed Incurred or outstanding for purposes of this clause (y) but shall be deemed Incurred for purposes of the first paragraph of this covenant from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under the first paragraph of this covenant without reliance upon this clause (y)).

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (a) through (y) above or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant; *provided*, *however*, that all Existing First Lien Indebtedness (including Indebtedness under the Credit Agreement outstanding on the Issue Date, and the New First Lien Senior Secured Notes issued on the Issue Date) shall be deemed to have been Incurred pursuant to clause (a)(x) and the Issuer shall not be permitted to reclassify all or any portion of such Indebtedness; and

(2) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above, and in that connection shall be entitled to treat a portion of such Indebtedness as having been Incurred under the first paragraph above (without giving pro forma effect to any Indebtedness Incurred pursuant to the second paragraph above other than clause (n) thereof) and thereafter the remainder of such Indebtedness having been Incurred under the second paragraph above.

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness Disqualified Stock or Preferred Stock, as applicable, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with this covenant, the Dollar Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than dollars, and such refinancing would cause the applicable dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such dollar-denominated 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; (b) the Dollar Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreements. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, 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.

The New First-and-a-Half Priority Lien Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) Indebtedness as subordinated or junior to any other Indebtedness merely because it has a junior priority with respect to security in the same collateral.

Limitation on Restricted Payments. The New First-and-a-Half Priority Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests or pay any amounts in respect of Subordinated Shareholder Funding, including any payment made in connection with any merger, amalgamation or consolidation involving the Issuer (other than (A) dividends or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or in Subordinated Shareholder Funding of the Issuer; or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities (except to the extent non pro rata payments of such dividends or distributions are required by law or under the terms of any agreement in effect on the Reference Date);

(2) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, (i) any Subordinated Shareholder Funding or any Subordinated Indebtedness of the Issuer or any of its Restricted Subsidiaries or (ii) the Second Lien PIK Notes (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness or the Second Lien PIK Notes in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) any Subordinated Indebtedness between the Issuer and the Restricted Subsidiaries or between any of the Restricted Subsidiaries); or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"), unless, at the time of such Restricted Payment:

(a) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) immediately after giving effect to such transaction on a pro forma basis, the Issuer could Incur $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Reference Date (and not returned or rescinded) (including Restricted Payments permitted by clauses (1), (4) (only to the extent of one-half of the amounts paid pursuant to such clause), (6) and (8) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by such paragraph), is less than the amount equal to the Cumulative Credit.

"*Cumulative Credit*" means the sum of (without duplication):

(1) 50% of the Consolidated Net Profit of the Issuer for the period (taken as one accounting period, the "*Reference Period*") beginning on the first day after the end of the Issuer's second full fiscal quarter ending after the Reference Date to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Profit for such period is a deficit, minus 100% of such deficit); *plus*

(2) 100% of the aggregate net proceeds, including cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer after the Reference Date (other than net proceeds to the extent such net proceeds have been used to Incur Indebtedness, Disqualified Stock, or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") from the issue or sale of Equity Interests of the Issuer or Subordinated Shareholder Funding to the Issuer (excluding Refunding Capital Stock (as defined below), Designated Preferred Stock, Excluded Contributions, and Disqualified Stock), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary of the Issuer); *plus*

(3) 100% of the aggregate amount of contributions to the capital of the Issuer received in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash after the Reference Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, and Disqualified Stock and other than contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to clause (v) of the second paragraph of the covenant described under "—Certain

Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"); *plus*

(4) the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Issuer or any Restricted Subsidiary thereof issued after the Reference Date (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in or Subordinated Shareholder Funding of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer (*provided* in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished); *plus*

(5) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer or any Restricted Subsidiary after the Reference Date from:

(A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary of the Issuer) of Restricted Investments made by the Issuer and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Issuer and its Restricted Subsidiaries by any Person (other than the Issuer or any of its Restricted Subsidiaries) and from repayments of loans or advances and releases of guarantees, which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (7) or (10) of the succeeding paragraph),

(B) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary, or

(C) a distribution or dividend from an Unrestricted Subsidiary; *plus*

(6) in the event after the Reference Date any Unrestricted Subsidiary of the Issuer has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, the Fair Market Value (as determined in good faith by the Issuer or, if such Fair Market Value may exceed $25.0 million, in writing by an Independent Financial Advisor) of the Investment of the Issuer in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after taking into account any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (7) or (10) of the next succeeding paragraph or constituted a Permitted Investment).

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the New First-and-a-Half Priority Lien Indenture;

(2) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("*Retired Capital Stock*") or Subordinated Indebtedness or Subordinated Shareholder Funding of the Issuer or the Second Lien PIK Notes, any direct or indirect parent of the Issuer or any Note Guarantor in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests or Subordinated Shareholder Funding of the Issuer or any direct or indirect parent of the Issuer or contributions to the equity capital of the Issuer (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of the Issuer) (collectively, including any such contributions, "*Refunding Capital Stock*"), and

(b) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of Refunding Capital Stock;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Note Guarantor or the Second Lien PIK Notes made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Issuer or a Note Guarantor which is Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, any tender premiums, plus any defeasance costs, fees and expenses Incurred in connection therewith);

(b) such new Indebtedness is (x) subordinated to the New First-and-a-Half Priority Lien Notes or the related Note Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value or (y) in the case of the Second Lien PIK Notes, such new Indebtedness is secured by a Lien on the Collateral that is junior to the Liens on the Collateral that secure the New First Lien Senior Secured Notes;

(c) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired or (y) 91 days following the maturity date of the New First-and-a-Half Priority Lien Notes; and

(d) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred that is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, defeased, acquired or retired that were due on or after the date one year following the last maturity date of any New First-and-a-Half Priority Lien Notes then outstanding were instead due on such date one year following the last date of maturity of the New First-and-a-Half Priority Lien Notes;

(4) a Restricted Payment to pay for the purchase, repurchase, retirement, defeasance, redemption or other acquisition for value of Equity Interests of the Issuer or any direct or indirect parent of the Issuer held by any future, present or former employee, director or consultant of the Issuer or any direct or indirect parent of the Issuer or any Subsidiary of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided*, *however*, that the aggregate Restricted Payments made under this clause (4) do not exceed $20.0 million in any calendar year commencing with 2006 (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years subject to a maximum payment (without giving effect to the following proviso) of $40.0 million in any calendar year); *provided*, *further*, *however*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by the Issuer or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) to members of management, directors or consultants of the Issuer and its Restricted Subsidiaries or any direct or indirect parent of the Issuer that occurs after the Reference Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (c) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments"); *plus*

(b) the cash proceeds of key man life insurance policies received by the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) or the Issuer's Restricted Subsidiaries after the Reference Date;

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries issued or Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date, (b) a Restricted Payment to any direct or indirect parent of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of the Issuer issued after the Reference Date and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph; *provided*, *however*, that, (x) for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00 and (y) the aggregate amount of dividends declared and paid pursuant to (a) and (b) of this clause (6) does not exceed the net cash proceeds actually received by the Issuer from any such sale or issuance of Designated Preferred Stock (other than Disqualified Stock) issued after the Reference Date or contributed as Subordinated Shareholder Funding to the Issuer after the Reference Date;

(7) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at that time outstanding, not to exceed the greater of $50.0 million and 2.0% of Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) the payment of dividends on the Issuer's common stock (or a Restricted Payment to Parent or any other direct or indirect parent of the Issuer to fund the payment by such direct or indirect parent of the Issuer of dividends on such entity's common stock) of up to 6% per annum of Market Capitalization following an initial public offering by the Issuer or Parent or any other indirect parent of the Issuer;

(9) Restricted Payments that are made with Excluded Contributions;

(10) other Restricted Payments in an aggregate amount not to exceed the greater of $100 million and 4.0% of Tangible Assets at the time made;

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(12) the payment of dividends or other distributions to any direct or indirect parent of the Issuer in amounts required for such parent to pay federal, state or local income taxes (as the case may be) imposed directly on such parent to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries (including, without limitation, by virtue of such parent being the common parent of a consolidated or combined tax group of which the Issuer and/or its Restricted Subsidiaries are members);

(13) the payment of dividends, other distributions or other amounts or the making of loans or advances or any other Restricted Payment, if applicable:

(a) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate

existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Issuer, if applicable, and general corporate operating and overhead expenses of any direct or indirect parent of the Issuer, if applicable, in each case to the extent such fees and expenses are attributable to the ownership or operation of the Issuer, if applicable, and its Subsidiaries;

(b) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(c) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses, other than to Affiliates of the Issuer, related to any unsuccessful equity or debt offering of such Parent.

(14) any Restricted Payment used to fund the Transactions and the payment of fees and expenses Incurred in connection with the Transactions or owed by the Issuer or any direct or indirect parent of the Issuer, as the case may be, or Restricted Subsidiaries of the Issuer to Affiliates, in each case to the extent permitted by the covenant described under "—Certain Covenants—Transactions with Affiliates";

(15) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(16) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(17) payments of cash, or dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(18) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness and the Second Lien PIK Notes pursuant to the provisions similar to those described under the captions "—Change of Control" and "—Certain Covenants—Asset Sales," *provided* that all New First-and-a-Half Priority Lien Notes tendered by holders of the New First-and-a-Half Priority Lien Notes in connection with a Change of Control or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(19) any payments made, including any such payments made to any direct or indirect parent of the Issuer to enable it to make payments, in connection with the consummation of the Concurrent Transactions, the 2013 Restructuring Transactions, the Cash Debt Tender, the Apollo Exchange, the Exchange Offers, the Transactions or as contemplated by the Acquisition Documents (other than payments to any Permitted Holder or any Affiliate thereof); and

(20) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets"; provided that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuer shall have made a Change of Control Offer (if required by the New First-and-a-Half Priority Lien Indenture) and that all New First-and-a-Half Priority Lien Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value;

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (10) and (11), no Default shall have occurred and be continuing or would occur as a consequence thereof.

As of the Issue Date, all of the Issuer's Subsidiaries, other than the SPEs, will be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will only be permitted if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Notwithstanding the foregoing, the repayment of any Second Lien PIK Notes outstanding as of the date of this offering circular with proceeds from the issuance of the New First-and-a-Half Priority Lien Notes or the New First Lien Senior Secured Notes or proceeds from the Concurrent Transactions shall not constitute a Restricted Payment; and any capital contribution to the Issuer by Parent on or about the Issue Date in an amount not to exceed such repayment shall not be counted in the calculation of "Cumulative Credit."

Dividend and Other Payment Restrictions Affecting Subsidiaries. The New First-and-a-Half Priority Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (1) on its Capital Stock; or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(b) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Credit Agreement, the other Credit Agreement Documents, the Existing Notes and guarantees thereof, the indentures governing the Existing Notes and any related security documents;

(2) the New First Lien Indenture, the New First Lien Senior Secured Notes (and guarantees thereof), the New First-and-a-Half Priority Notes (and guarantees thereof), the indenture pursuant to which the New First-and-a-Half Priority Notes are issued, the Security Documents, the Intercreditor Agreements, any Currency Agreement and any Additional Intercreditor Agreements;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(6) Secured Indebtedness otherwise permitted to be Incurred pursuant to the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Liens" that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements, similar agreements relating solely to such joint venture and other similar agreements entered into in the ordinary course of business;

(9) Capitalized Lease Obligations and purchase money obligations for property acquired in the ordinary course of business;

(10) customary provisions contained in operating leases, licenses and other similar agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; *provided*, *however*, that such restrictions apply only to such Receivables Subsidiary;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the New First-and-a-Half Priority Lien Notes than the encumbrances and restrictions contained in the Credit Agreement as of the Issue Date (as determined in good faith by the Issuer) or (ii) if such encumbrance or restriction is not materially more disadvantageous to the holders of the New First-and-a-Half Priority Lien Notes than is customary in comparable financings (as determined in good faith by the Issuer) and either (x) the Issuer determines that such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the New First-and-a-Half Priority Lien Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(13) any Restricted Investment not prohibited by the covenant described under "—Certain Covenants—Limitation on Restricted Payments" and any Permitted Investment; or

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to the Issuer or a Restricted Subsidiary of the Issuer to other Indebtedness Incurred by the Issuer or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Asset Sales. The New First-and-a-Half Priority Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) the Issuer or any of its Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; *provided* that the amount of:

(a) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto) of the Issuer or any Restricted Subsidiary of the Issuer (other than liabilities that are by their terms subordinated to the New First-and-a-Half Priority Lien Notes or any Note Guarantee) that are assumed by the transferee of any such assets,

(b) any notes or other obligations or other securities or assets received by the Issuer or such Restricted Subsidiary of the Issuer from such transferee that are converted by the Issuer or such Restricted Subsidiary of the Issuer into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(c) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of 2.0% of Tangible Assets and $50.0 million at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value),

shall be deemed to be Cash Equivalents for the purposes of this provision.

Within 15 months after the Issuer's or any Restricted Subsidiary of the Issuer's receipt of the Net Proceeds of any Asset Sale, the Issuer or such Restricted Subsidiary of the Issuer may apply the Net Proceeds from such Asset Sale, at its option:

(1) to repay and/or repurchase (a) Pari Passu Indebtedness constituting First Priority Lien Obligations (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto), (b) other Pari Passu Indebtedness that is secured by a Lien that is senior or prior to the Lien securing the New First-and-a-Half Priority Lien Notes, (c) Indebtedness of a Restricted Subsidiary that is not a Note Guarantor, (d) Obligations under the New First-and-a-Half Priority Lien Notes or (e) Pari Passu Indebtedness constituting First-and-a-Half Priority Lien Obligations (*provided* that if the Issuer or any Note Guarantor shall so reduce First-and-a-Half Priority Lien Obligations , the Issuer will equally and ratably reduce Obligations under the New First-and-a-Half Priority Lien Notes through open-market purchases (*provided* that such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, the pro rata principal amount of New First-and-a-Half Priority Lien Notes), in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;

(2) to make an investment in any one or more businesses (*provided* that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), assets, or property or capital expenditures, in each case used or useful in a Similar Business; or

(3) to make an investment in any one or more businesses (*provided* that if such investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in such Person becoming a Restricted Subsidiary of the Issuer), properties or assets that replace the properties and assets that are the subject of such Asset Sale.

In the case of clauses (2) and (3) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; *provided* that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, the Issuer or such Restricted Subsidiary enters into another binding commitment (a "*Second Commitment*") within nine months of such cancellation or termination of the prior binding commitment; *provided*, *further* that the Issuer or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale.

Pending the final application of any such Net Proceeds, the Issuer or such Restricted Subsidiary of the Issuer may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in Cash Equivalents or Investment Grade Securities. Any Net Proceeds from any Asset Sale that are not applied as provided and within the time period set forth in the immediately preceding paragraph (it being understood that any portion of such Net Proceeds used to make an offer to purchase New First-and-a-Half Priority Lien Notes, as described in clause (1) above, shall be deemed to have been invested whether or not such offer is accepted) will

be deemed to constitute "*Excess Proceeds*." When the aggregate amount of Excess Proceeds exceeds $25.0 million, the Issuer shall make an offer to all holders of New First-and-a-Half Priority Lien Notes (and, at the option of the Issuer, to holders of any Pari Passu Indebtedness) (an "*Asset Sale Offer*") to purchase the maximum principal amount of New First-and-a-Half Priority Lien Notes (and such Pari Passu Indebtedness), that is at least $75,000 and an integral multiple of $1,000, that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in the New First-and-a-Half Priority Lien Indenture. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceeds $25.0 million by mailing the notice required pursuant to the terms of the New First-and-a-Half Priority Lien Indenture, with a copy to the Trustee. To the extent that the aggregate amount of New First-and-a-Half Priority Lien Notes (and such Pari Passu Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of New First-and-a-Half Priority Lien Notes (and such Pari Passu Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the New First-and-a-Half Priority Lien Notes to be purchased in the manner described below. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the New First-and-a-Half Priority Lien Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the New First-and-a-Half Priority Lien Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the New First-and-a-Half Priority Lien Indenture by virtue thereof.

If more New First-and-a-Half Priority Lien Notes (and such Pari Passu Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, selection of such New First-and-a-Half Priority Lien Notes for purchase will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which such New First-and-a-Half Priority Lien Notes are listed, or if such New First-and-a-Half Priority Lien Notes are not so listed, on a pro rata basis, by lot or otherwise in accordance with the procedures of DTC or by such other method as the Trustee shall deem fair and appropriate (and in such manner as complies with applicable legal requirements); *provided* that no New First-and-a-Half Lien Notes of $75,000 or less shall be purchased in part. Selection of such Pari Passu Indebtedness will be made pursuant to the terms of such Pari Passu Indebtedness.

An Asset Sale Offer insofar as it relates to the New First-and-a-Half Priority Lien Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "*Asset Sale Offer Period*"). No later than five Business Days after the termination of the Asset Sale Offer Period the Issuer will purchase the principal amount of the New First-and-a-Half Priority Lien Notes (and purchase or repay any relevant Pari Passu Indebtedness required to be so purchased or repaid as set out above) validly tendered.

To the extent that any portion of the Net Proceeds payable in respect of the New First-and-a-Half Priority Lien Notes is denominated in a currency other than the currency in which the relevant New First-and-a-Half Priority Lien Notes are denominated, the amount payable in respect of such New First-and-a-Half Priority Lien Notes shall not exceed the net amount of funds in the currency in which such New First-and-a-Half Priority Lien Notes are denominated as is actually received by the Issuer upon converting the relevant portion of the Net Proceeds into such currency.

Notices of an Asset Sale Offer shall be mailed by first-class mail, postage prepaid, or otherwise in accordance with the procedures of DTC at least 10 but not more than 60 days before the purchase date to each holder of New First-and-a-Half Priority Lien Notes at such holder's registered address. If any New First-and-a-Half Priority Lien Note is to be purchased in part only, any notice of purchase that relates to such New First-and-a-Half Priority Lien Note shall state the portion of the principal amount thereof that has been or is to be purchased.

Transactions with Affiliates. The New First-and-a-Half Priority Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "*Affiliate Transaction*") involving aggregate consideration in excess of $12.5 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25.0 million, the Issuer delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of the Issuer, approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (a) above.

The foregoing provisions will not apply to the following:

(1) transactions between or among the Issuer and/or any of its Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) and/or between or among Restricted Subsidiaries or any Receivables Subsidiary and any merger, consolidation or amalgamation of the Issuer and any direct parent of the Issuer; *provided* that such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, consolidation or amalgamation is otherwise in compliance with the terms of the New First-and-a-Half Priority Lien Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the New First-and-a-Half Priority Lien Indenture described above under the covenant "—Certain Covenants—Limitation on Restricted Payments" and Permitted Investments;

(3) (x) the entering into of any agreement (and any amendment or modification of any such agreement) to pay, and the payment of, annual management, consulting, monitoring and advisory fees to the Sponsors in an aggregate amount in any fiscal year not to exceed the greater of (A) $4.0 million and (B) 1.5% of EBITDA of the Issuer and its Restricted Subsidiaries for the immediately preceding fiscal year, plus out-of-pocket expense reimbursement; *provided*, *however*, that any payment not made in any fiscal year commencing 2006 may be carried forward and paid in the following two fiscal years and (y) the payment of the present value of all amounts payable pursuant to any agreement described in clause (3)(x) in connection with the termination of such agreement;

(4) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary or any direct or indirect parent of the Issuer;

(5) payments by the Issuer or any of its Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with the Transactions, acquisitions or divestitures, which payments are (x) made pursuant to the agreements with the Sponsors described in this offering circular or (y) approved by a majority of the Board of Directors of the Issuer in good faith;

(6) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of the preceding paragraph;

(7) payments or loans (or cancellation of loans) to directors, employees or consultants which are approved by a majority of the Board of Directors of the Issuer in good faith;

(8) any agreement as in effect as of the Issue Date or any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more disadvantageous to the holders of the New First-and-a-Half Priority Lien Notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by senior management or the Board of Directors of the Issuer;

(9) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, the Acquisition Documents, the Credit Agreement Documents, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto and the payment of any fees to the Sponsors) to which it is a party as of the Issue Date or any other agreement or arrangement in existence on the Issue Date or described in this offering circular and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the holders of the New First-and-a-Half Priority Lien Notes in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date;

(10) the execution of the Concurrent Transactions and the payment of all fees and expenses related to the Concurrent Transactions that are described in this offering circular;

(11) (a) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the New First-and-a-Half Priority Lien Indenture, which are fair to the Issuer and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (b) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(12) any transaction effected as part of a Qualified Receivables Financing;

(13) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Funding to any Person;

(14) the issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Issuer or any direct or indirect parent of the Issuer or of a Restricted Subsidiary of the Issuer, as appropriate;

(15) the entering into of any tax sharing agreement or arrangement and any payments permitted by clause (12) of the third paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(16) any contribution to the capital of the Issuer;

(17) transactions permitted by, and complying with, the provisions of the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets";

(18) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Issuer or any direct or indirect parent of the Issuer; *provided*, *however*, that such director abstains from voting as a director of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(21) any employment agreements entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(22) intercompany transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Issuer in an Officers' Certificate) for the purpose of improving the consolidated tax efficiency of the Issuer and its Subsidiaries and not for the purpose of circumventing any covenant set forth in the New First-and-a-Half Priority Lien Indenture; and

(23) the payment of premiums, receipt of insurance proceeds and other insurance related transactions in each case on terms customary for such transactions between the Issuer or any Restricted Subsidiary of the Issuer and any Affiliate of the Issuer that is a "captive insurance" entity whose sole business is providing insurance to the Issuer and its Restricted Subsidiaries.

Liens. The New First-and-a-Half Priority Lien Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien, on any asset or property of the Issuer or such Restricted Subsidiary other than (a) a Permitted Lien or (b) Liens that are junior in priority to the Liens on such assets or property securing the New First-and-a-Half Priority Lien Notes and applicable Note Guarantees.

Admission to Trading. The Issuer will use all commercially reasonable efforts to obtain and maintain the admission to and admission to trading on the Global Exchange Market of the Irish Stock Exchange; *provided*, *however*, that if the Issuer is unable to obtain admission to trading of the New First-and-a-Half Priority Lien Notes on the Global Exchange Market of the Irish Stock Exchange or if maintenance of such admission to trading becomes unduly onerous, it will use all commercially reasonable efforts to obtain and maintain an admission to trading of such New First-and-a-Half Priority Lien Notes on another recognized stock exchange.

Reports and Other Information. For so long as any New First-and-a-Half Priority Lien Notes are outstanding, the Issuer will provide to the Trustee the following reports:

(1) within 120 days after the end of each of the Issuer's fiscal years beginning with the fiscal year ending December 31, 2014, annual reports containing the following information in a level of detail that is comparable in all material respect to this offering circular: (a) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the three most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) pro forma income statement and balance sheet information of the Issuer (which need not comply with Article 11 of Regulation S-X under the Exchange Act, "*Regulation S-X*"), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year unless pro forma information has been provided in a previous report pursuant to clause (2) or (3) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the business, management, management compensation and shareholders of the Issuer, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments (in each case to the extent such information would be required to be disclosed if the Issuer were a reporting company under the Exchange Act); (e) a description of material risk factors and material recent developments; (f) earnings before interest, taxes, depreciation and amortization; (g) capital expenditures; (h) depreciation and amortization; (i) income (loss) from operations; and (j) information for the guarantor, and the non-guarantor, Subsidiaries substantially consistent with the disclosure contained in footnotes (5) and (6) to the diagram under "Summary—Organizational Structure" in this offering circular; provided that any item of disclosure that complies in all material respects with the requirements that would be applicable under Form 20-F under the

Exchange Act with respect to such item will be deemed to satisfy the Issuer's obligations under this clause (1) with respect to such item;

(2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Issuer beginning with the quarter ended March 31, 2014, all quarterly financial statements of the Issuer containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) pro forma income statement and balance sheet information of the Issuer (which need not comply with Article 11 of Regulation S-X), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year unless pro forma information has been provided in a previous report pursuant to clause (2) or (3); (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer, and a discussion of material commitments and contingencies and critical accounting policies; and (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; provided that that any item of disclosure that complies in all material respects with the requirements that would be applicable under Form 10-Q under the Exchange Act with respect to such item will be deemed to satisfy the Issuer's obligations under this clause (2) with respect to such item; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring of the Issuer and the Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Issuer or change in auditors of the Parent or any other material event that the Parent or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statements shall be for the Issuer and/or its predecessor, as applicable. All financial statements and pro forma financial information shall be prepared in accordance with GAAP on a consistent basis for the periods presented and shall comply with the applicable requirements of any exchange on which the New First-and-a-Half Priority Lien Notes are listed; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods, subject to the provisions of the New First-and-a-Half Priority Lien Indenture. Except as provided for above, no report need include separate financial statements for the Parent, the Issuer or Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering circular.

Contemporaneously with the furnishing of each such report discussed above, the Issuer will also (a) issue a press release through the newswire service of Bloomberg (or if Bloomberg does not then operate any similar agency) announcing the issuance of such report and setting forth summary financial information and (b) post such report on the Issuer's website.

In the event that the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, the Issuer will, for so long as it continues to file the reports required by Section 13(a) with the SEC, make available to the Trustee the annual reports, information, documents and other reports that it is required to file with the SEC pursuant to such Section 13(a) or 15(d). By complying with the foregoing requirements of this paragraph, the Issuer will be deemed to have complied with the provisions contained in the preceding three paragraphs for the relevant period.

The New First-and-a-Half Priority Lien Indenture also will provide that, so long as any of the New First-and-a-Half Priority Lien Notes remain outstanding and during any period during which the Issuer is not subject to section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g 3-2(b) of the Exchange Act, the Issuer will make available to the holders of the New First-and-a-Half Priority Lien Notes and to prospective investors, upon their request, the information required to be delivered pursuant to by Rule 144A(d)(4) under the Securities Act. The Issuer will also make any of the foregoing information available during normal business hours at the offices of the Paying Agent in Dublin if and so long as the New First-

and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and are traded on the Global Exchange Market thereof and the guidelines of the stock exchange so require.

Notwithstanding the foregoing, consolidated reporting at Parent's level in a manner consistent with that described above for the Issuer will satisfy this covenant, and the Issuer is permitted to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to Parent; *provided* that such financial information of the Parent is accompanied by consolidating information (which may be in narrative form) in a level of detail that is comparable to this offering circular that explains in reasonable detail the material differences between the information relating to such Parent and any of its Subsidiaries other than the Issuer and its Subsidiaries, on the one hand, and the information relating to the Issuer and its Subsidiaries, on the other hand.

Future Note Guarantors. The New First-and-a-Half Priority Lien Indenture will provide that the Issuer will not permit any of its Restricted Subsidiaries (unless such Subsidiary is a Receivables Subsidiary) that is not a Note Guarantor to guarantee, assume or in any other manner become liable with respect to (i) any Credit Agreement of the Issuer or any Note Guarantor or (ii) any Public Debt of the Issuer or any Note Guarantor, unless such Subsidiary executes and delivers to the Trustee a supplemental indenture pursuant to which such Subsidiary will guarantee payment of the New First-and-a-Half Priority Lien Notes.

Notwithstanding the foregoing:

(a) no Note Guarantee shall be required as a result of any guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(b) such Note Guarantee need not be secured unless required pursuant to the "—Certain Covenants—Liens" covenant;

(c) if such Indebtedness is by its terms expressly subordinated to the New First-and-a-Half Priority Lien Notes or any Note Guarantee, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary's Note Guarantee of the New First-and-a-Half Priority Lien Notes at least to the same extent as such Indebtedness is subordinated to the New First-and-a-Half Priority Lien Notes or any other senior guarantee;

(d) no Note Guarantee shall be required as a result of any guarantee given to a bank or trust company incorporated in any member state of the European Union as of the date of the New First-and-a-Half Priority Lien Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System, (or any branch, Subsidiary or Affiliate thereof) in each case having combined capital and surplus and undivided profits of not less than $500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the Issuer's benefit or that of any Restricted Subsidiary;

(e) no Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, "whitewash" or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary; and

(f) each such Note Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws,

regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Each Note Guarantee shall be released in accordance with the provisions of the New First-and-a-Half Priority Lien Indenture and the Intercreditor Agreements described under "—Note Guarantees" and "Description of Other Indebtedness—Intercreditor Agreements."

Impairment of Security Interests. Subject to the rights of the holders of Permitted Liens and to the provisions governing the release of Collateral as described under "—Release of Collateral," the Issuer will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would or could reasonably be expected to have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Trustee and the Holders of the New First-and-a-Half Priority Lien Notes, unless such action or failure to take action is otherwise permitted or contemplated by the New First-and-a-Half Priority Lien Indenture or the Security Documents. The Issuer shall not amend, modify or supplement, or permit or consent to any amendment, modification or supplement of, the Security Documents in any way that would be adverse to the holders of the New First-and-a-Half Priority Lien Notes in any material respect, except as described above under "—Security" or as permitted under "—Amendments and Waivers" or under the Security Documents.

After-Acquired Property. Upon the acquisition by the Issuer or any Note Guarantor of any First Priority After-Acquired Property, the Issuer or such Note Guarantor shall execute and deliver such mortgages, deeds of trust, security instruments, financing statements and certificates and opinions of counsel as shall be reasonably necessary to vest in the Trustee and/or Collateral Agent, for the benefit of the Holders and the Trustee, a perfected security interest, subject only to Permitted Liens, in such First Priority After-Acquired Property and to have such First Priority After-Acquired Property (but subject to certain limitations, if applicable), added to the Collateral, and thereupon all provisions of the New First-and-a-Half Priority Lien Indenture relating to the Collateral shall be deemed to relate to such First Priority After-Acquired Property to the same extent and with the same force and effect; *provided*, *however*, that if granting such second priority security interest in such First Priority After-Acquired Property requires the consent of a third party, the Issuer will use commercially reasonable efforts to obtain such consent with respect to the second priority interest for the benefit of the Trustee on behalf of the Holders of the New First-and-a-Half Priority Lien Notes; *provided further*, *however*, that if such third party does not consent to the granting of such second priority security interest after the use of such commercially reasonable efforts, the Issuer or such Note Guarantor, as the case may be, will not be required to provide such security interest.

Limitation on Issuer. The Issuer will not (x) own any material assets or other property, other than (i) Capital Stock of Subsidiaries and joint ventures, (ii) Indebtedness or other obligations owing to the Issuer by Subsidiaries and joint ventures and (iii) Cash Equivalents, or (y) engage in any trade or conduct any business other than treasury, cash management, hedging and cash pooling activities and activities incidental thereto and activities related to being a holding company for its Subsidiaries (including the issuance from time to time of additional Capital Stock of the Issuer in accordance with the terms of the New First-and-a-Half Priority Lien Indenture). The Issuer will not Incur any material liabilities or obligations other than its obligations pursuant to, or as permitted by, the New First-and-a-Half Priority Lien Notes, the New First-and-a-Half Priority Lien Indenture, the Security Documents, the Existing Notes and any related security documents, the indentures governing the Existing Notes, the Credit Agreement and other Indebtedness permitted to be Incurred by the Issuer as described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and liabilities and obligations pursuant to business activities permitted by this covenant (including without limitation pursuant to agreements relating to investments in Subsidiaries and joint ventures permitted under the New First-and-a-Half Priority Lien Indenture).

Covenant Fall-Away. If, on any date following the Issue Date, (i) the New First-and-a-Half Priority Lien Notes have Investment Grade Ratings from both Rating Agencies, and the Issuer has delivered written notice of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the New First-and-a-Half Priority Lien Indenture then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the New First-and-a-Half Priority Lien Notes, the covenants specifically listed under the following captions in this "Description of the New First-and-a-Half Priority Lien Notes" section of this offering circular will no longer be applicable to the New First-and-a-Half Priority Lien Notes:

(1) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(2) "—Limitation on Restricted Payments";

(3) "—Dividend and Other Payment Restrictions Affecting Subsidiaries";

(4) "—Asset Sales";

(5) "—Transactions with Affiliates";

(6) "—Future Note Guarantors";

(7) "—Security";

(8) "—Impairment of Security Interests;"

(9) "—After-Acquired Property"; and

(10) clause (4) of the first paragraph of "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

In addition, during any period of time that (i) the New First-and-a-Half Priority Lien Notes have Investment Grade Ratings from both Rating Agencies, and the Issuer has delivered written notice of such Investment Grade Ratings to the Trustee, and (ii) no Default has occurred and is continuing under the New First-and-a-Half Priority Lien Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Issuer and its Restricted Subsidiaries will not be subject to the covenant described under "Change of Control" (the "*Suspended Covenant*"). In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenant with respect to the New First-and-a-Half Priority Lien Notes under the New First-and-a-Half Priority Lien Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the New First-and-a-Half Priority Lien Notes below an Investment Grade Rating and/or (b) the Issuer or any of its Affiliates enters into an agreement to effect a transaction that would result in a Change of Control and one or more of the Rating Agencies indicate that if consummated, such transaction (alone or together with any related recapitalization or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the New First-and-a-Half Priority Lien Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenant with respect to the New First-and-a-Half Priority Lien Notes under the New First-and-a-Half Priority Lien Indenture with respect to future events, including, without limitation, a proposed transaction described in clause (b) above.

There can be no assurance that the New First-and-a-Half Priority Lien Notes will ever achieve or maintain Investment Grade Ratings.

The Trustee will have no obligation to determine if a Covenant Suspension Event has occurred or has terminated or to provide Holders with notice of the commencement or termination of a Covenant Suspension Event.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The New First-and-a-Half Priority Lien Indenture will provide that the Issuer may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to any Person unless:

(1) the Issuer is the surviving person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding up or conversion (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, (the Issuer or such Person, as the case may be, being

herein called the "*Successor Company*"); *provided* that in the case where the surviving Person is not a corporation, a co-obligor of the New First-and-a-Half Priority Lien Notes is a corporation;

(2) the Successor Company (if other than the Issuer) expressly assumes all the obligations of the Issuer under the New First-and-a-Half Priority Lien Indenture, the New First-and-a-Half Priority Lien Notes and the Security Documents pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction) no Default shall have occurred and be continuing;

(4) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), either:

  (a) the Successor Company would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

  (b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction;

(5) each Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Note Guarantee shall apply to such Person's obligations under the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes; and

(6) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indentures (if any) comply with the New First-and-a-Half Priority Lien Indenture.

The Successor Company (if other than the Issuer) will succeed to, and be substituted for, the Issuer under the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes, and in such event the Issuer will automatically be released and discharged from its obligations under the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes. Notwithstanding the foregoing clauses (3) and (4), (a) any Restricted Subsidiary may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary, and (b) the Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in another member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, or may convert into a limited liability company, so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby. This "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

The New First-and-a-Half Priority Lien Indenture will further provide that, subject to certain limitations in the New First-and-a-Half Priority Lien Indenture governing release of a Note Guarantee upon the sale or disposition of a Restricted Subsidiary of the Issuer that is a Note Guarantor, no Note Guarantor will, and the Issuer will not permit any Note Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Note Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(1) either (a) such Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Note Guarantor) or to which such

sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of any member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof (such Note Guarantor or such Person, as the case may be, being herein called the "*Successor Note Guarantor*"), and the Successor Note Guarantor (if other than such Note Guarantor) expressly assumes all the obligations of such Note Guarantor under the New First-and-a-Half Priority Lien Indenture, such Note Guarantors' Note Guarantee and the Security Documents pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of the covenant described above under the caption "—Certain Covenants—Asset Sales"; and

(2) the Successor Note Guarantor (if other than such Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with the New First-and-a-Half Priority Lien Indenture.

Subject to certain limitations described in the New First-and-a-Half Priority Lien Indenture, the Successor Note Guarantor (if other than such Note Guarantor) will succeed to, and be substituted for, such Note Guarantor under the New First-and-a-Half Priority Lien Indenture and such Note Guarantor's Note Guarantee, and such Note Guarantor will automatically be released and discharged from its obligations under the New First-and-a-Half Priority Lien Indenture and such Note Guarantor's Note Guarantee. Notwithstanding the foregoing, (1) a Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Note Guarantor in another member state of the European Union that was a member state on January 1, 2004, the United States, the District of Columbia, or any state or territory thereof, so long as the amount of Indebtedness of the Note Guarantor is not increased thereby, and (2) a Note Guarantor may merge, amalgamate or consolidate with another Note Guarantor or the Issuer.

In addition, notwithstanding the foregoing, any Note Guarantor may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "*Transfer*") to (x) the Issuer or any Note Guarantor or (y) any Restricted Subsidiary of the Issuer that is not a Note Guarantor; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed 5.0% of the consolidated assets of the Issuer and the Note Guarantors as shown on the most recent available balance sheet of the Issuer and the Restricted Subsidiaries after giving effect to each such Transfer and including all Transfers occurring from and after the Issue Date. Upon a permitted Transfer to a Restricted Subsidiary that is not a Note Guarantor, any Collateral securing the New First-and-a-Half Priority Lien Notes will be automatically released and the New First-and-a-Half Priority Lien Notes shall no longer have the benefit of such Collateral.

Additional Covenants. The New First-and-a-Half Priority Lien Indenture will also contain covenants with respect to the following matters: (a) payment of the principal, premium, any Additional Amounts and interest; (b) maintenance of an office or agency in London; and (c) arrangements regarding the handling of money held in trust.

Defaults

An Event of Default will be defined in the New First-and-a-Half Priority Lien Indenture as:

(1) a default in any payment of interest on any New First-and-a-Half Priority Lien Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any New First-and-a-Half Priority Lien Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) the failure by the Issuer or any of Restricted Subsidiaries to comply with the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" above;

(4) the failure by the Issuer or any of Restricted Subsidiaries to comply for 60 days after notice with its other agreements contained in the New First-and-a-Half Priority Lien Notes or the New First-and-a-Half Priority Lien Indenture (other than those referred to in (1), (2), (3) above or (10) below);

(5) the failure by the Issuer or any Significant Subsidiary to pay any Indebtedness (other than Indebtedness owing to the Issuer or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds $35.0 million or its foreign currency equivalent (the "*cross-acceleration provision*");

(6) certain events of bankruptcy, insolvency or reorganization of the Issuer or a Significant Subsidiary (the "*bankruptcy provisions*");

(7) failure by the Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of $35.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the "*judgment default provision*");

(8) any Note Guarantee of a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms thereof or the terms of the New First-and-a-Half Priority Lien Indenture or the Intercreditor Agreements) with respect to the New First-and-a-Half Priority Lien Notes or any Note Guarantor denies or disaffirms its obligations under the New First-and-a-Half Priority Lien Indenture or any Note Guarantee with respect to the New First-and-a-Half Priority Lien Notes and such Default continues for 20 days;

(9) unless all of the Collateral has been released from the Liens in accordance with the provisions of the Security Documents, the Issuer shall assert or any Subsidiary shall assert, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable and, in the case of any such Subsidiary, the Issuer fails to cause such Subsidiary to rescind such assertions within 30 days after the Issuer has actual knowledge of such assertion; or

(10) the failure by the Issuer or any Restricted Subsidiary to comply for 60 days after notice with its other agreements related to the Collateral contained in the New First-and-a-Half Priority Lien Indenture or the Security Documents except for a failure that would not be material to the holders of the New First-and-a-Half Priority Lien Notes and would not materially affect the value of the second priority security interests in the Collateral taken as a whole (together with the defaults described in clause (9) the "*security default provisions*").

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a default under clauses (4), (5), (7) or (10) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding New First-and-a-Half Priority Lien Notes notify the Issuer of the default and the Issuer does not cure such default within the time specified in clause (4) hereof after receipt of such notice.

If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding New First-and-a-Half Priority Lien Notes by notice to the Issuer may declare the principal of, premium, if any, and accrued but unpaid interest on all the New First-and-a-Half Priority Lien Notes to be due and payable; *provided, however*, that so long as any Bank Indebtedness remains outstanding, no such acceleration shall be effective until the earlier of (1) five Business Days after the giving of written notice to the Issuer and the Representative under the Credit Agreement and (2) the day on which any Bank Indebtedness is accelerated. Upon such a declaration, such principal and interest with respect to the New First-and-a-Half Priority Lien Notes will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the New First-and-a-Half Priority Lien Notes will become immediately due and payable without any declaration or other act on the part of the

Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding Notes may rescind any such acceleration with respect to the New First-and-a-Half Priority Lien Notes and its consequences.

In the event of any Event of Default with respect to the New First-and-a-Half Priority Lien Notes specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the New First-and-a-Half Priority Lien Notes, if within 20 days after such Event of Default arose the Issuer delivers an Officers' Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged, (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the New First-and-a-Half Priority Lien Notes as described above be annulled, waived or rescinded upon the happening of any such events.

In case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the New First-and-a-Half Priority Lien Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the New First-and-a-Half Priority Lien Indenture or the New First-and-a-Half Priority Lien Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing,

(2) holders of at least 25% in principal amount of the outstanding New First-and-a-Half Priority Lien Notes have requested the Trustee to pursue the remedy,

(3) such holders have offered the Trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense,

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(5) the holders of a majority in principal amount of the outstanding New First-and-a-Half Priority Lien Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of outstanding New First-and-a-Half Priority Lien Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the New First-and-a-Half Priority Lien Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the New First-and-a-Half Priority Lien Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The New First-and-a-Half Priority Lien Indenture will provide that if a Default with respect to the New First-and-a-Half Priority Lien Notes occurs and is continuing and is actually known to the Trustee, the Trustee must mail to each holder of New First-and-a-Half Priority Lien Notes a notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any New First-and-a-Half Priority Lien Note, the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is in the interests of the holders of the New First-and-a-Half Priority Lien Notes. In addition, the Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Intercreditor Agreements

The New First-and-a-Half Priority Lien Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any Indebtedness permitted to be Incurred under the New First-and-a-Half Priority Lien Indenture constituting Pari Passu Indebtedness (including First Priority Lien Obligations that are secured by a senior priority Lien, First-and-a-Half Priority Lien Obligations and Indebtedness that is secured by a junior priority Lien) or Subordinated Indebtedness of the Issuer or any Note Guarantor, the Issuer, the relevant Restricted Subsidiaries and the Trustee shall enter into with the holder of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") on substantially the same terms as the Intercreditor Agreements (or terms not materially less favorable to the holders of the New First-and-a-Half Priority Lien Notes), including substantially the same terms with respect to the subordination, payment blockage, limitation on enforcement and release of Note Guarantees; *provided*, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the New First-and-a-Half Priority Lien Indenture or the Intercreditor Agreements.

The New First-and-a-Half Priority Lien Indenture also will provide that, at the direction of the Issuer and without the consent of noteholders, the Trustee shall from time to time enter into one or more amendments to the Intercreditor Agreements or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, mistake, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or a Restricted Subsidiary (including, with respect to any Intercreditor Agreement or an Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the New First-and-a-Half Priority Lien Notes, the New First Lien Senior Secured Notes and/or the Existing Notes), (3) add parties to the Intercreditor Agreements or an Additional Intercreditor Agreement, including Note Guarantors, or successors, including successor trustees or other Representatives, or (4) make any other change to any such agreement that does not adversely affect the New First-and-a-Half Priority Lien Notes in any material respect. The Issuer shall not otherwise direct the Trustee to enter into any amendment to the Intercreditor Agreements or Additional Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the New First-and-a-Half Priority Lien Notes then outstanding, except as otherwise permitted below under "Amendments and Waivers," and the Issuer may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the New First-and-a-Half Priority Lien Indenture or any Intercreditor Agreement.

With respect to all matters governed by the Senior/Subordinated Intercreditor Agreement, holders of the New First-and-a-Half Priority Lien Notes will vote together as a class with all other secured creditors, including the lenders under our Senior Secured Facilities, the holders of the New First Lien Senior Secured Notes and the holders of the Second Lien PIK Notes. With respect to all matters governed by the First/Junior Lien Intercreditor Agreement, holders of the New First-and-a-Half Priority Lien Notes will vote together as a class with holders of First Priority Lien Obligations, but will not vote as a class with holders of the Second Lien PIK Notes and all other creditors secured by a lien junior to the New First-and-a-Half Priority Lien Notes. With respect to all matters governed by the First/First-and-a-Half Lien Intercreditor Agreement, holders of the New First-and-a-Half Priority Lien Notes will vote together as a class with holders of all other secured creditors party thereto other than holders of First Priority Lien Obligations that are senior in priority to the New First-and-a-Half Priority Lien Notes.

The New First-and-a-Half Priority Lien Indenture also will provide that each noteholder, by accepting a New First-and-a-Half Priority Lien Note, shall be deemed to have agreed to and accepted the terms and conditions of any Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein). A copy of the Intercreditor Agreements shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the Trustee and, for so long as any New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof at the offices of the Paying Agent in Dublin.

The Trustee and the Collateral Agent are not responsible for the terms or contents of such agreements, or for the validity or enforceability thereof, or the sufficiency thereof for any purpose.

Amendments and Waivers

Subject to certain exceptions, the New First-and-a-Half Priority Lien Indenture and the Security Documents may be amended (including, consistent with the amendment and waiver provisions of the indentures governing the Second Lien PIK Notes and New First Lien Senior Secured Notes, to release any and all Collateral other than in accordance with the New First-and-a-Half Priority Lien Indenture or Security Documents) with the consent of the holders of a majority in principal amount of the New First-and-a-Half Priority Lien Notes then outstanding voting as a single class and any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the New First-and-a-Half Priority Lien Notes then outstanding voting as a single class. Notwithstanding the foregoing, without the consent of 90% of the then outstanding aggregate principal amount of the New First-and-a-Half Priority Lien Notes affected, no amendment may:

(1) reduce the amount of New First-and-a-Half Priority Lien Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any New First-and-a-Half Priority Lien Note,

(3) reduce the principal of or extend the Stated Maturity of any New First-and-a-Half Priority Lien Note,

(4) reduce the premium payable upon the redemption of any New First-and-a-Half Priority Lien Note or change the time at which any New First-and-a-Half Priority Lien Note may be redeemed as described under "—Optional Redemption" above,

(5) make any New First-and-a-Half Priority Lien Note payable in money other than that stated in such New First-and-a-Half Priority Lien Note,

(6) expressly subordinate the New First-and-a-Half Priority Lien Notes or any Note Guarantee to any other Indebtedness of the Issuer or any Note Guarantor not otherwise permitted by the New First-and-a-Half Priority Lien Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's New First-and-a-Half Priority Lien Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's New First-and-a-Half Priority Lien Notes,

(8) make any change in the amendment provisions which require the holder's consent as described in this sentence or in the waiver provisions,

(9) except to the extent expressly permitted by the New First-and-a-Half Priority Lien Indenture, modify any Note Guarantee in any manner adverse to the holders, or

(10) make any change in the provisions in the Intercreditor Agreements or the New First-and-a-Half Priority Lien Indenture dealing with the application of proceeds of Collateral that would adversely affect the holders of the New First-and-a-Half Priority Lien Notes.

Without the consent of any holder, the Issuer and Trustee may amend the New First-and-a-Half Priority Lien Indenture, any Security Document or the Intercreditor Agreements to cure any ambiguity, omission, mistake, defect or inconsistency, to effect any provision of the New First-and-a-Half Priority Lien Indenture (including the release of any Note Guarantees in accordance with the terms of the New First-and-a-Half Priority Lien Indenture, and to comply with the covenant under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets"), to provide for the assumption by a Successor Company of the obligations of the Issuer under the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes, to provide for the assumption by a Successor Guarantor of the obligations of a Note Guarantor under the New First-and-a-Half Priority Lien Indenture and its Note Guarantee, to provide for uncertificated New First-and-a-Half Priority Lien Notes in addition to or in place of certificated New First-and-a-Half Priority Lien Notes (*provided* that the uncertificated New First-and-a-Half Priority Lien Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated New First-and-a-Half Priority Lien Notes are described in Section 163(f)(2)(B) of the Code), to add a Note Guarantee with respect to the New First-and-a-Half Priority Lien Notes, to secure the

New First-and-a-Half Priority Lien Notes, to add assets as collateral, to release collateral from any Lien pursuant to the New First-and-a-Half Priority Lien Indenture, any Security Document and the Intercreditor Agreements when permitted or required by the New First-and-a-Half Priority Lien Indenture, to modify the Intercreditor Agreements to secure additional extensions of credit and add additional secured creditors holding secured obligations so long as such other secured obligations are not prohibited by the provisions of the Credit Agreement or the New First-and-a-Half Priority Lien Indenture, to add to the covenants of the Issuer or any Note Guarantor for the benefit of the holders or to surrender any right or power conferred upon the Issuer, to make any change that does not adversely affect the rights of any holder, to evidence and process for the acceptance and appointment under the New First-and-a-Half Priority Lien Indenture and/or the Intercreditor Agreements of a successor Trustee, to provide for the accession of the Trustee to any instrument in connection with the New First-and-a-Half Priority Lien Notes or to make certain changes to the New First-and-a-Half Priority Lien Indenture to provide for the issuance of Additional New First-and-a-Half Priority Lien Notes, at the Issuer's election, to comply with any requirement of the SEC in connection with the qualification of the New First-and-a-Half Priority Lien Indenture under the Trust Indenture Act of 1939, as amended, if such qualification is required, or to conform any provision to this "Description of the New First-and-a-Half Priority Lien Notes." In addition, the First/First-and-a-Half Lien Intercreditor Agreement will provide that, subject to certain exceptions, any amendment, waiver or consent to any of the collateral documents with respect to First Priority Lien Obligations that are senior in priority to the New First-and-a-Half Priority Lien Notes will also apply automatically to the comparable Security Documents with respect to the New First-and-a-Half Priority Lien Notes.

The Trustee shall be entitled to require and rely absolutely on such evidence as it reasonably deems appropriate, including an Opinion of Counsel and an Officers' Certificate as it may request from the Issuer.

The consent of the noteholders is not necessary under the New First-and-a-Half Priority Lien Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

The Issuer will, for so long as the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof, to the extent required by the guidelines of the Irish Stock Exchange, (i) inform the Irish Stock Exchange of any of the foregoing amendments, supplements and waivers and provide, if necessary, a supplement to this prospectus setting forth reasonable details in connection with any such amendments, supplements or waivers and (ii) deliver notice of any amendment, supplement and waiver to the Companies Announcement Office in Dublin.

After an amendment under the New First-and-a-Half Priority Lien Indenture becomes effective with respect to the New First-and-a-Half Priority Lien Notes, the Issuer is required to mail to the noteholders a notice briefly describing such amendment. However, the failure to give such notice to all noteholders entitled to receive such notice, or any defect therein, will not impair or affect the validity of the amendment.

No Personal Liability of Directors, Officers, Employees, Managers, Incorporators and Stockholders

No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or any direct or indirect parent corporation, as such, will have any liability for any obligations of the Issuer under the New First-and-a-Half Priority Lien Notes, the New First-and-a-Half Priority Lien Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of New First-and-a-Half Priority Lien Notes by accepting a New First-and-a-Half Priority Lien Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the New First-and-a-Half Priority Lien Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange New First-and-a-Half Priority Lien Notes in accordance with the New First-and-a-Half Priority Lien Indenture. Upon any transfer or exchange, the registrar and the Trustee may require a noteholder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a noteholder to pay any taxes required by law or permitted by the New First-and-a-Half Priority Lien Indenture. The Issuer is not required to transfer or exchange any New First-and-a-Half Priority Lien Note selected

for redemption or to transfer or exchange any New First-and-a-Half Priority Lien Note for a period of 15 days prior to a selection of New First-and-a-Half Priority Lien Notes to be redeemed. The New First-and-a-Half Priority Lien Notes will be issued in registered form and the registered holder of a New First-and-a-Half Priority Lien Note will be treated as the owner of such New First-and-a-Half Priority Lien Note for all purposes.

Satisfaction and Discharge

The New First-and-a-Half Priority Lien Indenture will be discharged and will cease to be of further effect (except for any surviving provisions expressly provided for in the New First-and-a-Half Priority Lien Indenture) as to all outstanding New First-and-a-Half Priority Lien Notes when:

(1) either (a) all the New First-and-a-Half Priority Lien Notes theretofore authenticated and delivered (except lost, stolen or destroyed New First-and-a-Half Priority Lien Notes which have been replaced or paid and New First-and-a-Half Priority Lien Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the New First-and-a-Half Priority Lien Notes (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the New First-and-a-Half Priority Lien Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the New First-and-a-Half Priority Lien Notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer and/or the Note Guarantors have paid all other sums payable under the New First-and-a-Half Priority Lien Indenture; and

(3) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the New First-and-a-Half Priority Lien Indenture relating to the satisfaction and discharge of the New First-and-a-Half Priority Lien Indenture have been complied with.

Defeasance

The Issuer at any time may terminate all its obligations under the New First-and-a-Half Priority Lien Notes, the Security Documents and the New First-and-a-Half Priority Lien Indenture with respect to the New First-and-a-Half Priority Lien Notes ("*legal defeasance"*), and cure any existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the New First-and-a-Half Priority Lien Notes, to replace mutilated, destroyed, lost or stolen New First-and-a-Half Priority Lien Notes and to maintain a registrar and paying agent in respect of the New First-and-a-Half Priority Lien Notes. The Issuer at any time may terminate its obligations with respect to the New First-and-a-Half Priority Lien Notes under the covenants described under "—Certain Covenants," the operation of the cross acceleration provision, the security default provisions, the bankruptcy provisions with respect to Significant Subsidiaries, and the judgment default provision described under "Defaults" and the undertakings and covenants contained under "—Change of Control" and "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" ("*covenant defeasance*"). If the Issuer exercises its legal defeasance option or its covenant defeasance option with respect to the New First-and-a-Half Priority Lien Notes, each Note Guarantor will be released from all of its obligations with respect to its Note Guarantee and the Issuer and each Note Guarantor will be released from all of its obligations with respect to the Security Documents.

The Issuer may exercise its legal defeasance option with respect to the New First-and-a-Half Priority Lien Notes notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option with respect to the New First-and-a-Half Priority Lien Notes, payment of the New First-and-a-Half Priority

Lien Notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option with respect to the New First-and-a-Half Priority Lien Notes, payment of the New First-and-a-Half Priority Lien Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6), (7) (with respect only to Significant Subsidiaries), (8), (9) or (10) under "Defaults" or because of the failure of the Issuer to comply with the first clause (4) under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

In order to exercise its defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee money in dollars or U.S. Government Obligations for the payment of principal, premium (if any) and interest (with the interest rate through redemption or maturity, as the case may be, calculated at the interest rate applicable on the date of such deposit) on the New First-and-a-Half Priority Lien Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that beneficial owners of the New First-and-a-Half Priority Lien Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or change in applicable U.S. Federal income tax law).

Concerning the Trustee

Wilmington Trust, National Association will be the Trustee under the New First-and-a-Half Priority Lien Indenture and has been appointed by the Issuer as Registrar and Paying Agent with regard to the New First-and-a-Half Priority Lien Notes.

Notices

All notices to noteholders will be validly given if mailed to them at their respective addresses in the register of the holders of the New First-and-a-Half Priority Lien Notes, if any, maintained by the Registrar. In addition, for so long as any of the New First-and-a-Half Priority Lien Notes are admitted to trading on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the guidelines of the Irish Stock Exchange so require, notices, with respect to the New First-and-a-Half Priority Lien Notes admitted to trading on the Irish Stock Exchange will be published by delivery to the Companies Announcement Office in Dublin. In addition, for so long as any New First-and-a-Half Priority Lien Notes are represented by Global New First-and-a-Half Priority Lien Notes, all notices to holders of the New First-and-a-Half Priority Lien Notes will be delivered to DTC, which will give such notices to the holders of Book Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a noteholder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to him if so mailed within the time prescribed. Failure to mail a notice or communication to a noteholder or any defect in it shall not affect its sufficiency with respect to other noteholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Currency Indemnity and Calculation of Dollar-denominated Restrictions

The U.S. dollar is the sole currency of account and payment for all sums payable by the Issuer or any Note Guarantor under or in connection with the New First-and-a-Half Priority Lien Notes, including damages. Any amount received or recovered in a currency other than dollars, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or any Note Guarantor or otherwise by any noteholder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or any Note Guarantor will only constitute a discharge to the Issuer or any Note Guarantor to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on

which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient or the Trustee under any New First-and-a-Half Priority Lien Note, the Issuer and any Note Guarantor will indemnify such recipient against any loss sustained by it as a result. In any event, the relevant Issuer and any Note Guarantor will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the holder of a New First-and-a-Half Priority Lien Note or the Trustee to certify in a manner satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer and any Note Guarantor's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of a New First-and-a-Half Priority Lien Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any New First-and-a-Half Priority Lien Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any U.S. dollar-denominated restriction herein, the Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S.-dollar currency, as applicable, shall be calculated based on the relevant currency exchange rate in effect on the date such non-dollar amount is Incurred or made.

Consent to Jurisdiction and Service

Each of the Issuer and the Note Guarantors will irrevocably and unconditionally: (1) submit itself and its property in any legal action or proceeding relating to the New First-and-a-Half Priority Lien Indenture to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the Courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, the courts of the United States of America for the Southern District of New York, appellate courts from any thereof and courts of its own corporate domicile, with respect to actions brought against it as defendant; (2) consent that any such action or proceeding may be brought in such courts and waive any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and (3) appoint CT Corporation System, currently having an office at 111 Eighth Avenue, New York, New York 10011, as its agent to receive on its behalf service of all process in any such action or proceeding, such service being hereby acknowledged by each of the Issuer and the Note Guarantors to be effective and binding in every respect.

Enforceability of Judgments

Since many of the assets of the Issuer and the Note Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any Note Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, redemption price and any purchase price with respect to the New First-and-a-Half Priority Lien Notes, may not be collectable within the United States.

Governing Law

The New First-and-a-Half Priority Lien Indenture, the Security Documents, the Intercreditor Agreements and the New First-and-a-Half Priority Lien Notes will be governed by, and construed in accordance with, the laws of the State of New York (or, to the extent required, the law of the jurisdiction in which the Collateral is located). See "Certain Insolvency Law Considerations" and "Risk Factors—Risks Related to the Notes—Enforcing your rights as a holder of the notes or under the guarantees or security documents across multiple jurisdictions may be difficult."

Book-Entry, Delivery and Form

General

The New First-and-a-Half Priority Lien Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be represented by one or more global New First-and-a-Half Priority Lien Notes in registered form without interest coupons attached (collectively, the "*Rule 144A Global New*

First-and-a-Half Priority Lien Notes"). The Rule 144A Global New First-and-a-Half Priority Lien Notes will be deposited upon issuance with a custodian for The Depository Trust Company ("*DTC*") and registered in the name of Cede & Co., as nominee of DTC.

The New First-and-a-Half Priority Lien Notes sold outside the United States in reliance on Regulation S under the Securities Act will be represented by one or more global New First-and-a-Half Priority Lien Notes in registered form without interest coupons attached (collectively, the "*Regulation S Global New First-and-a-Half Priority Lien Notes*" and together with the Rule 144A Global New First-and-a-Half Priority Lien Notes, the "*Global New First-and-a-Half Priority Lien Notes*"). The Regulation S Global New First-and-a-Half Priority Lien Notes will be deposited upon issuance with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. Beneficial ownership interests in the Regulation S Global New First-and-a-Half Priority Lien Notes may be exchanged for interests in the Rule 144A Global New First-and-a-Half Priority Lien Notes or a Definitive Registered New First-and-a-Half Priority Lien Note only after the 40th day after the issuance of the New First-and-a-Half Priority Lien Notes, and then only in the case of an exchange for a Definitive Registered New First-and-a-Half Priority Lien Note, in compliance with the requirements described under "—Transfers."

In the event that Additional New First-and-a-Half Priority Lien Notes are issued pursuant to the terms of the New First-and-a-Half Priority Lien Indenture, the Issuer may, in its sole discretion, cause some or all of such Additional New First-and-a-Half Priority Lien Notes, if any, to be issued in the form of one or more global New First-and-a-Half Priority Lien Notes (the "*Additional Global New First-and-a-Half Priority Lien Notes*") and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Rule 144A Global New First-and-a-Half Priority Lien Note ("*Restricted Book-Entry Interests*") and ownership of interests in each Regulation S Global New First-and-a-Half Priority Lien Note (the "*Unrestricted Book-Entry Interests*") and ownership of interests in each Additional Global New First-and-a-Half Priority Lien Note (the "*Additional New First-and-a-Half Priority Lien Notes Book-Entry Interests*" and, together with the Restricted Book-Entry Interests and the Unrestricted Book-Entry Interests, the "*Book-Entry Interests*") will be limited to persons that have accounts with the Depositary or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by the Depositary and its participants. As used in this section, "*Depositary*" means, with respect to the Global New First-and-a-Half Priority Lien Notes and the Additional Global New First-and-a-Half Priority Lien Notes, if any, DTC.

The Book-Entry Interests will not be held in definitive form. Instead, the Depositary will credit on its book-entry registration and transfer systems a participant's account with the interests beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge or grant any other security interest in Book-Entry Interests. In addition, while the New First-and-a-Half Priority Lien Notes are in global form, "holders" of Book-Entry Interests may not be considered the owners or "holders" of New First-and-a-Half Priority Lien Notes for purposes of the New First-and-a-Half Priority Lien Indenture.

So long as the New First-and-a-Half Priority Lien Notes and any Additional New First-and-a-Half Priority Lien Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global New First-and-a-Half Priority Lien Notes for all purposes under the New First-and-a-Half Priority Lien Indenture. As such, participants must rely on the procedures of DTC and indirect participants must rely on the procedures of DTC and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the New First-and-a-Half Priority Lien Indenture.

The Issuer and the Trustee and their respective agents will not have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the New First-and-a-Half Priority Lien Indenture, owners of Book-Entry Interests will not receive definitive New First-and-a-Half Priority Lien Notes in registered form ("*Definitive Registered Notes*") in

exchange for their Book-Entry Interests unless (a) the Issuer has consented thereto in writing, or such transfer or exchange is made pursuant to one of clauses (i), (ii) or (iii) of this paragraph and (b) such transfer or exchange is in accordance with the applicable rules and procedures of the Depositary and the applicable provisions of the New First-and-a-Half Priority Lien Indenture. Subject to applicable provisions of the New First-and-a-Half Priority Lien Indenture, Definitive Registered New First-and-a-Half Priority Lien Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global New First-and-a-Half Priority Lien Note if:

(i) the Issuer notifies the Trustee in writing that the applicable Depositary or Depositaries are unwilling or unable to continue to act as depositary and the Issuer does not appoint a successor depositary within 120 days;

(ii) any Depositary so requests if an event of default under the New First-and-a-Half Priority Lien Indenture has occurred and is continuing; or

(iii) the Issuer, at its option, notifies the Trustee in writing that it elects to issue Definitive Registered New First-and-a-Half Priority Lien Notes under the New First-and-a-Half Priority Lien Indenture.

In such an event, Definitive Registered New First-and-a-Half Priority Lien Notes will be issued and registered in the name or names and issued in any approved denominations, requested by or on behalf of the Depositary, as applicable (in accordance with its customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests), and such Definitive Registered New First-and-a-Half Priority Lien Notes will bear the restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by the New First-and-a-Half Priority Lien Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the New First-and-a-Half Priority Lien Notes shall be payable at the place of payment designated by the Issuer pursuant to the New First-and-a-Half Priority Lien Indenture; *provided*, *however*, that at the Issuer's option, payment of interest on a New First-and-a-Half Priority Lien Note may be made by check mailed to the person entitled thereto to such address as shall appear on the New First-and-a-Half Priority Lien Note register.

Redemption of the Global New First-and-a-Half Priority Lien Notes

In the event any Global New First-and-a-Half Priority Lien Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global New First-and-a-Half Priority Lien Note so redeemed to the holders of the Book-Entry Interests in such Global New First-and-a-Half Priority Lien Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Depositary in connection with the redemption of such Global New First-and-a-Half Priority Lien Note (or any portion thereof). We understand that under existing practices of DTC, if fewer than all of the New First-and-a-Half Priority Lien Notes are to be redeemed at any time, DTC will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no book-entry interest of less than $75,000 in principal amount may be redeemed in part.

Payments on Global New First-and-a-Half Priority Lien Notes

Payments of any amounts owing in respect of the Global New First-and-a-Half Priority Lien Notes (including principal, premium, interest and Additional Amounts) will be made by the Issuer in U.S. Dollars, in each case to the paying agents under the New First-and-a-Half Priority Lien Indenture. The paying agents will, in turn, make such payments to the Depositary or its nominee, as the case may be, which will distribute such payments to their respective participants in accordance with their respective procedures.

Under the terms of the New First-and-a-Half Priority Lien Indenture, the Issuer, the Trustee and the paying agents will treat the registered holders of the Global New First-and-a-Half Priority Lien Notes as the owners thereof for the purpose of receiving payments and other purposes under the New First-and-a-Half Priority Lien Indenture. Consequently, the Issuer, the Trustee and the paying agents and their respective agents have not and will not have any responsibility or liability for:

- any aspect of the records of the Depositary or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by the Depositary or any participant or indirect participants, or maintaining, supervising or reviewing the records of the Depositary or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- the Depositary or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is the case with securities held for the accounts of customers registered in "street name."

Action by Owners of Book-Entry Interests

We understand that the Depositary will take any action permitted to be taken by a holder of New First-and-a-Half Priority Lien Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global New First-and-a-Half Priority Lien Notes are credited and only in respect of such portion of the aggregate principal amount of New First-and-a-Half Priority Lien Notes as to which such participant or participants has or have given such direction. The Depositary will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global New First-and-a-Half Priority Lien Notes. However, if there is an event of default under the New First-and-a-Half Priority Lien Notes, the Depositary reserves the right to exchange the Global New First-and-a-Half Priority Lien Notes for Definitive Registered New First-and-a-Half Priority Lien Notes in certificated form, and to distribute such Definitive Registered New First-and-a-Half Priority Lien Notes to its respective participants.

Transfers

Each Global New First-and-a-Half Priority Lien Note will bear a legend to the effect set forth under the caption "Transfer Restrictions."

Transfers of Global New First-and-a-Half Priority Lien Notes shall be limited to transfers of such Global New First-and-a-Half Priority Lien Note in whole, but (subject to the provisions described above under "—Book-Entry, Delivery and Form—Issuance of Definitive Registered Notes," to provisions described below in this section "—Transfers" and the applicable provisions of the New First-and-a-Half Priority Lien Indenture) not in part, to the Depositary, its successors or their respective nominees or transfers between the Depositary for the Rule 144A Global New First-and-a-Half Priority Lien Notes (initially DTC) and the Depositary for the Regulation S Global New First-and-a-Half Priority Lien Notes (initially DTC).

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of Unrestricted Book-Entry Interests only upon delivery by the transferor of a written certification (as provided in the New First-and-a-Half Priority Lien Indenture) to the effect that such transfer is made in accordance with Regulation S under the Securities Act or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Unrestricted Book-Entry Interests may be transferred to a person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written certification (as provided in the New First-and-a-Half Priority Lien Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Subject to the foregoing, and as set forth in "Transfer Restrictions," Book-Entry Interests may be transferred and exchanged in a manner otherwise in accordance with the terms of the New First-and-a-Half Priority Lien Indenture. Any Book-Entry Interest in one of the Global New First-and-a-Half Priority Lien Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global New First-and-a-Half Priority Lien Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global New First-and-a-Half Priority Lien Note and become a Book-Entry Interest in the relevant Global New First-and-a-Half

Priority Lien Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global New First-and-a-Half Priority Lien Note for as long as that person retains such Book-Entry Interests.

Definitive Registered New First-and-a-Half Priority Lien Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global New First-and-a-Half Priority Lien Note only pursuant to the terms of the New First-and-a-Half Priority Lien Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the New First-and-a-Half Priority Lien Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such New First-and-a-Half Priority Lien Notes. See "Transfer Restrictions."

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the New First-and-a-Half Priority Lien Notes will be made in U.S. Dollars. Book-Entry Interests owned through Depositary accounts will follow the settlement procedures applicable to conventional dollar denominated bonds in registered form. In the case of Book-Entry Interests held through DTC, such Book-Entry Interests will be credited to the securities custody account of DTC holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of the Depositary, and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning DTC

All Book-Entry Interests will be subject to the operations and procedures of DTC. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we nor the initial purchaser is responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under New York Banking Law;
- a "banking organization" under New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the U.S. Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC's owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. and a number of its direct participants. Others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

The information in this section concerning DTC and its book-entry system has been obtained from sources we believe to be reliable, but we take no responsibility for the accuracy thereof.

Certain Definitions

"*2007 Notes*" means $400 million aggregate principal amount of 10% Second-Priority Senior Secured Notes due 2014 of the Issuer issued on August 13, 2007 and the 12% Second-Priority Senior Secured Notes due 2014 issued by the Issuer in the Exchange Offers.

"*2007 U.S. Collateral Agreement*" means the U.S. collateral agreement dated as of November 4, 2006, as supplemented by the Supplement to the U.S. collateral agreement dated as of August 2, 2007, among CEVA Logistics U.S. Holdings Inc. (formerly, Louis U.S. Holdco, Inc.), as U.S. borrower, each subsidiary of the U.S. Borrower party thereto, CEVA Ltd. (formerly, Louis No. 3 Limited) and Credit Suisse, as administrative agent.

"*2013 Restructuring Transactions*" means transactions described in the Offering Memorandum, Consent Solicitation and Disclosure Statement dated April 3, 2013, with respect to the exchange offers, the consent solicitations, the solicitation of acceptances of the pre-packaged plan of reorganization, the issuance of the Existing 4.00% First Lien Senior Secured Notes, the issuance of the Second Lien PIK Notes and other matters described therein.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Acquisition Agreements*" means the Apollo Acquisition Agreement and the EGL Acquisition Agreement.

"*Acquisition Documents*" means the Acquisition Agreements and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to August 13, 2007 or thereafter (so long as any amendment, supplement or modification after August 13, 2007, together with all other amendments, supplements and modifications after the Issue Date, taken as a whole, is not more disadvantageous to the holders of the New First-and-a-Half Priority Lien Notes in any material respect than the Acquisition Documents as in effect on August 13, 2007).

"*Additional Intercreditor Agreement*" has the meaning specified under "—Intercreditor Agreements."

"*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 purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"*Anji*" means Anji Automotive Logistics Company Limited, a company which is incorporated in China, of which the Issuer owned indirectly a 50% interest on the Issue Date.

"*Apollo Acquisition*" means the acquisition by Affiliates of the Sponsors of substantially all of the outstanding shares of capital stock of the Issuer, pursuant to the Apollo Acquisition Agreement.

"*Apollo Acquisition Agreement*" means that certain Agreement for the Sale and Purchase of All the Issued and Outstanding Shares in the Capital of TNT Logistics Holdings B.V. and the SNCF Business, dated August 23, 2006, by and between TNT N.V. and UK Bidco.

"*Apollo Exchange*" means the exchange of (1) €73 million of the 2006 Senior Notes for €73 million of 8½% Senior Notes due June 30, 2018 of the Issuer (the "*Apollo Senior Notes*"), (2) €57 million of the 2006 Senior Subordinated Notes for €57 million of 10% Senior Subordinated Notes due June 30, 2018 of the Issuer (the "*Apollo Senior Subordinated Notes*") and (3) $629 million of loans under the Senior Bridge Loan Agreement, dated as of August 2, 2007, as amended, for $629 million of loans with a maturity date of June 30, 2018 (the "*Apollo Senior Unsecured Loans*"), in the case of each of clauses (1), (2) and (3), held by the Apollo Sponsors, in each case, which exchange occurred on March 24, 2010.

"*Applicable Premium*" means, with respect to any New First-and-a-Half Priority Lien Note on any applicable redemption date, the greater of:

(1) 1% of the then outstanding principal amount of the New First-and-a-Half Priority Lien Note; and

(2) the excess of:

  (a) the present value at such redemption date of (i) the redemption price of such New First-and-a-Half Priority Lien Note, at March 1, 2017 (such redemption price being set forth in the applicable table appearing above under "—Optional Redemption") *plus* (ii) all required interest payments due on the New First-and-a-Half Priority Lien Note through March 1, 2017 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

  (b) the then outstanding principal amount of the Note.

"*Asset Sale*" means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/Leaseback Transaction) outside the ordinary course of business of the Issuer or any Restricted Subsidiary of the Issuer (each referred to in this definition as a "*disposition*") or

(2) the issuance or sale of Equity Interests (other than directors' qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary of the Issuer) (whether in a single transaction or a series of related transactions),

in each case other than:

  (a) a disposition of Cash Equivalents or Investment Grade Securities or obsolete, surplus or worn-out property or equipment in the ordinary course of business;

  (b) transactions permitted pursuant to the provisions described above under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control;

  (c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments";

  (d) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value of less than $10.0 million;

  (e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to a Restricted Subsidiary of the Issuer;

  (f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(g) foreclosure or any similar action with respect to any property or any other asset of the Issuer or any of its Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory, trading stock or other assets in the ordinary course of business;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property;

(l) an issuance of Capital Stock pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(m) dispositions consisting of the granting of Permitted Liens;

(n) dispositions of receivables 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;

(o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer 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;

(p) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(q) a transfer of accounts receivable and related assets of the type specified in the definition of "Receivables Financing" (or a fractional undivided interest therein) by a Receivables Subsidiary or any Restricted Subsidiary (x) in a Qualified Receivables Financing or (y) pursuant to any other factoring on arm's length terms or (z) in the ordinary course of business;

(r) the sale of any property in a Sale/Leaseback Transaction within six months of the acquisition of such property; and

(s) in the ordinary course of business, any swap of assets, or any lease, assignment or sublease of any real or personal property, in exchange for services (including in connection with any outsourcing arrangements) of comparable or greater value or usefulness to the business of the Issuer and the Restricted Subsidiaries taken as a whole, as determined in good faith by the Issuer; *provided* that any cash or Cash Equivalents received must be applied in accordance with the covenant described under "—Certain Covenants—Asset Sales."

"*Australian Receivables Facility*" means the means the receivables facility entered into by CEVA Receivables (Australia) Pty. Ltd., in October 2012 that is secured by Australian trade accounts receivable, as such agreement may be amended, modified, restated, supplemented, replaced or refinanced from time to time.

"*Bank Indebtedness*" means any and all amounts payable under or in respect of the Credit Agreement and the other Credit Agreement Documents as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after termination of the Credit Agreement), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

"*Bankruptcy Case*" has the meaning specified under "—Security Documents and Intercreditor Agreements."

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended. "*Board of Directors*" means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"*Book-Entry Interests*" has the meaning specified under "—Book-Entry, Delivery and Form."

"*Business Day*" means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City and London.

"*CapRe Parties*" means certain funds advised by Capital Research and Management Company that from time to time hold debt and/or equity of the Issuer.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Capitalized Lease Obligation*" means, 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.

"*Cash Debt Tender*" means the cash debt tender offer and related consent solicitation made by the Issuer pursuant to an Offer to Purchase dated February 24, 2010, as amended, to purchase the 2007 Notes for cash, and the concurrent exchange by the Apollo Sponsors with respect to the 2007 Notes held by them, in each case, which closed on March 24, 2010.

"*Cash Equivalents*" means:

(1) U.S. dollars, pounds sterling, euro, the national currency of any member state in the European Union or, in the case of any Restricted Subsidiary that is not organized or existing under the laws of the United States, any member state of the European Union or any state or territory thereof, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the U.S., Canadian, Swiss or Japanese government or any country that is a member of the European Union or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank whose long-term debt is rated "A" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Monetary Union, Switzerland or Norway or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than the Sponsors or any of their Affiliates) with a rating of "A" or higher from S&P or "A-2" or higher from Moody's in each case with maturities not exceeding two years from the date of acquisition;

(8) for the purpose of paragraph (a) of the definition of "Asset Sale," any marketable securities of third parties owned by the Issuer and/or its Restricted Subsidiaries on the Reference Date;

(9) interest in investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

(10) instruments equivalent to those referred to in clauses (1) through (8) above denominated in euro or any other foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Collateral*" means all property subject or purported to be subject, from time to time, to a Lien under any Security Document.

"*Concurrent Transactions*" means transactions described in this offering circular dated March 13, 2014, with respect to the tender offers and consent solicitations with respect to, and redemptions of, the Existing First Lien Senior Secured Notes, the Existing First-and-a-Half Priority Notes, the Old Second Priority Notes and the 12% Senior Notes, the refinancing of the Credit Agreement, the partial redemption of the Second Lien PIK Notes and other matters described therein.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Profit (including amortization of original issue discount, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations and excluding amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any capitalizing interest on Subordinated Shareholder Funding); *plus*

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than the Issuer and its Restricted Subsidiaries; *minus*

(4) interest income for such period.

"*Consolidated Net Profit*" means, with respect to any Person for any period, the aggregate of the Net Profit of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; *provided*, *however*, that:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income, expenses or charges (less all fees and expenses relating thereto), any severance expenses and expenses or charges related to any Equity Offering, Permitted Investment, acquisition or Indebtedness permitted to be Incurred by the New First-and-a-Half Priority Lien Indenture (in each case, whether or not successful), including any such fees, expenses, charges or change in control payments made under the Acquisition Documents or otherwise related to the Transactions, in each case, shall be excluded;

(2) any increase in amortization or depreciation or any one-time non-cash charges or increases or reductions in Net Profit, in each case resulting from purchase accounting in connection with the Transactions or any acquisition that is consummated after the Reference Date shall be excluded;

(3) the Net Profit for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of the Issuer) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness or Hedging Obligations or other derivative instruments shall be excluded;

(7) the Net Profit 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 Restricted Subsidiary thereof in respect of such period;

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of Cumulative Credit contained in "—Certain Covenants—Limitation on Restricted Payments," the Net Profit for such period of any Restricted Subsidiary (other than any Note Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Profit is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived; provided that the Consolidated Net Profit of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

(9) an amount equal to the amount of Tax Distributions actually made to any parent of such Person in respect of such period in accordance with clause (12) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(10) any non-cash impairment charges or asset write-offs, and the amortization of intangibles arising in each case pursuant to GAAP or the pronouncements of the IASB shall be excluded;

(11) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, grants and sales of stock, stock appreciation or similar rights, stock options or other rights to officers, directors and employees shall be excluded;

(12) any (a) severance or relocation costs or expenses, (b) one-time non-cash compensation charges, (c) the costs and expenses after the Reference Date related to employment of terminated employees, (d) costs or expenses realized in connection with, resulting from or in anticipation of the Transactions or (e) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Reference Date of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(13) accruals and reserves that are established or adjusted as a result of the Transactions (including as a result of the adoption or modification of accounting policies in connection with the Transactions) within 12 months after the Reference Date, and that are so required to be established in accordance with GAAP shall be excluded;

(14) solely for purposes of calculating EBITDA, (a) the Net Profit of any Person and its Restricted 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 Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted 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 (7) above shall be included;

(15) (a) (i) the non-cash portion of "straight-line" rent expense shall be excluded and (ii) the cash portion of "straight-line" rent expense that exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP shall be excluded;

(16) unrealized gains and losses relating to hedging transactions and mark-to-market of Indebtedness denominated in foreign currencies resulting from the applications of the applicable standard under GAAP shall be excluded;

(17) any expenses incurred in the 18 months following the Reference Date that constitute transition expenses attributable to the Issuer becoming an independent operating company in connection with the Transactions (including without limitation re-branding costs) shall be excluded; and

(18) solely for the purpose of calculating Restricted Payments, the difference, if positive, of the Consolidated Taxes of the Issuer calculated in accordance with GAAP and the actual Consolidated Taxes paid in cash by the Issuer during any Reference Period shall be included.

Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Profit any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of the Issuer or a Restricted Subsidiary of the Issuer to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (4) and (5) of the definition of Cumulative Credit contained therein.

"*Consolidated Non-cash Charges*" means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Profit of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP, but excluding any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

"*Consolidated Taxes*" means provision for taxes based on income, profits or capital, including, without limitation, state, franchise and similar taxes and any Tax Distributions taken into account in calculating Consolidated Net Profit.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Agreement*" means (i) the amended and restated credit agreement entered into on or about the Issue Date, as further amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, increased as permitted under clause (a) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof, among the Issuer, the guarantors named therein, the financial institutions named therein, and Credit Suisse, as administrative agent, and (ii) whether or not the credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of "Credit Agreement," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"*Credit Agreement Documents*" means the collective reference to the Credit Agreement, any notes issued pursuant thereto and the guarantees thereof, and the collateral documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Designated Preferred Stock*" means Preferred Stock of the Issuer or any direct or indirect parent of the Issuer (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officers' Certificate, on the issuance date thereof.

"*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 redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale, provided that the relevant asset sale or change of control provisions, taken as a whole, are not materially more disadvantageous to the holders of the New First-and-a-Half Priority Lien Notes than is customary in comparable transactions (as determined in good faith by the Issuer));

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person; or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than solely as a result of a change of control or asset sale),

in each case prior to 91 days after the maturity date of the New First-and-a-Half Priority Lien Notes or the date the New First-and-a-Half Priority Lien Notes are no longer outstanding; *provided*, *however*, 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 shall be deemed to be Disqualified Stock; *provided*, *further*, *however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided*, *further*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"*Dollar Equivalent*" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time of determination by the Issuer or the Trustee, 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 "Currency Rates" 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 Issuer) on the date of such determination.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Profit of such Person for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Profit:

(1) Consolidated Taxes; plus

(2) Consolidated Interest Expense; plus

(3) Consolidated Non-cash Charges; plus

(4) business optimization expenses and other restructuring charges or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory or service optimization programs, site closures, retention, systems establishment costs and excess pension charges); provided that with respect to each business optimization expense or other restructuring charge, the Issuer shall have delivered to the Trustee an Officers' Certificate specifying and quantifying such expense or charge and stating that such expense or charge is a business optimization expense or other restructuring charge, as the case may be; *plus*

(5) the amount of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsors (or any accruals relating to such fees and related expenses) during such period pursuant to the terms of the agreements between the Sponsors and the Issuer and its Subsidiaries as described with particularity in this offering circular and as was in effect on the Reference Date;

less, without duplication,

(6) non-cash items increasing Consolidated Net Profit for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period).

"*EGL Acquisition*" means the acquisition of EGL, Inc. by the Issuer, pursuant to the EGL Acquisition Agreement.

"*EGL Acquisition Agreement*" means that certain Agreement and Plan of Merger, dated as of May 24, 2007, among the Issuer, CEVA Texas Holdco Inc., and EGL, Inc., as amended, supplemented or modified from time to time on or prior to August 13, 2007.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public or private sale after the Issue Date of common stock or Preferred Stock of the Issuer or any direct or indirect parent of the Issuer, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or such direct or indirect parent's common stock registered on Form S-8; and

(2) any such public or private sale that constitutes an Excluded Contribution.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Exchange Offers*" means the issuance by the Issuer on July 22, 2009 of (1) €120 million principal amount of 12% Second-Priority Senior Secured Notes due 2014 in exchange for €153 million principal amount of the Issuer's 2006 Senior Notes and €50 million principal amount of the Issuer's 2006 Senior Subordinated Notes and (2) $127 million principal amount of 12% Second-Priority Senior Secured Notes due 2014 in exchange for $205 million of loans under the Senior Bridge Loan Agreement, dated as of August 2, 2007, as amended.

"*Excluded Contributions*" means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of the Issuer) received by the Issuer after the Reference Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Issuer or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer,

in each case designated as Excluded Contributions pursuant to an Officers' Certificate executed by an Officer of the Issuer on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"*Excluded Property*" means (a) any vehicle covered by a certificate of title or ownership, whether now owned or hereafter acquired, (b) any assets not required to be pledged as collateral under the 2007 U.S. Collateral Agreement (regardless of whether the 2007 U.S. Collateral Agreement has been terminated), (c) any Letter of Credit Rights (as defined in the New York Uniform Commercial Code) to the extent the Issuer or any Guarantor, is required by applicable law to apply the proceeds of a drawing of such Letter of Credit for a specified purpose, (d) any right, title or interest in any license, contract or agreement or any of its right, title or interest thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement, result in a breach of the terms of, or constitute a default under, or result in the abandonment, invalidation or unenforceability of, any license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the New York Uniform Commercial Code

or any other applicable law (including, without limitation, Title 11 of the United States Code) or principles of equity), (e) any Equipment ((as defined in the New York Uniform Commercial Code) that is subject to a purchase money lien or a Capital Lease Obligation if the contract or other agreement in which such Lien is granted (or the documentation providing for such Capital Lease Obligation) prohibits or requires the consent of any person other than the Issuer or any Guarantor as a condition to the creation of any other security interest on such Equipment, (f) any property that is not required to become subject to Liens in favor of the Collateral Agent as set forth in the Security Documents, (g) assets subject to Liens securing Qualified Receivables Financing and any Equity Interests or Indebtedness of Receivables Subsidiaries (i) which are pledged to secure a Qualified Receivables Financing or (ii) if the pledge of such Equity Interests or Indebtedness would result in a breach of the terms of, or constitute a default under, a Qualified Receivables Financing or (h) with respect to any property which would not be subject to the U.S. Collateral Agreements, any property that would not be required to be pledged as security pursuant to the Senior Secured Facilities, if the documentation governing the Senior Secured Facilities as of the Issue Date was then in effect. For purposes of this definition, "Capital Lease Obligations" means the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP.

"*Existing First-and-a-Half Priority Notes*" means the $210,000,000 aggregate principal amount of 11⅝% Senior Secured Notes due 2016 of the Issuer issued on October 6, 2009 that remains outstanding on the Issue Date after giving effect to the Concurrent Transactions.

"*Existing First Lien Indebtedness*" means all Indebtedness of the Issuer or any Guarantor outstanding on the Issue Date (after giving effect to the Concurrent Transactions) that constitutes First Priority Lien Obligations (including without limitation, the Existing 4.00% First Lien Senior Secured Notes, the New First Lien Senior Secured Notes and Indebtedness under the Credit Agreement).

"*Existing First Lien Senior Secured Notes*" means the aggregate principal amount of 8.375% Senior Secured Notes due 2017 of the Issuer that remains outstanding on the Issue Date after giving effect to the Concurrent Transactions.

"*Existing 4.00% First Lien Senior Secured Notes*" means the $304,863,114 aggregate principal amount of 4.00% First Lien Senior Secured Notes due 2018 of the Issuer issued on May 2, 2013.

"*Existing Notes*" means the Issuer's Existing First-and-a-Half Priority Notes, Existing First Lien Senior Secured Notes, the Existing 4.00% First Lien Senior Secured Notes, the Second Lien PIK Notes, the Old Second Priority Notes, the Unexchanged Notes, the Senior Unsecured Notes, and the New First Lien Senior Secured Notes.

"*Fair Market Value*" means, with respect to any asset or property, the price that could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction (as determined by the Issuer).

"*First/First-and-a-Half Lien Intercreditor Agreement*" means the Lien Subordination and Intercreditor Agreement, dated as of October 6, 2009, as acceded to by the Trustee and the Collateral Agent on the Issue Date, among the Issuer, the subsidiaries of the Issuer party thereto, Credit Suisse, as intercreditor agent and the Trustee and Collateral Agents, as it may be amended, restated or replaced from time to time in accordance with the New First-and-a-Half Priority Lien Indenture.

"*First/Junior Lien Intercreditor Agreement*" means the Lien Subordination and Intercreditor Agreement, dated as of August 13, 2007, as acceded to by the Trustee and Collateral Agent on the Issue Date, among the Issuer, the subsidiaries of the Issuer party thereto, Credit Suisse, as intercreditor agent, the trustee and collateral agent for the Second Lien PIK Notes, the trustee and collateral agent for the New First-Lien Senior Secured Notes and the Trustee, as it may be amended, restated or replaced from time to time in accordance with the New First Lien Indenture.

"*First Lien Leverage Ratio*" means, with respect to any Person, at any date the ratio of (i) Secured Indebtedness of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) that constitutes First Priority Lien Obligations *(provided* that any Secured Indebtedness Incurred pursuant to clause (a) of the second paragraph under "Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" shall be deemed to be First Priority Lien Obligations for this purpose) less the amount of cash and Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the commencement of the period for which the First Lien Leverage Ratio is being calculated but prior to the event for which the calculation of the First Lien Leverage Ratio is made (the "*First Lien Leverage Calculation Date*"), then the First Lien Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; provided that the Issuer may elect pursuant to an Officers' Certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or have made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the First Lien Leverage Calculation Date (each, for purposes of this definition, a "*pro forma event*") shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions), discontinued operations and other operational changes (and the change of any associated Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the First Lien Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period. For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officers' Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions) and (2) all adjustments of the nature used in connection with the calculation of "Pro Forma Adjusted EBITDA" as set forth in footnote (2) in "Summary—Summary Historical Financial Data—Pro Forma Financial Information and Ratios" in this offering circular, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

"*First-and-a-Half Lien Leverage Ratio*" means, with respect to any Person, at any date the ratio of (i) Secured Indebtedness of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) that constitutes First Priority Lien Obligations or First-and-a-Half Priority Lien Obligations *(provided* that any Secured Indebtedness Incurred pursuant to clause (a) of the second paragraph under "Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" shall be deemed to be First-and-a-Half Priority Lien Obligations for this purpose) less the amount of cash and Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the

commencement of the period for which the First-and-a-Half Lien Leverage Ratio is being calculated but prior to the event for which the calculation of the First-and-a-Half Lien Leverage Ratio is made (the "*First-and-a-Half Lien Leverage Calculation Date*"), then the First-and-a-Half Lien Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; provided that the Issuer may elect pursuant to an Officers' Certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or have made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the First-and-a-Half Lien Leverage Calculation Date (each, for purposes of this definition, a "*pro forma event*") shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions), discontinued operations and other operational changes (and the change of any associated Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the First-and-a-Half Lien Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officers' Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions) and (2) all adjustments of the nature used in connection with the calculation of "Pro Forma Adjusted EBITDA" as set forth in footnote (2) in "Summary—Summary Historical Financial Data—Pro Forma Financial Information and Ratios" in this offering circular, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

"*First Priority After-Acquired Property*" means any property (other than the Collateral as of the Issue Date) of the Issuer and any Note Guarantor that secures any First Priority Lien Obligations.

"*First Priority Lien Obligations*" means (i) all Bank Indebtedness secured by a Lien on the Collateral that is senior to the Lien securing the New First-and-a-Half Priority Notes, (ii) all other Obligations (not constituting Indebtedness) of the Issuer and its Restricted Subsidiaries under the agreements governing Indebtedness described in clause (i), (iii) all other Obligations of the Issuer or any of its Restricted Subsidiaries in respect of Hedging Obligations or Obligations in respect of cash management services, in each case owing to a Person that is a holder of Indebtedness described in clause (i) or Obligations described in clause (ii) or an Affiliate of such holder at the time of entry into such Hedging Obligations or Obligations in respect of cash management services that is secured by a Lien on the Collateral that is senior to the Liens securing the New First-and-a-Half Priority Notes, (iv) all other Indebtedness that is secured by a Permitted Lien on the Collateral that is senior to the Lien securing the New First-and-a-Half Priority Notes, (v) the New First Lien Senior Secured Notes and related guarantees thereof, (vi) all other Obligations (not constituting Indebtedness) of the Issuer and its Restricted Subsidiaries under the agreements governing the New First Lien Senior Secured Notes and the Note Guarantees and (vii) all other Obligations of the Issuer or any of its Restricted Subsidiaries in respect of Hedging Obligations or Obligations in respect of cash management services, in each case owing to a Person that is a holder of Indebtedness described in clause (v) or Obligations described in clause (vi) or an Affiliate of such holder at the time of entry into such Hedging Obligations

or Obligations in respect of cash management services that is secured by a Lien on the Collateral that is senior to the Liens securing the New First-and-a-Half Priority Notes.

"*First-and-a-Half Priority Lien Obligations*" means (i) the New First-and-a-Half Priority Notes and Note Guarantees and (ii) all other Indebtedness that is secured by a Permitted Lien on the Collateral that is pari passu to the Lien securing the New First-and-a-Half Priority Notes.

"*First-and-a-Half Priority Notes*" means the Existing First-and-a-Half Priority Notes and the New First-and-a-Half Priority Notes.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, including the Transactions and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date (each, for purposes of this definition, a "*pro forma event*") shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, including the Transactions, discontinued operations and operational changes (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four- quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officers' Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event (including, to the extent applicable, from the Transactions) and (2) all adjustments of the nature used in connection with the calculation of "Pro Forma Adjusted EBITDA" as set forth in footnote (2) in "Summary—Summary Historical Financial Data—Pro Forma Financial Information and Ratios" in this offering circular, to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro

forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period (excluding in the case of the Issuer any non-cash interest expense relating to the Second Lien PIK Notes (and non-cash interest expense relating to any Refinancing Indebtedness in respect thereof) that is owed to Parent); and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

"*Franklin Parties*" means certain funds and accounts advised by Franklin Advisors, Inc. and Franklin Templeton Investments Corp. that from time to time hold the Existing 4.00% First Lien Senior Secured Notes.

"*GAAP*" means the International Financial Reporting Standards ("*IFRS*") as in effect (except as otherwise provided in the New First-and-a-Half Priority Lien Indenture) on the Reference Date. Except as otherwise expressly provided in the New First-and-a-Half Priority Lien Indenture, all ratios and calculations based on GAAP contained in the New First-and-a-Half Priority Lien Indenture shall be computed in conformity with GAAP. At any time after the Reference Date, the Issuer may elect to apply generally accepted accounting principles in the U.S. ("*U.S. GAAP*") in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean U.S. GAAP as in effect (except as otherwise provided in the New First-and-a-Half Priority Lien Indenture) on the date of such election; *provided* that any such election, once made, shall be irrevocable and that, upon first reporting its fiscal year results under U.S. GAAP it shall restate its financial statements on the basis of U.S. GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of U.S. GAAP. The Issuer shall give notice of any such election to the Trustee and the noteholders.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"*holder*" or "*noteholder*" means the Person in whose name a New First-and-a-Half Priority Note is registered on the Registrar's books.

"*IASB*" means the International Accounting Standards Board and any other organization or agency that shall issue pronouncements regarding the application of GAAP.

"*Incur*" means issue, 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 Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

"*Indebtedness*" means, with respect to any Person (without duplication):

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP), (d) in respect of Capitalized Lease Obligations or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations referred to in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Person; and

(4) to the extent not otherwise included, with respect to the Issuer and its Restricted Subsidiaries, the amount then outstanding (*i.e.*, advanced, and received by, and available for use by, the Issuer or any of its Restricted Subsidiaries) under any Receivables Financing (as set forth in the books and records of the Issuer or any Restricted Subsidiary and confirmed by the agent, trustee or other representative of the institution or group providing such Receivables Financing) where there is recourse to the Issuer or its Restricted Subsidiaries (as that term is understood in the context of recourse and non-recourse receivable financings);

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include: (1) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed money; (2) deferred or prepaid revenues; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) Obligations under or in respect of Qualified Receivables Financing; (5) obligations under the Acquisition Documents; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the New First-and-a-Half Priority Lien Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the New First-and-a-Half Priority Lien Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and any such amounts that would have constituted Indebtedness under the New First-and-a-Half Priority Lien Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the New First-and-a-Half Priority Lien Indenture.

"*Independent Financial Advisor*" means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

"*Intercreditor Agreements*" means the Senior/Subordinated Intercreditor Agreement, the First/Junior Lien Intercreditor Agreement and the First/First-and-a-Half Lien Intercreditor Agreement

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S., Canadian or Japanese government or any member state of the European Monetary Union or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody's or BBB- (or equivalent) by S&P, or an equivalent rating by any other Rating Agency, but excluding any debt securities or loans or advances between and among the Issuer and its Subsidiaries;

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

"*Investments*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "—Certain Covenants—Limitation on Restricted Payments":

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

   (a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation; less

   (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Issuer.

"*Issue Date*" means the date on which the New First-and-a-Half Priority Lien Notes are originally issued.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any other agreement to give a security interest and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Management Group*" means the group consisting of the directors, executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as the case may be, on the Issue Date together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of the Issuer or any direct or indirect parent of the Issuer, as applicable, was approved by a vote of a majority of the directors of the Issuer or any direct or indirect parent of the Issuer, as applicable, then still in office who were either directors on the Issue Date or whose election or nomination was previously so approved and (2) executive officers and other management personnel of the Issuer or any direct or indirect parent of

the Issuer, as applicable, hired at a time when the directors on the Issue Date together with the directors so approved constituted a majority of the directors of the Issuer or any direct or indirect parent of the Issuer, as applicable.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the Issuer or any direct or indirect parent of the Issuer that has consummated an initial public offering 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 declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*Net Proceeds*" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding the assumption by the acquiring person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to the second paragraph of the covenant described under "—Certain Covenants—Asset Sales") to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"*Net Profit*" means, with respect to any Person, the Net Profit (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"*New First Lien Senior Secured Notes*" means the $300,000,000 aggregate principal amount of 7.0% Senior Secured Notes due 2021 of the Issuer to be issued on the Issue Date.

"*Note Guarantee*" means any guarantee of the obligations of the Issuer under the New First-and-a-Half Priority Lien Indenture and the New First-and-a-Half Priority Lien Notes by any Person in accordance with the provisions of the New First-and-a-Half Priority Lien Indenture.

"*Note Guarantor*" means any Person that Incurs a Note Guarantee; *provided* that upon the release or discharge of such Person from its Note Guarantee in accordance with the New First-and-a-Half Priority Lien Indenture, such Person ceases to be a Note Guarantor.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to the New First-and-a-Half Priority Lien Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the New First-and-a-Half Priority Lien Notes.

"*Officer*" of any Person means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of such Person or any other person that the board of directors of such person shall designate for such purpose.

"*Officers' Certificate*" means a certificate signed on behalf of the Issuer by two Officers of the Issuer or of a Subsidiary or parent of the Issuer that is designated by the Issuer, one of whom must be the principal executive officer, the principal financial officer, the treasurer, the principal accounting officer or similar position of the Issuer or such Subsidiary or parent that meets the requirements set forth in the New First-and-a-Half Priority Lien Indenture.

Old Second Priority Notes" means the outstanding 11.5% Junior Priority Senior Secured Notes due 2018 of the Issuer issued on March 24, 2010, which were not tendered pursuant to the 2013 Restructuring Transactions.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee (acting reasonably). The counsel may be an employee of or counsel to the Issuer or the Trustee.

"*Parent*" means Ceva Holdings, LLC, a Marshall Islands limited liability company, and its successors..

"*Pari Passu Indebtedness*" means:

(1) with respect to the Issuer, the New First-and-a-Half Priority Lien Notes and any Indebtedness that ranks pari passu in right of payment to the New First-and-a-Half Priority Lien Notes; and

(2) with respect to any Note Guarantor, its Note Guarantee and any Indebtedness that ranks pari passu in right of payment to such Note Guarantor's Note Guarantee.

"*Permitted Holders*" means, at any time, each of (i) the Sponsors, (ii) the Management Group, (iii) TNT N.V. and its Affiliates, (iv) AlpInvest Partners Beheer 2006 Ltd and its Affiliates, (v) AAA Guarantor Co-Invest VI, L.P. and its Affiliates, (vi) the CapRe Parties and (vii) the Franklin Parties. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the New First-and-a-Half Priority Lien Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Issuer, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of "—Certain Covenants—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; provided that the amount of any such Investment only may be increased as required by the terms of such Investment as in existence on the Issue Date (including any Investment in Anji);

(6) advances to officers, directors or employees, taken together with all other advances made pursuant to this clause (6), not to exceed $20.0 million at any one time outstanding;

(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Issuer 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

Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under clause (j) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(9) any Investment by the Issuer or any of its Restricted Subsidiaries in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of (x) $200.0 million and (y) 14.0% of Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, that if any Investment pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

(10) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding, not to exceed the greater of (x) $150.0 million and (y) 9.0% of Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, that if any Investment pursuant to this clause (10) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be a Restricted Subsidiary;

(11) loans and advances to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(12) Investments the payment for which consists of Equity Interests or Subordinated Shareholder Funding of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer, as applicable; *provided*, *however*, that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the definition of Cumulative Credit contained in "—Certain Covenants—Limitation on Restricted Payments";

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (6), (7) and (11)(b) of such paragraph);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees issued in accordance with the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Future Note Guarantors";

(16) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property;

(17) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness;

(18) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer's group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(19) any Investment in an entity which is not a Restricted Subsidiary to which a Restricted Subsidiary sells accounts receivable pursuant to a Receivables Financing;

(20) additional Investments in joint ventures of the Issuer or any of its Restricted Subsidiaries existing on the Issue Date not to exceed at any one time in the aggregate outstanding, $75 million; *provided*, *however*, that if any Investment pursuant to this clause (20) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (20) for so long as such Person continues to be a Restricted Subsidiary; and

(21) Investments of a Restricted Subsidiary of the Issuer acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with the Issuer or a Restricted Subsidiary of the Issuer in a transaction that is not prohibited by the covenant described under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets" after the Issue 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.

"*Permitted Liens*" means, with respect to any Person:

(1) 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 U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, 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 or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and 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 such Person;

(6) (A) Liens on assets of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Restricted Subsidiary permitted to be Incurred pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (B) Liens on the Collateral that rank senior to the Liens on the Collateral securing the New First-and-a-Half Priority Lien Notes; *provided* such senior Liens on the

Collateral are securing (i) Indebtedness incurred under clause (a) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including Existing First Lien Indebtedness) and other Obligations of the type specified in clauses (ii), (iii), (vi) and (vii) of the definition of First Priority Lien Obligations and (ii) any other Indebtedness permitted to be Incurred under the New First-and-a-Half Priority Lien Indenture if, as of the date such Indebtedness was Incurred, and after giving effect to the Incurrence of such Indebtedness and the application of proceeds therefrom on such date, the First Lien Leverage Ratio of the Issuer does not exceed 4.80 to 1.00, (C) Liens securing Indebtedness Incurred pursuant to clause (d), (r) or (y) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; *provided*, *further*, *however*, that such Liens securing Indebtedness incurred pursuant to such clause (d) may not extend to any other property or equipment owned by the Issuer or any Restricted Subsidiary and (D) Liens on the Collateral ranking on a parity to Liens securing the New First-and-a-Half Lien Notes securing any other Indebtedness permitted to be Incurred under the New First-and-a-Half Priority Lien Indenture if as of the date such Indebtedness was Incurred, and after giving effect to the Incurrence of such Indebtedness and the application of proceeds therefrom on such date, the First-and-a Half Lien Leverage Ratio of the Issuer does not exceed 5.75 to 1.00;

(7) Liens existing on the Issue Date, including Liens securing the New First-and-a-Half Priority Lien Notes and the Second Lien PIK Notes (other than Liens described in clause (6));

(8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, *however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(9) Liens on assets or property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided*, *further*, *however*, that the Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary of the Issuer permitted to be Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(11) Liens securing Hedging Obligations not Incurred in violation of the New First-and-a-Half Priority Lien Indenture; *provided* that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(15) Liens in favor of the Issuer or any Note Guarantor;

(16) Liens on accounts receivable and related assets of the type specified in the definition of "Receivables Financing" or accounts into which collections or proceeds of such assets are deposited, in each case, arising from or in connection with a Qualified Receivables Financing, including any Liens incurred in connection with a Qualified Receivables Financing under this clause (16), the proceeds of which Qualified Receivables Financing are used to refinance, refund,

extend, renew or replace Indebtedness secured by any Lien (or successive refinancings, refundings, extensions, renewals or replacements);

(17) deposits made in the ordinary course of business to secure liability to insurance carriers;

(18) Liens on the Equity Interests of Unrestricted Subsidiaries or Receivables Subsidiaries;

(19) grants of software and other technology licenses in the ordinary course of business;

(20) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6), (7), (8), (9), (10), (11), (15) and (20); *provided*, *however*, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), (10), (11), (15) and (20) at the time the original Lien became a Permitted Lien under the New First-and-a-Half Priority Lien Indenture and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement and (z) if any of the property secured is Collateral, such new Lien shall have the same or lesser priority as the Lien securing the original Indebtedness compared to the Lien securing the New First-and-a-Half Priority Notes and the guarantees thereof (it being understood that such new Lien may have higher priority to the extent such Lien is incurred under another clause of this definition of "Permitted Liens" or is incurred pursuant to clause (b) of the covenant described under "—Certain Covenants – Liens"); *provided further, however,* that in the case of any Liens to secure any refinancing, refunding, extension or renewal of Indebtedness secured by a Lien referred to in clause (6), the principal amount of any Indebtedness Incurred for such refinancing, refunding, extension or renewal shall be deemed secured by a Lien under clause (6) and not this clause (20) for purposes of determining the principal amount of Indebtedness outstanding under clause (6), and for purposes of the definitions of First Priority Lien Obligations and First-and-a-Half Priority Lien Obligations, as applicable;

(21) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer's or such Restricted Subsidiary's client at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens arising by virtue of any statutory or common law 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 or financial institution;

(25) any interest or title of a lessor under any Capitalized Lease Obligation;

(26) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(27) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(28) other Liens securing obligations Incurred in the ordinary course of business and Liens securing Indebtedness which obligations and principal amount of Indebtedness do not exceed $200 million and 8.0% of Tangible Assets at any one time outstanding; and

(29) an interest of the kind referred to in section 12(3) of the Personal Property Securities Act (2009) (Cth) where the transaction concerned does not, in substance, secure payment or performance of an obligation.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding-up.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act or (b) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S of such Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC. The term "Public Debt" (i) shall not include the New First-and-a-Half Priority Lien Notes (or any Additional New First-and-a-Half Priority Lien Notes) and (ii) for the avoidance of doubt, 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 Credit Agreement, 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."

"*Purchase Money Note*" means a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from the Issuer or any Subsidiary of the Issuer to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

"*Qualifying IPO*" means one or more underwritten primary or secondary public offering or offerings of common equity of the Issuer or any direct or indirect parent of the Issuer pursuant to an effective registration statement under the Securities Act or other distribution method involving a listing of such common equity on an established international securities exchange that, when taken together, result in cumulative gross proceeds of not less than $250.0 million.

"*Qualified Receivables Financing*" means any Receivables Financing that meets the following conditions:

(1) the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer or, as the case may be, the Subsidiary in question;

(2) all sales of accounts receivable and related assets are made at Fair Market Value (as determined in good faith by the Issuer); and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Subsidiaries (other than a Receivables Subsidiary or the Subsidiary undertaking such Receivables Financing) to secure Bank Indebtedness, Indebtedness in respect of the New First-and-a-Half Priority Lien Notes or any Refinancing Indebtedness with respect to the New First-and-a-Half Priority Lien Notes shall not be deemed a Qualified Receivables Financing. As of the Issue Date, the U. S. ABL Facility and the Australian Receivables Facility shall each constitute a Qualified Receivables Financing (and shall each continue to constitute a Qualified Receivables Financing so long as any amendment, refinancing or replacement thereof continues to satisfy the conditions set forth in clauses (1) through (3) above).

"*Rating Agency*" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the New First-and-a-Half Priority Lien Notes for reasons outside of the Issuer's control, a "nationally recognized statistical

rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or any direct or indirect parent of the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing 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, off-set 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.

"*Receivables Subsidiary*" means a Wholly Owned Subsidiary of the Issuer (or any other Person formed for the purposes of engaging in Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Restricted Subsidiary of the Issuer transfers accounts receivable and related assets) that engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and that is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is with recourse to or obligates the Issuer or any other Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Issuer or any other Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(c) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions; *provided, however*, that no such designation by the Board of Directors of the Issuer shall be required in the case of designating any of CEVA US Receivables, LLC, CEVA Receivables (Australia) Pty Ltd., CEVA Logistics Receivables Trust, CEVA Freight Receivables Trust or CEVA Collections LLP, each of which shall be deemed a Receivables Subsidiary as of the Issue Date (and shall continue to be deemed a Receivables Subsidiary so long as it continues to satisfy the conditions set forth in clauses (a) through (c) above).

"*Reference Date*" means December 6, 2006.

"*Refinancing Indebtedness*" has the meaning given to it in paragraph (m) of "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"*Representative*" means the trustee, agent or representative (if any) for an issue of Indebtedness; *provided* that if, and for so long as, such Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

"*Restricted Cash*" means cash and Cash Equivalents held by such Person and its Restricted Subsidiaries that would appear as "restricted" on a consolidated balance sheet of the Parent, the Issuer or any of the Issuer's Restricted Subsidiaries.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this "Description of the New First-and-a-Half Priority Lien Notes," all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of the Issuer.

"*Sale/Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or such Restricted Subsidiary leases it from such Person, other than leases between the Issuer and a Restricted Subsidiary of the Issuer or between Restricted Subsidiaries of the Issuer.

"*S&P*" means Standard & Poor's Ratings Group or any successor to the rating agency business thereof.

"*SEC*" means the Securities and Exchange Commission.

"*Second Lien PIK Notes*" means the $688,893,689 aggregate principal amount of 10% Second Lien Secured PIK Notes due 2023 of the Issuer issued on May 2, 2013 pursuant to the 2013 Restructuring Transaction (together with all 10% Second Lien Secured PIK Notes due 2023 issued as payable-in-kind interest in accordance with the terms of the related indenture).

"*Secured Indebtedness*" means any Indebtedness secured by a Lien (other than letters of credit to the extent undrawn, Hedging Obligations and Obligations in respect of cash management services).

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Security Documents*" means the Intercreditor Agreements, security agreements, pledge agreements, collateral assignments and related agreements, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the New First-and-a-Half Priority Lien Indenture or any of the foregoing.

"*Senior/Subordinated Intercreditor Agreement*" means the intercreditor agreement dated November 4, 2006, as amended and restated on December 6, 2006, among the Issuer, the other companies party thereto, the financial institutions thereto, and Credit Suisse, as secured senior agent, unsecured senior bridge agent and security agent, as it may be amended, restated or replaced from time to time in accordance with the New First-and-a-Half Priority Lien Indenture and as parties may accede to it from time to time.

"*Senior Unsecured Notes*" means the outstanding 12.75% Senior Notes due 2020 of the Issuer issued on February 1, 2012, which were not tendered pursuant to the 2013 Restructuring Transactions.

"Significant Subsidiary" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*SPEs*" has the meaning specified under "—Security."

"*Sponsors*" means (i) Apollo Management, L.P., and any of its Affiliates (collectively, the "*Apollo Sponsors*") and (ii) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Apollo Sponsors; *provided* that any Apollo Sponsor (x) owns a majority of the voting power and (y) controls a majority of the Board of Directors of the Issuer.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Subsidiary, 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 final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"*Subordinated Indebtedness*" means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the New First-and-a-Half Priority Lien Notes and (b) with respect to any Note Guarantor, any Indebtedness of such Note Guarantor which is by its terms subordinated in right of payment to its Note Guarantee.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any parent, any Affiliate of any parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that such Subordinated Shareholder Funding:

(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 Stated Maturity of the New First-and-a-Half Priority Lien Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the New First-and-a-Half Priority Lien Notes is restricted by the Senior/Subordinated

Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the first anniversary of the Stated Maturity of the New First-and-a-Half Priority Lien Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or that the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Senior/Subordinated Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions 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 (in each case, prior to the first anniversary of the Stated Maturity of the New First-and-a-Half Priority Lien Notes) or the payment of any amount as a result of any such action or provision, or the exercise of any rights or enforcement action (in each case, prior to the first anniversary of the Stated Maturity of the Notes) is restricted by the Senior/Subordinated Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or to the Senior/Subordinated Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the New First-and-a-Half Priority Lien Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Reference Date with respect to the "Subordinated Debt" (as defined therein).

"*Subsidiary*" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total 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 is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; provided, that notwithstanding the foregoing, if Anji would not be a "Subsidiary" of the Issuer under this definition, (a) for so long as the Issuer owns, directly or indirectly, at least 50% of the equity interests in Anji, Anji shall be deemed to be a "Restricted Subsidiary" of the Issuer and (b) if the Issuer owns less than 50% of the equity interests in Anji, Anji shall be deemed a "Subsidiary" but not a Restricted Subsidiary of the Issuer, and in each case, shall be deemed accounted for under the proportional consolidation method of accounting rather than the equity method of accounting.

"*Tangible Assets*" means Total Assets less the goodwill, net and other intangible assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer.

"*Tax Distributions*" means any distributions described in clause (12) of the covenant entitled "—Certain Covenants—Limitation on Restricted Payments."

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties, assessments, governmental charges of whatever nature and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed, levied, collected, withheld or assessed by any government or other taxing authority.

"*Total Assets*" means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer.

"*Transactions*" means (1) the Apollo Acquisition and the transactions related thereto (including the transactions contemplated in that certain Memorandum on Structure dated as of November 1, 2006, prepared by PricewaterhouseCoopers), the issuance and sale of the 2006 Notes on the Reference Date and borrowings made pursuant to the Credit Agreement on the Reference Date and (2) the EGL Acquisition and the transactions related thereto (including the transactions contemplated in that certain Memorandum on Structure dated as of August 2, 2007, prepared by PricewaterhouseCoopers), the issuance and sale of the Issuer's 10% Second-Priority Senior Secured Notes due 2014 on August 13, 2007 and borrowings made pursuant to the Senior Bridge Loan Agreement, dated as of August 2, 2007 and the Credit Agreement on August 2, 2007.

"*Transfer*" has the meaning specified under "—Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets."

"Treasury Rate" means, as of any redemption date, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the date the redemption notice is mailed (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to March 1, 2017; *provided,* that if the period from the redemption date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trust Officer*" means any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee (1) who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject, and (2) who shall have direct responsibility for the administration of the New First-and-a-Half Priority Lien Indenture.

"*Trustee*" means the party named as such in the New First-and-a-Half Priority Lien Indenture until a successor replaces it and, thereafter, means the successor.

"*UK Bidco*" means CEVA Ltd. (formerly known as Louis No. 3 Ltd.), a private limited liability company organized under the laws of England and Wales.

"*U.S. ABL Facility*" means the asset-based revolving credit facility entered into by CEVA US Receivables, LLC on November 19, 2010, as increased on November 30, 2010, and as further amended on December 31, 2013, that is secured by U.S. trade accounts receivable, as such agreement may be amended, modified, restated, supplemented, replaced or refinanced from time to time.

"*Unexchanged Notes*" means the 12% Senior Notes due 2014 (formerly known as the 12% Second-Priority Senior Secured Notes due 2014 but which became unsecured as a result of the completion of the Cash Debt Tender) issued by the Company, which were not tendered pursuant to the 2013 Restructuring Transactions.

"*Unrestricted Subsidiary*" means:

(1) (x) (i) CEVA US Receivables, LLC, (ii) CEVA Receivables (Australia) Pty Ltd., (iii) CEVA Logistics Receivables Trust, (iv) CEVA Freight Receivables Trust and (v) CEVA Collections LLP and (y) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided*,

however, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any of its Restricted Subsidiaries; *provided*, *further*, *however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, *however*, that immediately after giving effect to such designation:

(x) (1) the Issuer could Incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation; and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Collateral Agreements*" means each of (1) the U.S. Collateral Agreement, to be dated as of the Issue Date, among CEVA Limited, each U.S. subsidiary of CEVA Limited party thereto and the Collateral Agent, (2) the Single Grantor U.S. Collateral Agreement, to be dated as of the Issue Date, between CEVA International Inc. and the Collateral Agent, and (3) the Trademark Security Agreement, to be dated as of the Issue Date, among Eagle Partners, L.P. and the Collateral Agent, in each case securing the obligations hereunder, and in each case, as they may be amended, restated or replaced from time to time in accordance with the New First Lien Indenture and the Intercreditor Agreements.

"*U.S. Government Obligations*" means any security that is (1) a direct obligation of the United States of America, for the payment of which its full faith and credit is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

"*Wholly Owned Restricted Subsidiary*" is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares or other similar shares required pursuant to applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Circular 230 Notice

The tax discussion contained in this document is not given in the form of a covered opinion within the meaning of Circular 230 issued by the U.S. Secretary of the Treasury. Thus, we are required to inform you that you cannot rely upon any advice contained in this document for the purpose of avoiding U.S. federal tax penalties. The tax discussion contained in this document was written to support the promotion or marketing of the transactions or matters described in this document. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes by U.S. Holders (as defined below) but does not purport to be a complete analysis of all the potential tax considerations. This summary is based upon the Internal Revenue Code of 1986, as amended, (the "Code"), the Treasury Regulations, (the "Regulations"), promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change, possibly on a retroactive basis. This summary is limited to the tax consequences to those persons who are original beneficial owners of the notes, who purchase notes at original issue for a price equal to their "issue price," which is the first price at which a substantial amount of the notes is sold to the public for cash, and who hold such notes as capital assets within the meaning of Section 1221 of the Code, which we refer to as "Holders." This summary does not purport to deal with all aspects of U.S. federal income taxation that might be relevant to particular U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax consequences that may be relevant to particular persons (including, for example, financial institutions, broker-dealers, insurance companies, partnerships or other pass-through entities, expatriates, real estate investment trusts, regulated investment companies, tax-exempt organizations and U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar, or persons in special situations, such as those who have elected to mark securities to market or those who hold notes as part of a straddle, hedge, conversion transaction or other integrated investment). In addition, this summary does not address U.S. federal alternative minimum, Medicare contribution, estate and gift tax consequences or consequences under the tax laws of any state, local or foreign jurisdiction. We have not sought any ruling from the Internal Revenue Service (the "IRS") with respect to the statements made and the conclusions reached in this summary, and we cannot assure you that the IRS will agree with such statements and conclusions.

This summary is for general information only. Prospective purchasers of the notes are urged to consult their independent tax advisors concerning the U.S. federal income taxation and other tax consequences to them of acquiring, owning and disposing of the notes, as well as the application of state, local and foreign income and other tax laws.

For purposes of the following summary, a "U.S. Holder" is a Holder that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States; (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all its substantial decisions or if a valid election to be treated as a U.S. person is in effect with respect to such trust.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds notes, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding notes, you should consult your tax advisor.

In certain circumstances, we might be obligated to make payments on the notes in excess of stated principal and interest. We intend to take the position that the possibility of such payments should not cause the notes to be treated as contingent payment debt instruments. Assuming such position is respected, a U.S. Holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income

tax purposes. However, the IRS may take a different position, which could require a U.S. Holder to accrue income on its notes in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of a note. In that event, the amount and timing of the income recognized by a U.S. Holder would be affected. This discussion assumes that the Notes will not be considered contingent payment debt instruments. Prospective purchasers should consult their own tax advisors as to the tax consequences if the notes were treated as contingent payment debt instruments.

U.S. Federal Income Taxation of U.S. Holders

Taxation of stated interest

Payments of stated interest will be taxable to a U.S. Holder as ordinary income at the time they are received or accrued in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the notes will be issued without original issue discount for U.S. federal income tax purposes.

The amount of interest taxable as ordinary income will include amounts withheld in respect of foreign taxes, and, without duplication, any additional amounts paid in respect of such withholdings. Interest generally will be income from sources outside the United States and for purposes of the U.S. foreign tax credit, generally will be considered "passive category income." The rules governing foreign tax credits are complex, and U.S. Holders are strongly urged to consult their independent tax advisors regarding the availability of foreign tax credits in their particular circumstances.

Disposition of notes

Upon the sale, exchange, redemption or other taxable disposition of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between (i) the sum of cash plus the fair market value of all other property received on such disposition (except to the extent such cash or property is attributable to accrued but unpaid stated interest, which is taxable in the manner described above) and (ii) such Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to such Holder.

Gain or loss recognized on the disposition of a note generally will be U.S. source capital gain or loss, and will be long-term capital gain or loss if, at the time of such disposition, the U.S. Holder's holding period for the note is more than one year. Otherwise, such gain or loss will be short-term capital gain or loss. Under current law, U.S. Holders that are individuals are eligible for favorable tax rates on long-term capital gains. The deductibility of capital losses by U.S. Holders is subject to limitations.

Information Reporting and Backup Withholding

For each calendar year in which the notes are outstanding, persons treated as payors with respect to the notes for information reporting purposes generally are required to provide the IRS with certain information, including a beneficial owner's name, address and taxpayer identification number, the aggregate amount of interest paid to that beneficial owner during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to payments to certain U.S. Holders, provided that they establish entitlement to an exemption.

In the event that a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law, or underreports its tax liability, we, our agent or paying agents, or a broker may be required to "backup" withhold (currently at a rate of 28%) on each payment of interest and principal on the notes and on the proceeds from a sale of the notes. The backup withholding obligation, however, does not apply with respect to payments to certain U.S. Holders, including tax-exempt organizations, provided that they establish entitlement to an exemption. This backup withholding is not an additional tax and may be refunded or credited against the U.S. Holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS.

U.S. Holders should consult their own tax advisors regarding their qualifications for an exemption from backup withholding and the procedure for obtaining such exemption, if applicable.

UNITED KINGDOM TAXATION

The following is a summary of certain aspects of the United Kingdom taxation treatment based on current United Kingdom law and the practice of Her Majesty's Revenue and Customs ("*HMRC*") at the date hereof in relation to payments of principal and interest in respect of the Notes and the United Kingdom stamp duties treatment at the date hereof in connection with the issue or transfer of the Notes and issue of the Note Guarantee. In addition, this section comments on the taxation of United Kingdom taxpayers in respect of the holding and disposal of the Notes. The comments below are of a general nature and are not intended to be exhaustive, and, except where express reference is made to the position of non-UK resident Noteholders, apply only to Noteholders who are resident or, if individuals, resident and domiciled for tax purposes in the United Kingdom (and to whom split year treatment does not apply). They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons such as dealers, certain professional investors, persons who acquire their notes by virtue of their or another person's employment, and persons connected with the Issuer.

The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

UK withholding tax on UK source interest

Interest on the Notes may be subject to withholding or deduction for or on account of United Kingdom income tax in circumstances where such interest has a United Kingdom source ("*UK Interest*"). Interest on the Notes may have a United Kingdom source where, for example, the Notes are issued by an issuer which is tax resident (as in this case) in, or is acting through a branch in, the United Kingdom or the interest is paid out of funds maintained in the United Kingdom. However, the obligation to withhold or deduct United Kingdom income tax from payments of UK Interest is subject to certain exemptions.

The Notes will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 provided that they are and continue to be listed on a recognized stock exchange within the meaning of section 1005 of the Income Tax Act 2007. HMRC may designate certain exchanges as recognized stock exchanges. Securities which are listed on a recognized stock exchange means securities which are admitted to trading on that exchange and which are included in the official UK list or are listed in a qualifying country outside the UK in accordance with provisions corresponding to those generally applicable in EEA States. The Irish Stock Exchange is a recognized stock exchange, and securities listed on the Official List and admitted to trading on the Global Exchange Market of the Irish Stock Exchange meet the definition of "listed." Application will be made to the Irish Stock Exchange for admission of the Notes to the Official List and to trading on the Global Exchange Market for these purposes. While the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes by the Issuer can be made without withholding or deduction for or on account of United Kingdom income tax.

In addition to the exemption from withholding tax for interest payments on quoted Eurobonds (the "*Quoted Eurobond Exemption*"), there will generally be no withholding tax on interest payments by the Issuer where the Issuer reasonably believes that the person beneficially entitled to the interest is:

(a) A company resident in the United Kingdom;

(b) A company not resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and the interest falls to be brought into account in computing its profits chargeable to United Kingdom corporation tax; or

(c) A partnership each member of which is a company mentioned in (a) or (b) above or a combination of companies referred to in (a) or (b) above,

and HMRC has not given a direction that the interest should be paid under deduction of tax.

In cases falling outside the Quoted Eurobond Exemption and the exception for payments between companies set out above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

If the duty to deduct or withhold United Kingdom income tax applies, additional amounts will be paid in respect of the Notes in accordance with the provisions described in *"Description of the New First Lien Senior Secured Notes—Withholding Taxes"* and "*Description of the New First-and-a-Half Priority Lien Notes—Withholding Taxes*" subject to the exceptions detailed therein.

Payments by Note Guarantor

If a Note Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for such Notes) and such payments have a UK source, then United Kingdom withholding tax may be deducted at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply although such payment by the Note Guarantor may not be eligible for the exemptions described above in "UK withholding tax on UK source interest."

Other rules relating to United Kingdom withholding tax

Notes may be issued at an issue price of less than 100% of their principal amount (see below). Any discount element on such Notes should not be subject to any United Kingdom withholding tax, but may be subject to reporting requirements as outlined below.

Where Notes are, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above and reporting requirements as outlined below. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" in this "United Kingdom Taxation" section mean "interest" as understood in United Kingdom tax law. The statements do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

Taxation of United Kingdom Corporation Tax Payers

UK resident corporate Noteholders, and corporate Noteholders trading in the UK through a permanent establishment to which the Notes are attributable are subject to a particular UK legislative regime relating to "loan relationships". Such companies will generally be charged to tax as income on all returns, profits or gains on (including any discount element), and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with generally accepted accounting practice.

Taxation of United Kingdom Individuals

Taxation of Chargeable Gains

Individual holders of Notes may be subject to United Kingdom taxation on capital gains on a disposal (including a redemption) of Notes if they are resident for tax purposes in the United Kingdom or if they carry on a trade in the United Kingdom through a branch or agency to which the Notes are attributable or in some cases if they are generally UK tax resident except for a temporary period. In calculating any gain or loss on disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal (including a redemption) is less than or the same as the amount paid for the Note. However, should the Notes constitute "deeply discounted securities" (as mentioned below) they will be treated as "qualifying corporate bonds" (even though they are not denominated in sterling) and thus no chargeable gain and no allowable loss would arise on a disposal (including a redemption) of such Notes.

Taxation of Interest

Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom tax on the amount of interest received on the Notes.

Accrued Income Scheme

The provisions of the accrued income scheme contained in Part 12 of the Income Tax Act 2007 (the "*Scheme*") may apply to individuals (who are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable) transferring Notes or to individuals to whom Notes are transferred. The charge to tax on income that may arise under the Scheme will be in respect of an amount representing interest on the Notes which has accrued since the preceding interest payment date. However, the Scheme will not apply if the Notes constitute "deeply discounted securities" (see below).

Taxation of Discount

Where the Notes are issued at an issue price of less than 100% of their maximum redemption amount, they may constitute "deeply discounted securities" for the purpose of Chapter 8 Part 4 Income Tax (Trading and Other Income) Act 2005, depending on matters including the level of the discount. Where Notes constitute "deeply discounted securities," an individual holder of such Notes who is within the scope of United Kingdom income tax may be liable to United Kingdom income tax on any profit (the amount by which any sum payable on the transfer or redemption of the Note exceeds its acquisition price) made on the sale or other disposal (including redemption) of such Notes. A loss on a "deeply discounted security" is not allowable for UK tax purposes. In calculating any gain or loss on disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal (including a redemption) is less than or the same as the amount paid for the Note. Noteholders who are in doubt as to the taxation of the Notes should consult their professional advisers.

Reporting Requirements

Persons in the United Kingdom (i) paying interest to or receiving interest on behalf of another person who is an individual or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to, or receiving such amounts on behalf of, another person who is an individual, may be required to provide certain information to HM Revenue and Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Notes, Her Majesty's Revenue and Customs' published practice

indicates that it will not exercise its power to obtain information where such amounts are paid or received on or before April 5, 2014.

Stamp Duty and Stamp Duty Reserve Tax

The United Kingdom stamp duty and stamp duty reserve tax ("*SDRT*") analysis applicable to a particular series of notes will depend on the precise terms and conditions of those notes.

No United Kingdom stamp duty or SDRT should arise in connection with the issue or transfer (or issue into DTC) of any of the Notes provided that the following conditions are met in respect of the Notes:

(a) the Notes are not convertible into, and do not carry the right to acquire, other shares or securities;

(b) the rate of interest on the Notes does not exceed a reasonable commercial return on the nominal amount of the capital;

(c) the rate of interest is not determined by reference to the results of a business or the value of property;

(d) the Notes do not carry a right to repayment of an amount in excess of the nominal amount of the capital where that amount is not reasonably comparable to that which is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the London Stock Exchange.

The Issuer expects these conditions to be met in respect of the Notes and, therefore, that no stamp duty or SDRT should be payable on the issue or transfer of the Notes.

Financial Transaction Tax

The European Commission has published a proposal for a Directive for a common FTT in certain participating Member States.

The proposed FTT has very broad scope and could apply to certain dealings in financial instruments (including secondary market transactions).

The FTT could apply to persons both within and outside of the participating Member States. Generally, it would apply to certain transactions relating to financial instruments where at least one party is a financial institution (as defined), and either (i) at least one party is established or deemed to be established in a participating Member State or (ii) the financial instruments are issued in a participating Member State.

The proposed Directive remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

European Union Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income payments ("*Savings Income*") made by a person within its jurisdiction to or collected by such a person for an individual or to certain other persons, resident in that other Member State (interest payments on the Notes will for these purposes be Savings Income). However, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at 35%. This transitional period will terminate at the end of the first fiscal year following agreement with certain non-EU countries to the exchange of information relating to such payments. The Luxembourg government has announced that Luxembourg will adopt the exchange of information as of 1 January 2015

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding) in relation to payments of Savings Income made by a person within its jurisdiction to an individual, or to certain other persons, resident in a Member State. In addition, Member States have entered into reciprocal arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments of Savings Income made by a person in a Member State to an individual, or to certain other persons, resident in certain dependent or associated territories or non-EU countries.

Where an individual Noteholder receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual Noteholder may be able to elect not to have tax withheld. The formal requirements may vary slightly from jurisdiction to jurisdiction. They generally require the individual Noteholder to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. Provided that the other Tax Authority receives all of the necessary information the payment will not suffer a withholding under EC Council Directive 2003/48/EC or the relevant law conforming with the directive in a dependent or associated territory.

Prospective holders of the Notes should note that the European Commission has announced proposals to amend the Directive. If implemented, the proposed amendments would, *inter alia,* extend the scope of the Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated March 13, 2014, we have agreed to sell to the initial purchasers, for whom Credit Suisse Securities (USA) LLC is acting as representative, and subject to certain conditions contained therein, each initial purchaser has agreed to purchase from us, the following respective principal amount of notes:

Initial Purchasers	Principal Amount of New First Lien Senior Secured Notes	Principal Amount of New First-and-a-Half Priority Lien Notes
Credit Suisse Securities (USA) LLC	$ 116,394,000	$ 126,093,500
Deutsche Bank Securities Inc.	46,398,000	50,264,500
Goldman, Sachs & Co.	34,200,000	37,050,000
Morgan Stanley & Co. LLC	46,398,000	50,264,500
UBS Securities LLC	41,610,000	45,077,500
Apollo Global Securities, LLC	15,000,000	16,250,000
Total	$ 300,000,000	$ 325,000,000

The purchase agreement provides that the initial purchasers are obligated to purchase all of the notes, if any are purchased. The purchase agreement also provides that if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or, in some cases, the offering may be terminated.

The initial purchasers propose to offer the notes initially at the offering prices set forth on the cover page of this offering circular and may also offer the notes to selling group members at the offering price less a selling concession. After the initial offering, the offering price may be changed. The price of the notes may be different than on the cover page. The initial purchasers may make offers and sales outside the United States through their broker/dealer affiliates. The initial purchasers may purchase a portion of the notes for their own investment and account. The offering of the notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchaser's right to reject any order in whole or in part.

The notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. Each of the initial purchasers has agreed that, except as permitted by the purchase agreement, it will not offer, sell or deliver the notes (1) as part of its distribution at any time or (2) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each broker/dealer to which it sells notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the notes are restricted as described under "Transfer Restrictions."

In addition, until 40 days after the commencement of the offering, an offer or sale of the notes within the United States by a broker/dealer (whether or not it is participating in the offering), may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A under the Securities Act.

Persons who purchase notes from the initial purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page of this offering circular.

The Issuer and the guarantors have agreed that, for a period of 60 days after the date of the initial offering of the notes by the initial purchasers, they will not offer, sell, contract to sell, pledge, or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to any debt securities issued or guaranteed by any of them and their respective subsidiaries and having a maturity of more than one year from the date of issuance, or publicly disclose the intention to make any such offer, sale, pledge,

disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC. The Issuer and the guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Rule 144A and Regulation S under the Securities Act to cease to be applicable to the offer and sale of the notes.

The notes are a new issue of securities for which there currently is no market. Application will be made to the Irish Stock Exchange for admission of the notes to trading on the Global Exchange Market thereof. However, we cannot assure you that the notes will be admitted to trading or that such admission to trading will be maintained. The initial purchasers of the notes have advised us that their affiliates intend to make a market in the notes as permitted by applicable law. The initial purchasers are not obligated, however, to make a market in the notes, and any market-making activity may be discontinued at any time at their sole discretion without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you that any market for the notes will develop, or that it will be liquid if it does develop, or that you will be able to sell any notes at a particular time or at a price which will be favorable to you.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

The initial purchasers have represented and agreed that:

- they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "*FSMA*")) received by them in connection with the issue or sale of any notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any guarantor; and
- they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the notes in, from or otherwise involving the United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "*Relevant Member State*"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "*Relevant Implementation Date*") it has not made and will not make an offer of the notes that are the subject of the offering contemplated in this offering circular to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such notes to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided, that no such offer of notes shall require the Issuer or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a prospectus supplement pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of the Securities to the public*" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notwithstanding the foregoing, the notes may not be offered in the Netherlands other than to qualified investors as defined in the Prospectus Directive (as defined immediately above).

As described under "Use of Proceeds," we intend to use the net proceeds of the offering of the notes, the net proceeds from the Senior Secured Facilities and the Holdings Contribution to fund the Cash Debt Tenders, the refinancing of the Senior Secured Facilities, and the repurchase or redemption of the 12% Senior Notes, the redemption of any of the Debt Tender Notes not tendered pursuant to the Cash Debt Tenders and the repurchase of a portion of the Second Lien PIK Notes. Several of the initial purchasers and their respective affiliates may hold any of the notes that are the subject of the Cash Debt Tenders or the 12% Senior Notes and in connection with the purchase or redemption of such notes may receive proceeds from the offering.

We have agreed to indemnify and hold harmless the several initial purchasers against certain liabilities or to contribute to payments that they may be required to make in that respect.

We have agreed to pay the initial purchasers certain customary fees for their services in connection with this offering and to reimburse them for certain out-of-pocket expenses.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the initial purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, for which they received or will receive customary fees and expenses. Affiliates of Credit Suisse Securities (USA) LLC acted as joint bookrunners and initial purchasers in connection with our offerings of the 12.75% Senior Notes, the 11.5% Senior Notes and the Existing First-and-a-Half Priority Lien Notes, and acted as a dealer manager in connection with the July 2009 Exchange Offers and the March 2010 Transactions. In addition, Credit Suisse Securities (USA) LLC acted as joint lead arranger and syndication agent and Credit Suisse acted as a lender under the Senior Secured Facilities, the PIK Loan Facility and the 2006 bridge facilities entered into in connection with the offering of the 12.75% Senior Notes. The 2006 bridge facilities were repaid with net proceeds of the offering of the 12.75% Senior Notes. Credit Suisse acted as administrative agent under the Senior Secured Facilities, the Senior Unsecured Facility, the 2006 bridge facilities and the PIK Loan Facility. Credit Suisse Securities (USA) LLC also acted as sole lead bookrunner and sole lead arranger and Credit Suisse acted as administrative agent under the U.S. ABL Facility. Morgan Stanley & Co. LLC acted as joint lead manager and initial purchaser in connection with our offering of the 11.5% Senior Notes. Affiliates of Morgan Stanley & Co. LLC acted as joint lead arranger and joint bookrunner for the Senior Secured Facilities. Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Morgan

Stanley & Co. LLC and UBS Securities LLC acted as joint book-running managers and initial purchasers in connection with our offering of the 8.375% First Lien Senior Secured Notes. Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Morgan Stanley & Co. LLC, UBS Securities LLC and Apollo Global Securities, LLC acted as initial purchasers in connection with our offering of the 8.375% First Lien Senior Secured Notes issued in February 1, 2012 and our 12.75% Senior Notes. Morgan Stanley Bank International Limited and Morgan Stanley Funding, Inc., affiliates of Morgan Stanley & Co. LLC, UBS Loan Finance LLC, an affiliate of UBS Securities LLC, and Deutsche Bank AG, London Branch, an affiliate of Deutsche Bank Securities Inc., are lenders under the Senior Secured Facilities. Affiliates of Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. LLC are lenders under the U.S. ABL Facility, as amended on December 31, 2013. Apollo Global Securities, LLC, which is one of the initial purchasers in this offering, is an affiliate of Apollo, which is our controlling shareholder. In addition, certain of the initial purchasers and/or their affiliates will act as joint lead arrangers and joint bookrunners in connection with the amendment and restatement of the Senior Secured Facilities, and certain of the initial purchasers and/or their affiliates have agreed to provide commitments with respect to the revolving facility under the Senior Secured Facilities, subject to certain terms and conditions.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The initial purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

We have not registered the notes under the Securities Act or any state securities laws and, therefore, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the notes are only to be offered and sold to:

- qualified institutional buyers ("*QIBs*") (as defined in Rule 144A) in compliance with Rule 144A; and
- in offers and sales that occur outside the United States to foreign purchasers, that is, purchasers who are not U.S. persons in reliance upon Regulation S under the Securities Act ("*Regulation S*").

The term "foreign purchasers" includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust, in offshore transactions meeting the requirements of Rule 903 of Regulation S. We use the terms "offshore transaction," "U.S. person" and "United States" with the meanings given to them in Regulation S.

If you purchase notes, you will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the notes have not been registered under the Securities Act or any other applicable securities laws and that the notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You are not our "affiliate" (as defined in Rule 144), you are not acting on our behalf and you are either:

   (a) a QIB and are aware that any sale of these notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another QIB; or

   (b) not a "U.S. person" as defined in Regulation S or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither us, any of the initial purchasers nor any other person has made any representation to you with respect to us or the offer or sale of any of the notes, other than the information contained in this offering circular, which offering circular has been delivered to you and upon which you are relying in making your investment decision with respect to the notes. You acknowledge that no person other than us makes any representation or warranty as to the accuracy or completeness of this offering circular. You have had access to such financial and other information concerning us and the notes, including an opportunity to ask questions of, and request information from, us and the initial purchasers.

(4) You are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the notes, and each subsequent holder of these notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such notes prior to (x) the date which is one year (or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of these notes and the last date on which we or any of our affiliates were the owner of such notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "*Resale Restriction Termination Date*") only:

(a) to us;

(b) pursuant to a registration statement which has been declared effective under the Securities Act;

(c) for so long as the notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of another QIB to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that the trustee, the registrar, the transfer agent and we reserve the right prior to any offer, sale or other transfer of the notes pursuant to clause (d) above prior to the end of the 40-day distribution compliance period within the meaning of Regulation S or pursuant to clause (e) above prior to the Resale Restriction Termination Date of the notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the trustee, the registrar and the transfer agent.

Each purchaser acknowledges that each note will contain a legend substantially in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE *"U.S. SECURITIES ACT*"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("*RULE* 144A")) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE U.S. SECURITIES ACT ("*REGULATION S*"), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT, PRIOR TO (X) THE DATE WHICH IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE U.S. SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS SECURITY) OR THE LAST DAY ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE "*RESALE RESTRICTION TERMINATION DATE*"), OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT THE COMPANY, THE TRUSTEE AND THE REGISTRAR SHALL

HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S OR PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, THE TRUSTEE AND THE REGISTRAR IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S.

If you purchase notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these notes as well as to holders of these notes.

(1) You acknowledge that the registrar will not be required to accept for registration of transfer any notes acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.

(2) You acknowledge that:

  (a) we, the initial purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the initial purchasers promptly in writing; and

  (b) if you are acquiring any notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

    (i) you have sole investment discretion; and

    (ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(3) You agree that you will give to each person to whom you transfer these notes notice of any restrictions on the transfer of the notes.

(4) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the "distribution compliance period" (as defined below), you shall not make any offer or sale of these notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The "distribution compliance period" means the 40-day period following the issue date for the notes.

(5) You understand that no action has been taken in any jurisdiction (including the United States) by us or the initial purchasers that would permit a public offering of the notes or the possession, circulation or distribution of this offering circular or any other material relating to us or the notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the notes will be subject to the selling restrictions set forth under "Notice to Investors," "Notice to U.S. Investors," "Notice to Singapore Investors," "Notice to Certain European Investors," "Notice to Certain Investors in Hong Kong," "Notice to New Hampshire Residents" and "Plan of Distribution."

Each purchaser and subsequent transferee of a note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the notes constitutes assets of any "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("*ERISA*") that is subject to Title I of ERISA, (ii) any plan, individual retirement account or other arrangement subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder (the "*Code*"), (iii) a plan, individual retirement account or other arrangement that is subject to the provisions under any federal, state, local, non-United States or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (collectively, "*Similar Law*"), (iv) any entity whose underlying assets are considered to include the assets of any such plan, account or arrangement described in (i), (ii) or (iii) by reason of such entity's investment in an entity described in (i), (ii) or (iii) or (v) the purchase and holding of the notes by such purchaser or transferee will not

constitute a non-exempt prohibited transaction under Section 406, 407 or 408 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Akin Gump Strauss Hauer & Feld LLP, as to matters of U.S. federal and New York law and by Ashurst LLP, as to certain matters of the laws of England and Wales. The initial purchasers have been represented by Davis Polk & Wardwell LLP, as to matters of U.S. federal and New York law, and by Linklaters LLP, as to matters of the laws of England and Wales.

INDEPENDENT AUDITOR

The consolidated financial statements of Ceva Holdings LLC prepared in accordance with IFRS as adopted by the EU, as of and for the year ended December 31, 2013 included in this offering circular, have been audited by PricewaterhouseCoopers LLP, independent auditors, as set forth in their report thereon appearing in this offering circular. The consolidated financial statements of CEVA Group Plc prepared in accordance with IFRS as adopted by the EU, as of and for the year ended December 31, 2012 incorporated by reference into this offering circular, have been audited by PricewaterhouseCoopers LLP, independent auditors, as set forth in their report incorporated by reference. The consolidated financial statements of CEVA Group Plc prepared in accordance with IFRS as adopted by the EU, as of and for the year ended December 31, 2011 incorporated by reference into this offering circular, have been audited by PricewaterhouseCoopers LLP, independent auditors, as set forth in their report incorporated by reference. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

ENFORCEMENT OF CIVIL LIABILITIES

We are incorporated and existing under the laws of England and Wales, and a majority of our directors and executive officers live outside the United States. A substantial portion of our assets, and those of our directors who are not U.S. residents, are located outside the United States. As a result:

- it may not be possible for investors to effect service of process within the United States on us or on these directors; or
- it may not be possible for investors to enforce against them judgments of U.S. courts based on the civil liability provisions of U.S. federal or state securities laws.

There are similar uncertainties and limitations in relation to the enforcement in the courts of Australia, Belgium, Brazil, Canada, Cayman Islands, Germany, Hong Kong, Luxembourg and The Netherlands of judgments obtained from U.S. federal or state courts and no assurance can be given that such judgments are, and judgments for which enforcement is sought in other jurisdictions, including those in which the assets of subsidiaries that may guarantee the notes in the future are located, will be, enforceable.

In addition, we have been advised that:

- it is not certain that a final judgment for a definite sum of money obtained in the federal or state courts of New York based upon the civil liability provisions of the federal securities laws of the United States would be enforceable in England. There is no reciprocal enforcement regime in place between the United States and the United Kingdom, but, provided the judgment creditor satisfies certain conditions, it may be possible to indirectly enforce a judgment of the federal or state courts of New York in the English courts;
- subject to various conditions and exceptions, including the need to establish the jurisdiction of the English court over the parties, an English court could give effect to the provisions of an agreement governed by and construed in accordance with the laws of the State of New York;
- it is questionable whether an English court would accept jurisdiction and impose civil liability if proceedings were commenced in England founded solely upon U.S. federal securities law;

- any judgment obtained in any foreign court against Brazilian subsidiaries shall be recognized and enforced by the courts in Brazil without re-examination of merits, provided that such judgment has been previously ratified by the Brazilian Superior Court of Justice (Superior Tribunal de Justiça), which may take additional time and may prejudice the enforcement of security over collateral located in Brazil. In order to be ratified by the Brazilian Superior Court of Justice (Superior Tribunal de Justiça), a foreign judgment must meet the following conditions: (i) it must comply with all formalities necessary for its recognition as an enforcement instrument under the laws of the place where it was issued; (ii) it must have been given by a competent court after the proper service of process on the parties; (iii) it must be final and not be subject to appeal; (iv) it must not offend Brazilian national sovereignty, public policy or good morals; and (v) it must be duly authenticated by a competent Brazilian consulate and be accompanied by a certified translation (tradução pública juramentada) thereof into Portuguese.

Australia

While the Australian *Foreign Judgments Act 1991* (Cth) makes provision for the enforcement of certain overseas judgments in Australia, that Act does not apply to United States judgments. In order to enforce a United States judgment in Australia, the judgment creditor must rely on common law principles which can be summarized as follows:

- the U.S. judgment must be final and conclusive, in that it must end the proceeding and the dispute to which the proceeding relates (note: An appeal from the U.S. judgment will generally not affect the question of whether the U.S. judgment is final and conclusive, in the absence of a stay of execution of the judgment.);
- the parties to the U.S. judgment must be identical to the parties to the Australian enforcement proceeding;
- the U.S. judgment must be for a fixed, or readily calculable, sum and not in the nature of a penalty;
- the U.S. Court must have exercised jurisdiction which is recognized by Australia—this requirement will usually be satisfied where the judgment debtor was ordinarily resident or present in the U.S. at the time the proceeding was served, or otherwise voluntarily submitted to the jurisdiction of the U.S. Court;
- the U.S. judgment must not be wholly satisfied (and enforcement must only be sought to the extent the judgment is not satisfied);
- the enforcement proceeding must have been commenced within any applicable limitation periods; and the U.S. judgment must not have been obtained by fraud or duress, contravene public policy, offend against notions of natural justice or fairness, or otherwise be in respect of the same subject matter as an earlier Australian judgment. The Australian Attorney-General may also make a declaration under the *Foreign Proceedings (Excess of Jurisdiction) Act 1984* in respect of a U.S. judgment, in which case the judgment will not be enforceable in Australia.

CERTAIN INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF SECURITY INTERESTS

The following is a summary description of certain insolvency law considerations and limitations on the validity and enforceability of security interests in each of the jurisdictions in which the Issuer and the subsidiary guarantors are incorporated or organized (and/or the collateral is located). The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the notes, the guarantees and, as applicable, the security interests. Prospective investors in the notes should consult their own legal advisors with respect to such limitations and considerations. See also "Risk Factors—Risks Relating to the Notes" and the other risk factors set forth in this offering circular.

Australia

In the event of insolvency, insolvency proceedings may be initiated in Australia under the insolvency laws of Australia, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law or the insolvency laws of other jurisdictions with which you may be familiar.

There are five main forms of insolvency processes in Australia: voluntary administration, deed of company

arrangement, receivership, provisional liquidation and winding-up (also called liquidation). Corporate reorganizations can also be effected using, among other things, schemes of arrangement.

Voluntary administration

Voluntary administration is a non-terminal insolvency process begun by the appointment of one or more administrators to a company.

The most common method for appointment of an administrator is by resolution of the company's board. However, a creditor with a security interest in over the whole, or substantially the whole, of the company's property can also appoint an administrator, as can a liquidator or provisional liquidator (if the company is already in liquidation or provisional liquidation). A company need not be presently insolvent to enter into voluntary administration, however in the case of an appointment by the company's board or a liquidator or provisional liquidator, the appointor must believe that the company is at least likely to become insolvent at some future time.

Voluntary administration is the only formal process in Australia with rehabilitation as one of its express goals. During the period of voluntary administration, there is a moratorium on claims by the company's creditors, such that (with certain exceptions) no proceedings against the company, or in relation to the company's property, can be commenced or continued with, and no enforcement processes can begin or proceed other than with the consent of the administrator or the Court.

Similarly, a security interest cannot be enforced over the property of the company except with the consent of the administrator or the Court, unless the secured creditor holds a security interest over the whole or substantially the whole of the company's property and enforces the security interest within a specified period following the appointment of the administrator. These restrictions may affect the enforceability of the security interests granted to the Australian guarantors if a voluntary administrator were appointed to those entities.

Voluntary administration is intended to provide for a short period of administration, although the administrator can seek a direction from an Australian Court to lengthen the period of the administration where the circumstances justify that course. During the period of voluntary administration, the administrator controls the company (the powers of the directors are suspended). The administrator is free to carry on the business of the company and does so as the company's agent.

At the conclusion of the voluntary administration, creditors will be asked to vote on whether the company should execute a Deed of Company Arrangement if one is proposed (see below), be wound up (see below) or revert to the control of its directors.

Deed of Company Arrangement

A deed of company arrangement is a statutory instrument which, once executed, binds the company, its members, its unsecured creditors (whether or not they voted in favor of it), any secured creditors who vote in favor of it and any other parties to the document. Secured creditors who do not vote in favor of the deed of company arrangement will not be bound by its terms.

The content of a deed of company arrangement will depend on the arrangement proposed which is put to vote at a meeting of the company's creditors at the conclusion of the voluntary administration procedure. A deed of company arrangement will provide for the restructure or rehabilitation of the company, usually by compromising claims against the company in exchange for a distribution to creditors. It may also provide for the realization of assets, the orderly winding down of the company's business, the pursuit of litigation for the benefit of creditors and the compromise of claims against the company. It will generally also provide for a moratorium on claims against the company for the period in which the deed of company arrangement operates.

A deed of company arrangement can be terminated in accordance with its terms, by an order of an Australian Court, or by resolution of the company's creditors. The consequences of termination will depend on the terms of the deed or (if applicable) the Court orders made. Two common types of consequences of termination are:

- that the company is wound up (if the deed has not been performed or the termination follows Court orders); or
- that the company returns to the control of its directors (if the deed has been performed and the company has returned to a solvent position).

Receivership

Receivership is a form of non-terminal insolvency process, under which a receiver (or receiver and manager) is appointed in respect of a company to take control of or get in specific property, so as to protect the rights of a party (usually a secured creditor) entitled to that property. Receivers are generally appointed privately by a secured creditor in accordance with the terms of a security document. In certain limited circumstances, receivers may also be appointed by a Court on application of a party seeking to protect its interests.

Depending on the extent of the assets securing the company's obligation and the terms of the debenture, the secured creditor will usually have the ability to appoint either a receiver or a receiver and manager. A receiver is charged with the realization or management of the secured asset over which he or she has been appointed. A receiver and manager is empowered to take control of the debtor's business as a going concern for the purpose of repayment of the secured debt, either through realization of the debtor's assets or through the income generated by the debtor's business. For the purposes of this document, there is no distinction between receivers and receivers and managers, so the term "receivers" is used to describe both types of appointment.

A receiver's powers are determined by the terms of the debenture under which she or he is appointed (or in the case of a Court appointed receivership, the relevant appointment orders). Section s420 of the *Corporations Act 2001* (Cth) also provides a receiver with certain broad powers, though these powers are subject to modification (in the case of a privately appointed receiver), by the express terms of the debenture document or Court orders). Generally, a receiver's powers will include the power to enter into possession and control of the secured property, lease or sell the property, and to carry on the business of the debtor and do all things which the debtor is normally empowered to do. It is common for the document creating the security interest to provide that receivers exercise their powers as agent of the company. As such, whilst directors and officers of the debtor are not formally displaced by the appointment of a receiver, the powers of the receiver supersede those of the existing company management. The directors may however be required to provide the receiver with reports as to the company's affairs and to cooperate with the receiver to the extent necessary to achieve the purposes of the receivership.

A receivership can occur concurrently with a voluntary administration, deed of company arrangement or a liquidation. Where a receivership occurs concurrently with a voluntary administration, the administrator's powers are subject to the functions and powers of the receiver. Where a receivership occurs concurrently with a liquidation, the receiver's powers are generally broad enough to permit the receiver to continue to act and to exercise all of the powers granted under that charge or security document.

A receiver owes her or his primary duty to the secured creditor who appointed them. However, the *Corporations Act 2001* (Cth) also imposes certain statutory duties on a receiver in the conduct of his or her administration of the debtor's assets. In particular, s 420A(1) of that Act, obliges receivers to take reasonable care to ensure that, if sold, the secured assets are sold for market value (or, if the assets do not have a market value, for the best price reasonably obtainable having regard to the circumstances that exist when the property is sold).

In the normal course, a privately-appointed receivership will terminate where the purpose for which the receiver was appointed has been achieved. This will usually be the repayment of the debt owed to the secured creditor. If there are insufficient assets held by the debtor to repay the secured debt in full, the receivership will terminate when the receiver exhausts all of the available assets of the debtor and retires. On termination of the receivership (assuming there is no concurrent voluntary administration or liquidation), control of the company and all of its remaining assets are returned to the company's directors and officers.

Winding up

A winding-up (or liquidation) is a terminal insolvency process by which a company's affairs are brought to an end, and its assets are distributed among its creditors and (if there is a surplus after creditors are paid)

its members.

A winding up most commonly occurs where a company is insolvent, and is commenced:

- where a Court makes an order that the company be wound up in insolvency (or for some other reason);
- by resolution of the company's creditors (known as a creditors' voluntary winding up); or
- by resolution of the company's creditors at the conclusion of a voluntary administration.

It is also possible for a company to be wound up on a solvent basis, most commonly because its members wish it to cease trading and have their capital returned (known as a members' voluntary winding up).

During a winding up:

- subject to consent of the liquidator or Court order, a stay is imposed upon existing proceedings against the company and claimants are prohibited from commencing new proceedings;
- instead claimants must lodge a proof of debt with the liquidator for the amount of their claim;
- in particular, enforcement processes in relation to the property of the company cannot be begun or continued against that company. However, a secured creditor does not require the leave of the Court to deal with the property charged. Where a receivership and liquidation occur concurrently, a liquidator will generally not have power to deal with the company's assets that are the subject of a valid security interest in favor of the secured creditor.

On liquidation, unsecured creditors have no rights to specific items of the company's assets; they have a right to have a fund of assets protected and properly administered. Subject to certain limited exceptions, secured creditors retain the right to enforce their security and may elect to appoint a receiver.

Once appointed, a liquidator is able to bring proceedings, amongst other things, against persons in relation to "voidable transactions", pursuant to section 588FE(1) of the *Corporations Act 2001* (Cth). The most commonly prosecuted "voidable transaction" claims, and their relevance to noteholders are discussed further in the limitations section, below.

For a transaction to be a "voidable transaction" it must also be a transaction entered into at a time when the company was insolvent and within the 6 months ending on the *Corporations Act 2001* (Cth) stipulates as the day the winding up is taken to have commenced.

The proceeds of successful claims will be available for distribution to the company's creditors. Section 556(1) of the *Corporations Act 2001* (Cth) provides a prescribed order (commonly referred to as a 'waterfall') for the payment of certain debts and claims, which must be paid in priority to all other unsecured claims against the company.

The final step in a winding-up is the deregistration of the company. The steps for deregistration are governed by the *Corporations Act 2001* (Cth). Once deregistered, the company ceases to exist and the liquidator's role comes to an end.

Scheme of Arrangement

A scheme of arrangement is a Court approved compromise or arrangement between a company and its creditors or members, or a specific class of creditors (for creditors' schemes) or members (for members' schemes).

Schemes can be utilized by companies to provide for a modification or adjustment of the rights of the company's creditors or members which, if approved by the requisite majority of creditors or members of the class to which the scheme was proposed, will be binding on all creditors or members in that class (including dissenting members).

Members' schemes can involve some restructuring of the company and the rights and obligations of its members. Whereas a creditors' scheme will often involve a proposal to defer, compromise or extinguish the company's debts. A typical scenario would involve a moratorium in respect of claims against the company and a compromise of debts owed by it (and/or a modification of the rights of creditors or a class of them in relation to the company).

Schemes are, however, extremely flexible and can be utilized to implement any arrangement relating to the rights and obligations of the company and its creditors. However, a scheme which is contrary to law, or not in the public interest is unlikely to be approved by the Court (even if it has the support of members and/or creditors).

Summary of limitations on the Validity and Enforceability of Guarantees and Collateral under Australian Law

General

Under Australian law, the enforceability of the notes guarantees and security interests is subject to various limitations, some of which are summarized below.

Breach of directors' duties

The decision to provide the notes guarantees and/or security interests may be found to have been in breach of the duties owed by the directors of the Australian guarantors, including the duty to act in good faith in the interests of the Australian guarantors, and for a proper purpose, if it is proved in Court that the directors lacked proper grounds for entering into the relevant transactions.

If a Court were to find that the directors of the Australian guarantors breached those duties in connection with providing the notes guarantees and/or security interests, they may become voidable.

If any of the guarantees from an Australian guarantor is avoided, it is possible that Noteholders would be left with a claim solely against the Issuer and the other Guarantors.

Risks relating to registration

Under the Personal Property Securities Act 2009 (Cth) (PPSA), security interests over personal property (as that term is defined in the PPSA) may be susceptible to a loss of priority (or in certain circumstances extinguishment) unless the security interest has attached to the relevant collateral and has been perfected. Perfection will usually occur upon registration of the security interest on the Personal Property Securities Register within the requisite timeframe (but can also be effected by ''possession'' or ''control'' of the relevant collateral). However, if a security interest is not perfected, a secured party will continue to have an unsecured claim against a grantor upon the appointment of a voluntary administrator or a liquidator to the grantor.

The PPSA also sets out detailed rules for priority between security interests over personal property and for the circumstances in which assets may become free from security interests. To the extent to which the security interests granted by the Australian guarantors are created over personal property, these rules will apply. The general rule is that security interests rank in order of perfection subject to a number of exceptions, which have general application. For example, a security interest perfected by ''control'' ranks ahead of other security interests and a purchase money security interest can rank ahead of earlier perfected security interests provided it is registered within a certain time.

Risks arising in a winding-up

Voidable transactions

If an Australian guarantor is subject to a winding up, the liquidator may apply to an Australian Court for

orders that the entry into the notes guarantees and/or security interests or a transaction in connection with the notes guarantees and/or security interests constitutes a voidable transaction and should be set aside.

The most commonly brought voidable transactions claims include the following:

- an ‘‘unfair preference,’’ (section 588FA of the *Corporations Act 2001* (Cth)) being a transaction between the company and a creditor carried out at a time when the company was insolvent (or the company became insolvent as a result of the transaction) that results in the creditor receiving from the company, in respect of an unsecured debt, more than the creditor would receive on a winding up of the company;
- an ‘‘uncommercial transaction,’’ (section 588FB of the *Corporations Act 2001* (Cth)) being a transaction that a reasonable person in the company’s position would not have entered into, having regard to the benefits and detriment to the company of entering into the transaction, the benefits to the other parties to the transaction of entering into it and any relevant matters; or
- an ‘‘unreasonable director-related transaction’’ or an ‘‘unfair loan’’ (sections 588FD and 588FDA of the *Corporations Act 2001* (Cth)).

“Green” security

A security interest granted by the company in respect of ‘‘circulating assets’’ in the 6 month period leading up to the liquidator’s appointment, will be void unless the security interest secures a new advance, or the company is proven to have been solvent at the time it granted the security interest.

Impact of the above on entry into the notes guarantees and/or security interests

The extent to which the entry into the notes guarantees and/or security interests is susceptible to challenge on the bases set out above depends on when the relevant transaction was entered into relative to the commencement of the winding up (or, if a voluntary administration precedes the winding up, the commencement of the voluntary administration).

Different time periods apply depending on the circumstances of the relevant transaction and the identity of the parties to it.

Further, in an insolvency context, payments of certain debts or other amounts may rank in priority to claims under a notes guarantee and/or security interest (pursuant to the provisions of the *Corporations Act 2001* (Cth)). These include, among others, debts or amounts owing to employees for certain claims, auditors in respect of unpaid fees and to an administrator of the security provider in respect amounts for which he or she is entitled to be indemnified pursuant to the *Corporations Act 2001* (Cth).

Belgium

Some of the guarantors are organized under the laws of Belgium. In the event of an insolvency of any of the guarantors organized under the laws of Belgium, insolvency proceedings will, as a rule and assuming that their centre of main interests is located in Belgium, be initiated in Belgium. The procedural and substantive provisions of Belgian insolvency laws may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions.

Belgian insolvency laws provide for two insolvency procedures: a judicial reorganization (*gerechtelijke reorganisatie / réorganisation judiciaire*) and a bankruptcy (*faillite / faillissement*). Conditions for a bankruptcy order (*déclaration de faillite / aangifte van faillissement*) are that the debtor must be in a situation of cessation of payments (*cessation de paiements / staking van betaling*) and be unable to obtain further credit (*ébranlement de crédit / wiens krediet geschokt is*). In addition, voluntary liquidation in deficit is generally allowed under Belgian law. In this type of proceeding, a creditor whose rights are adversely affected can request the opening of bankruptcy procedure, if the conditions for bankruptcy have been met.

Bankruptcy

As a rule, under Belgian law all transactions (including guarantees) prior to the date of bankruptcy remain valid. However, a Belgian bankruptcy judgment may contain a hardening period of a maximum of six months prior to the bankruptcy judgment (save for fraud). Certain transactions that occur during this hardening period can be declared unenforceable against the bankrupt estate. Such a hardening period can only be imposed by a court decision when there are clear indications that the Belgian guarantor was in a situation of cessation of payments (*cessation de paiements / staking van betaling*) before the date of the court decision declaring the Belgian guarantor bankrupt.

The receiver of the bankrupt Belgian guarantors may request the court to declare the guarantee unenforceable against the bankrupt estate (article 17 Bankruptcy Law) if the guarantee has been entered into during the hardening period and can be qualified as:

1 a transaction with third parties which is entered into without due consideration or on extremely beneficial terms;

2 a payment which was not yet due or a payment other than in cash for debts due; and

3 a security interest which is provided for old debts.

In addition, the receiver may request the court to declare the guarantee which could be qualified as a payment of due debts or a transaction for consideration by the Belgian guarantor unenforceable against the bankrupt estate if the third party was aware of the cessation of payment by the company (article 18 Belgian Bankruptcy Law).

Whatever the time they were entered into (*i.e.* even before any hardening period), fraudulent transactions entered into with prejudice to other creditors may be declared unenforceable against the bankrupt estate (article 20 Belgian Bankruptcy Law).

Certain secured and privileged creditors shall enjoy special rights in the event of a bankruptcy of a Belgian guarantor, and their claims shall enjoy a higher ranking than unsecured claims. Furthermore, certain types of secured creditors, for example creditors benefiting from security interests over financial instruments, are able to enforce their rights notwithstanding any bankruptcy proceedings.

Judicial reorganization

The obligations of the Belgian guarantors may be frozen and reduced in accordance with Belgian moratorium procedures pursuant to the Belgian Law on Continuity of Enterprises.

Under this Law, Belgian distressed companies can opt for an amicable settlement (during the pre-procedural phase) or can choose to enter into a judicial reorganization.

The debtor is offered the possibility to reach an amicable settlement with two or more (and up to all) of its creditors without entering into a judicial reorganization. In case of bankruptcy, the amicable settlements concluded outside the scope of the judicial reorganization cannot be subject to the articles 17, 2° and 18 of the Belgian Bankruptcy Law (as mentioned above) provided that they have been filed with the Clerk of the Commercial Court and the parties have expressly stated that they entered into the amicable settlement with a view to redress the debtor's financial position or to reorganize the latter's undertaking.

The debtor can apply for three types of judicial reorganization when his business is at risk: (i) judicial reorganization through amicable settlement with two or more creditors (and up to all), (ii) judicial reorganization through a collective agreement with his creditors and (iii) judicial reorganization through a transfer of all or part of its assets under judicial supervision. As from the moment that a request for a judicial reorganization is filed, the debtor may not be declared bankrupt, may not be judicially dissolved and settled and none of its assets may be sold following a means of execution, pending the decision of the court. Note that articles 17, 2° and 18 of the Belgian Bankruptcy Law are not applicable to judicial reorganization through amicable settlements, collective agreements and transfers under judicial supervision.

If the court grants the judicial reorganization, it imposes a suspension period of maximum (subject to what is set out below) six months, during which there is no right of recourse to the assets of the debtor (with the exception of, under certain circumstances, the right of recourse to certain financial collateral and the rights of certain other categories of secured creditors), such assets may not be seized and the debtor cannot be declared bankrupt. The suspension period may be extended, but the total duration of the suspension period may not, as a rule, exceed one year as from the judgment granting judicial reorganization. Nevertheless, in exceptional circumstances and if allowed in the interest of creditors, the extended term may be prolonged by an additional term of maximum six months.

Brazil

Brazilian bankruptcy law has been changed to meet business modern needs, following the modernization of insolvency laws in certain other countries. Brazilian Decree-Law 7,661 of June 21, 1945 regulated bankruptcy (*falência*) and restructuring of a company's unsecured debt (*concordata*) proceedings. Such legal framework, however, did not provide adequate protection to creditors or satisfactory mechanisms to preserve viable enterprises.

After ten years under discussions in the Brazilian National Congress, a new bankruptcy law, Federal Law 11,101, dated February 9, 2005, was enacted. Law 11,101 provides a new legal regime applicable to reorganizations (both in and out of court) and bankruptcies in Brazil. The most significant change imposed by the new law refers to reorganizations. This remedy is largely based on the provisions of modern bankruptcy laws, including Chapter 11 of the U.S. Bankruptcy Code, and is a significant improvement *vis-à-vis concordata*.

Among the various key provisions of Law 11,101 relating to judicial reorganizations, the most significant are those providing more process control to creditors, who are represented by a creditors committee. All existing creditors at the date of filing of court reorganization request are subject to the proceeding, even if their debts are not due at such (pursuant to Section 49 of Law 11,101). Tax debts are not subject to court reorganization.

The court reorganization request must be filed by the debtor with an analysis of its financial and economic condition and the feasibility of its business. After court reorganization is granted by the court, the debtor must present a reorganization plan to creditors within 60 days (according to Section 53 of Law 11,101). Under the new Bankruptcy Law, approval of the court reorganization request by the court suspends the course of all lawsuits filed against the debtor for the maximum period of 180 days (the "*stay period*") (pursuant to § 4º of Section 6º of Law 11,101). During the stay-period, foreclosure of collateral may be subject to certain restrictions. For instance, (a) Section 49, §3th forbids the foreclosure of assets that are deemed to be essential to carry out debtor's activities and (b) Section 49, §5th establishes that any credit rights and receivables pledged on behalf of creditors shall be deposited into a judicial account and shall not be withdrawn during the stay-period.

The reorganization plan in court reorganization must be approved by the following classes of creditors during a Creditors' Meeting: (i) labor creditors (including a majority of voting creditors); (ii) secured creditors (including a majority of both credits value and voting creditors); and (iii) unsecured, subordinated (as per defined in Section 83, VIII a) and b) of Law 11,101, which includes the subordinated credits as determined by law or contract or the credits held by the stakeholders and managers of the debtor) and special and general privilege creditors (including a majority of both credits value and voting creditors). However, the plan may be approved in a "cramdown" proceeding (pursuant to Section 58 of Law 11,101) even though it was rejected by one class of creditors if it (i) was approved by the vote of creditors that represent more than 50% of the total claims presented at the Creditors' Meeting by all classes of creditors; (ii) was approved by two classes of creditors; and (iii) received a favorable vote of more than one-third of the creditors in the class in which it was rejected.

The approval of a reorganization plan is considered a novation and it is mandatory for the debtor and all creditors subject to it, without prejudice to the former guarantees if some requirements are fulfilled (in accordance with Section 59 of Law 11,101). The parties are free to negotiate how court reorganization is implemented, including, for instance, the reduction of liability and priority of repayment. Debtors may carry out corporate actions to facilitate recovery. Examples include spin-offs, mergers, transfers or leases, conclusion of collective labor agreements, sale of assets, issue of debentures, replacement of guarantees and other analogous measures (according to Section 50 of Law 11,101). An important change brought by the new bankruptcy law is that an acquirer of assets will not be held liable for any liabilities (including tax and labor liabilities) of the debtor selling the assets. This rule

is applicable to the sale of branches or isolated production units only and cannot be applied to the sale of the whole business (according to Section 60, sole paragraph of Law 11,101). If the reorganization plan is rejected in the creditors' meeting, the court will convert the reorganization proceeding into a court liquidation proceeding (bankruptcy).

The out-of-court reorganization may affect participating or non-participating creditors if the claims of the non-participating creditors are dealt with in the reorganization plan and the reorganization plan is duly signed by creditors representing three-fifths of each class of claims treated therein. Claims arising from labor and tax matters cannot be governed by such reorganization. Once approved, the plan will apply to all creditors who adhered to it and will be binding on all creditors included in its scope, whether or not they signed the plan.

Finally, the bankruptcy is a procedure carried out in the collective interest of the creditors of a certain debtor. The main purpose of court liquidation is to wind up and sell the assets of the debtor in order to satisfy its obligations. A significant change to Brazilian bankruptcy law refers to the payment of secured creditors. According to Brazilian bankruptcy law, secured claims shall be paid before tax obligations, subject only to payment of labor obligations up to 150 minimum wages per employee, pursuant to the following priority ranking:

(i) labor obligations up to 150 minimum wages per employee;

(ii) secured obligations up to the amount of the security/collateral;

(iii) tax obligations;

(iv) special privileged obligations;

(v) general privileged obligations;

(vi) unsecured obligations and labor obligations above the cap;

(vii) penalties set forth in contracts and monetary penalties imposed as a consequence of violation of administrative or criminal law, including tax penalties; and, finally,

(viii) subordinated obligations.

There are certain credits that are senior to or excluded from the priority order above, such as (a) credits secured by fiduciary assignment/transfer (*cessão/aliencão fiduciária*) up to the value of the asset contemplated by such lien, pursuant to Section 49, §3th of Law 11,101; (b) credits arising from Advance against Exchange Contracts (ACC) pursuant to Section 86, II; and (c) credits and obligations assumed before any clearings systems (Section 193); amongst others specific cases established in Law 11,101.

Except in very specific cases, such as debentures offerings, Brazilian law does not contemplate floating security interests. However, Brazilian companies may grant security interests over the majority of their assets, giving creditors a high level of protection.

In Brazil, on a debtor's insolvency, the court can set aside certain transactions under the Brazilian Bankruptcy Law 2005 that have been carried out before the start of the insolvency proceedings. These are transactions which have put assets of the debtor (which would otherwise be part of its insolvent estate on liquidation) beyond the reach of its creditors. The court can order that the transaction is void or ineffective in relation to the insolvent estate. The bankruptcy court can regard the following transactions ineffective, regardless of whether the debtor intended to defraud creditors or the other contracting party knew of the debtor's financial difficulties:

(a) Transactions which take place up to 90 days from: a request for liquidation; a request for judicial recovery (a procedure to re-negotiate the company's debts with its creditors under court-supervised proceedings); or the first formal notice of default being presented by a creditor against the debtor. These transactions include: (i) payments by the debtor of debts that were not yet due and payable;

(ii) payments made by the debtor in a way differing from the terms set out in the relevant contract; and (iii) the granting of (new) security for existing debts.

(b) Transactions for no consideration (for example, a gift or any other act under which the debtor voluntarily transfers title of an asset to another person without any consideration) carried out within two years of the declaration of liquidation.

(c) The sale of the debtor's business if the value of the debtor's assets is insufficient to pay its debts and consent of unpaid creditors has not been obtained, unless they have been notified of the sale and have not opposed it within 30 days.

The court may also void transactions that were carried out with the intention of defrauding creditors in the event of insolvency proceedings being opened, provided there is evidence of fraudulent collusion between the debtor and the other contracting party and damages to the insolvent estate as a result. As a prerequisite for the voidance of such transactions by the court, the judicial administrator, a creditor or the public prosecutor need to file a lawsuit within three years from the declaration of the debtor's liquidation. Court precedents are still to be consolidated in this respect.

Canada

Some of the guarantors are organized under the laws of the Province of Nova Scotia, Canada, and the Province of Alberta, Canada. The Notes are guaranteed on a secured basis by each of the guarantors. In the event of insolvency of the Canadian guarantors, insolvency proceedings may be initiated in Canada. Canadian law would govern those proceedings (subject to laws or protocols that may be applicable to international insolvencies if proceedings also occur in other jurisdictions in respect of those guarantors). The insolvency laws of Canada may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-filing interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

In Canada, there are two primary federal statutes that govern insolvency and restructuring proceedings of corporate debtors. The Bankruptcy and Insolvency Act (the "*BIA*") contains provisions for the liquidation and restructuring of insolvent companies. An application may be made to have a corporate debtor ordered into bankruptcy (i.e., involuntary proceedings) or a debtor may itself file for bankruptcy or reorganization (i.e., voluntary proceedings). In addition to the BIA, Canada also has the Companies' Creditors Arrangement Act ("*CCAA*"), which provides for the restructuring of insolvent companies. The CCAA has also been used to achieve a sale of an insolvent company's assets and business. CCAA proceedings are only available to insolvent debtor companies (including affiliates) having aggregate debts in excess of CDN $5 million (or such other amount prescribed by regulation under the CCAA). Insolvency proceedings in Canada, whether under the BIA or CCAA, are court-supervised.

Upon the bankruptcy of a debtor corporation, whether voluntarily or upon the application of a creditor, the BIA imposes a stay of any action, execution or other proceeding by unsecured creditors in respect of the debtor. Creditors may obtain leave of the applicable court to lift the stay in certain limited circumstances. In the context of a liquidation under the BIA (as opposed to restructuring), the stay of proceedings does not generally apply to secured creditors, who are free to exercise their rights of self-help or to otherwise realize on their security outside of the BIA. However, upon the application of the debtor, the court may stay the rights of a secured creditor on certain conditions and for certain periods of time. Upon becoming bankrupt, whether voluntarily or involuntarily, all of a debtor's assets (subject to very limited exceptions) vest in a trustee in bankruptcy (subject to the rights of secured creditors with validly perfected security interests), at which point the debtor no longer has any ability to deal with those assets. The trustee typically proceeds to liquidate the assets and distribute the proceeds of the assets in accordance with the provisions of the BIA.

The BIA sets out the general priority scheme for the payment of claims against a bankrupt debtor, which priority scheme takes precedence over any operative priority scheme outside of bankruptcy. Subject to certain statutory priority claims enumerated in the BIA and other statutes and true trust claims, secured creditors have the right to look first to the assets charged by their validly perfected security for payment. The statutory priority claims

referred to in the preceding sentence may include, without limitation, "super priority" charges against a debtor's current assets for (i) employee wages of up to CDN $2,000 on account of wages and a further CDN $1,000 on account of claims of travelling salespersons on account of disbursements properly incurred per employee and for certain "employee withholdings" and (ii) certain amounts owing by the debtor in respect of the debtors' pension plans, including amounts deducted from employee remuneration for payment to the pension fund, normal cost and defined contribution amounts and amounts that are required to be paid to the administrator of a pooled registered pension plan. Priorities between competing secured claims are governed by various other applicable federal and provincial statutes. Thereafter, the BIA provides a list of preferred creditors who recover their debts in priority to the general body of unsecured creditors. Preferred claims must be paid in full, in order of their ranking, before any payments are made to lower ranking preferred creditors or general unsecured creditors. All other unsecured claims will be considered as general unsecured claims that rank *pari passu*. If there is any surplus after payment to the unsecured creditors, the balance will be used to pay interest from the date of the bankruptcy at 5% per annum (or such other rate of interest as has been agreed upon) on all claims proved in the bankruptcy according to their priority. Any remaining amount would then be available for shareholders.

In the present instance, the proceeds resulting from the realization of the estate of an insolvent Canadian guarantor of the Notes (that has given security in support of its guarantee) may not be sufficient to satisfy secured claims (including claims under the security supporting the guarantee) or the deficiency claims as unsecured creditors under the guarantees of the Notes granted by such Canadian guarantor after the satisfaction of prior-ranking secured creditors and other claims that rank in priority to claims in respect of the guarantees of the Notes.

Corporate restructurings of insolvent debtors in Canada are typically implemented under either the BIA or the CCAA, with the latter being commonly used by larger companies. In either case, a broad stay of creditors' rights and enforcement proceedings is generally implemented (in the case of the BIA by a statutory stay, and in the case of the CCAA by a court-ordered stay authorized by statute). The stay generally applies to secured creditors, subject to certain limited exceptions. Under this court-ordered protection, the debtor can formulate a restructuring proposal or plan or conduct a sale of its assets or, in some circumstances, an orderly liquidation and distribution to creditors of the resulting proceeds in accordance with the priorities of their claims. In the event of a restructuring proposal or plan under the BIA or CCAA, a majority in number of creditors having two-thirds in value of the claims present and voting either in person or by proxy at a meeting of creditors for each designated class must approve the proposal or plan, and the proposal or plan must be sanctioned and approved by the court. Secured creditors may be included in such a proposal or plan (in which case they may have a right to vote in a separate class) or may be dealt with outside of the proposal or plan. In the event of a liquidation, proceeds are generally distributed in accordance with the priority established by statute and the court. The priorities established in a CCAA proceeding may differ in some respects from those in a bankruptcy under the BIA. The court may also authorize the creation of priority charges ranking ahead of other creditors, including secured creditors, in both CCAA and BIA proceedings (for example, for DIP financings, directors' and officers' indemnification and administration costs).

In the present instance, the proposed treatment of secured creditors under the guarantees granted by the Canadian guarantors in a BIA or CCAA restructuring proposal or plan is generally at the discretion of the Canadian guarantors, subject to the requirement that creditors affected by the proposal or plan must vote to approve such proposal or plan and such proposal or plan must be approved by the court.

Where a debtor deals with its property in a manner that prejudices its creditors (particularly where such debtor is or becomes thereafter insolvent), such transactions by the debtor may be subject to challenge by creditors and the scrutiny of the court. Under Canadian federal and provincial law, there are a number of statutory means to challenge or avoid such transactions. Where a transaction subject to review is held to be contrary to Canadian or provincial law, the transaction is subject to be impugned or set aside and a wide variety of possible remedies may be imposed. Should the Canadian guarantors become insolvent within applicable time periods, the granting of the guarantees, and the grant of security in connection therewith, could be subject to challenge and the guarantees and security potentially voided, and any amounts obtained under the guarantee or security in support thereof that is voided would have to be repaid. Should the holders of the Notes be repaid or otherwise recover from the Canadian guarantors at a time when such guarantors are insolvent, or if the Canadian guarantors thereafter become insolvent within applicable time periods, the repayment or recovery may be subject to challenge.

In the event of insolvency of the Canadian guarantors, insolvency proceedings may also be initiated in respect of the Canadian guarantors in another jurisdiction outside of Canada, and may be recognized in Canada under provisions of the BIA, the CCAA and other applicable laws that allow for the recognition of foreign judicial proceedings and orders in Canada.

Cayman Islands

Some of the guarantors are incorporated and registered under the laws of the Cayman Islands, and as such will be subject to the laws of the Cayman Islands governing insolvencies. The insolvency laws of the Cayman Islands may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Broadly speaking, the laws of the Cayman Islands provide for three principal insolvency regimes: receivership, liquidation and schemes of arrangement. These regimes are summarized below.

Receivership is a self-help contractual remedy recognized by the courts of the Cayman Islands, available to a secured creditor pursuant to the terms of its security documents. Rather than being a collective insolvency procedure, receivership provides a means by which the secured creditor can effect the realization of the secured assets and thereby obtain repayment of all or part of the outstanding amount owed to it. The receiver owes its duties to its appointer, rather than to the general body of creditors.

Liquidation (or winding up) may be effected by three different procedures: voluntary winding up by resolution of the shareholders of a company, winding up subject to the supervision of the Grand Court of the Cayman Islands or compulsory winding up initiated by petition to the Grand Court of the Cayman Islands. In the event of a liquidation, the liabilities under the notes will be paid after certain other preferential debts are paid, including rights of setoff and netting and secured creditor claims which rank ahead of the notes.

Schemes of arrangement (which can be used for solvent or insolvent companies) are a means by which a court- sanctioned compromise or arrangement between a company and its creditors and/or members (or any class thereof) can be implemented. The proposals for the compromise or arrangement are set out in a formal scheme document which is submitted to the court, and which must be approved by 75% in value, and a majority in number, of the company's creditors and/or members (or classes thereof) who are parties to the compromise or arrangement. Once the proposal has been approved by the creditors and/or members and sanctioned by the court, and the necessary documents have been registered at the companies' registry, the scheme will become binding upon all relevant parties, including any dissenting members and/or creditors. Schemes of arrangement are commonly used in situations where a company is unable or is struggling to meet debt obligations owed to existing creditors, and needs to implement a restructuring/rescheduling of such debts which will be binding on all creditors and will enable the company to continue as a going concern thereafter. Whilst the processes involved in implementing a scheme can be complex, in particularly where there are a large variety of creditors with differing legal rights and obligations under existing contracts, it is an effective means by which to deal with diverse groups of creditors who must all agree to a compromise in order for the company to avoid insolvent liquidation and continue to trade as a going concern. Schemes have often been used to effect debt-for-equity swaps, which require the consent of the debtor's shareholders if additional share capital is required for distribution to creditors.

Cayman Islands law does not contain a corporate rescue procedure akin to the administration procedure used in the United Kingdom to effect a rescue and turnaround of a company under the umbrella of a moratorium granting temporary relief from creditors to a company. However, in appropriate circumstances, the Cayman Islands courts have appointed provisional liquidators to oversee the affairs of a company during its attempts to refinance and/or reorganize itself. When making the provisional liquidation order, the court may order a stay of proceedings against the company from the time of the provisional liquidation order to protect the company from having to defend or otherwise deal with actions brought against it by its creditors. Schemes of arrangement may be used in conjunction with provisional liquidation to enable the company and its creditors to negotiate the terms of any compromise without the concern of recalcitrant creditors bringing unilateral enforcement action. The stay of proceedings available via liquidation/ provisional liquidation in the Cayman Islands does not extend to a stay on the

termination of contracts as is seen under Chapter 11 proceedings. Contracts will continue to be governed by their terms (subject to the proviso that such contracts are often terminated pursuant to their due to the commencement of insolvency proceedings).

In addition to the existing common law remedies, Cayman Islands law includes a statutory prohibition on any "undervalue" disposition of property by or on behalf of a company with an intent to defraud its creditors. Such a transaction shall be voidable as a fraudulent disposition at the election of a company's official liquidator or creditor (as applicable). No such undervalue action may be commenced more than six years after the date of the relevant disposition. In addition, a conveyance, transfer, payment, or proceeding which is made, incurred, taken or suffered by any company in favor of any creditor at a time when the company is unable to pay its debts as they fall due, and made with a view to giving such a creditor a preference over the other creditors, shall be invalid (on an order of the court following application by the company's liquidator) if made, incurred, taken or suffered within six months immediately preceding the commencement of the company's liquidation proceedings.

If in the course of a liquidation it appears that any business of a company has been carried out with an intent to defraud the creditors of the company, or creditors of any other person or for any fraudulent purpose, the official liquidator may apply to the court for a declaration that any persons who were knowing parties to the fraudulent trading are liable to make such contributions to the company's assets as the court deems proper.

England and Wales

The Issuer and certain of the guarantors are incorporated under the laws of England and Wales. Therefore, any insolvency proceedings commenced by or against the Issuer or such guarantors may proceed under, and be governed by, English insolvency law. However, pursuant to the EC Regulation on Insolvency Proceedings 2000 (EC Regulation No. 1346/2000), where an English company conducts business in another member state of the European Union (other than Denmark, which has not adopted the EC Regulation on Insolvency Proceedings 2000), the jurisdiction of the English courts may be limited if the company's "centre of main interests" is found to be located in a member state other than the United Kingdom. There are a number of factors that are taken into account to ascertain a company's centre of main interests. A company's centre of main interests should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The jurisdiction in which a company's registered office is located is presumed to be its centre of main interests in the absence of proof to the contrary. The point at which this issue falls to be determined is the time that the relevant insolvency proceedings are opened. If foreign proceedings are opened in respect of an English company in a jurisdiction not subject to the EC Regulation on Insolvency Proceedings 2000, under, the UK Cross Border Insolvency Regulations 2006, which implement the UNCITRAL Model Law on Cross Border Insolvency in the United Kingdom, the English Courts would, among other things, have jurisdiction to recognize and/or provide certain relief in respect of such foreign proceedings. The scope of such recognition and/or relief may depend on whether the English company has its centre of main interests in such foreign jurisdiction or an "establishment" (being a place of operations where it carries out non-transitory economic activities with human means and assets or services) in such foreign jurisdiction.

The following is a brief summary of only certain aspects of English insolvency law. It is not possible to predict with certainty the outcome of insolvency or similar proceedings which may be commenced in England and Wales in respect of, or which may otherwise affect, any one or more of the Issuer or such guarantors should they experience financial difficulty.

Under English insolvency law, English courts are empowered to order the appointment of an administrator in respect of a company in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a "qualifying floating charge" and different procedures apply according to the identity of the appointor. The lenders under the Senior Secured Facilities have first-ranking fixed and floating security over all or substantially all of the assets of certain of the guarantors. If this security includes or constitutes a qualifying floating charge, such lenders may, provided certain conditions are met, be entitled to appoint an administrator of their choice via the out of court route over such guarantors in the event that such guarantors are unable to pay their debts as they fall due or following the occurrence of an Event of Default under the Senior Secured Facilities whereupon the security becomes enforceable. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (i) states that the relevant statutory provision applies to

it; (ii) purports to empower the charge holder to appoint an administrator over the company; or (iii) purports to empower the charge holder to appoint an administrative receiver over the company. A person is a holder of a qualifying floating charge if that person holds one or more debentures of the company secured by one or more floating charges and such floating charge security, alone or together with fixed charge security, charges all or substantially all of the relevant company's assets. The administrator of a company, as an officer of the court, would take effective control of the company and have the power to deal with all of its business and affairs including the realizations and subsequent distribution to creditors of its assets. During administration, in general, no proceedings or other legal process may be commenced or continued against the company, or any security enforced over the company's property, except with the leave of the court or the consent of the administrator. This moratorium would not, however, apply to the enforcement of a "security financial collateral agreement" (such as a fixed charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments) under the Financial Collateral Agreements (No. 2) Regulations 2003.

Under English law, fixed security has a number of advantages over floating charge security: (i) where a company has granted a floating charge, the remuneration of an administrator of that company and the expenses of the administration (which can include the costs of continuing the company's business whilst in administration) are payable out of the property subject to the floating charge in priority to the claims of the floating charge holder. These costs and expenses are not payable out of property which is subject to a fixed charge; (ii) the administrator of a company may dispose of or take action relating to any property which is subject to a floating charge as if it were not subject to that charge; the holder of a floating charge will, however, then have the same priority over the property of the company which directly or indirectly represents the property disposed of (e.g. the proceeds of sale). An administrator may only dispose of property which is subject to fixed security (as if it were not subject to the security) where that disposal is sanctioned by court order (or by the consent of the holder of the security); (iii) a fixed charge over assets, even if created after the date of a floating charge over the assets, may rank prior to the floating charge over the relevant assets; (iv) fees (including the liquidator's remuneration), costs, charges and other expenses properly incurred in a liquidation are payable out of property which is subject to a floating charge created by the relevant company to the extent that the assets of the company available for the payment of general creditors are insufficient to meet them (subject to certain restrictions for the costs of litigation) in priority to any claim of a floating charge holder; (v) until a floating charge crystallizes, the company is entitled to deal with the assets which are subject to that charge; this means that assets subject to a floating charge can be disposed of by the company so as to give a third party acquirer good title to the assets free of the floating charge. Where the company disposes of a floating charge asset in breach of a contractual restriction on disposals, to a third party without notice of the restriction, the rights of that third party in respect of the acquired asset are unlikely to be affected by the restriction; (vi) a floating charge will be invalid in certain circumstances (see further the paragraph below on invalid floating charges). The relevant English insolvency law provisions have no application to fixed security; and (vii) in a winding up, the preferential debts of a company will be paid in priority to the claims of the fixed holders of a floating charge so far as the assets of the company available for the payment of general creditors are insufficient to meet them and an administrator, receiver or liquidator of a company which has granted a floating charge will be required to make a "prescribed part" out of the proceeds of enforcement of the floating charge available for unsecured creditors in priority to the floating charge holder (see further the paragraph below on the statutory order of priority).

There is a possibility that a court could re-characterize as floating charges any security interests expressed to be created by a security document as fixed charges where the chargee does not have the requisite degree of control over the relevant chargor's ability to deal with the relevant assets and the proceeds thereof or does not exercise such control in practice. The description given to a charge in the relevant security document is not determinative of its status, therefore where the chargor is free to deal with the secured assets without the consent of the chargee, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Under English insolvency law, the liabilities of the Issuer or the guarantors in respect of the notes may, in the event of insolvency or similar proceedings, rank junior in right of payment to some of the other debts of the Issuer or the guarantors that are entitled to priority under English insolvency law. In the event of a winding up of a company, assets are distributed in accordance with the statutory order of priority. Other than realizations from the disposal of assets subject to fixed charge security (including mortgages over real estate), which are paid to the holders of such security, the administration or liquidation expenses are paid first. Preferential debts which are

entitled to priority under English law, including but not limited to occupational pension scheme contributions and salaries owed to employees up to the statutory maximum and holiday pay owed to employees, would then be paid. Thereafter, except in certain circumstances, a certain proportion of the assets covered by any floating charge (referred to as the "prescribed part") would be "ring-fenced" and made available pro rata to unsecured creditors. The exact amount to be set aside as the prescribed part will depend on the total value of the proceeds of enforcement of the company's property subject to floating charge security — the prescribed part is currently 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000 with a maximum aggregate cap of £600,000 but this may change pursuant to amendment of the relevant English insolvency legislation. Floating charge holders would then be paid any surplus from the realization of the assets subject to the floating charge. Unsecured debts which are not preferential debts and secured creditors if not repaid in full from the realization of assets subject to their security and/or in relation to any other unsecured portion of their debt would be paid after those prior liabilities on a *pari passu* basis (and, in respect of unsecured creditors only, after the deduction of the prescribed part). Any interest accruing under or in respect of unsecured claims in respect of any period after the commencement of the administration or liquidation proceedings would only be recoverable by the holders of such unsecured claims from any surplus remaining after payment of all other debts proved in such administration or liquidation proceedings as well as accrued and unpaid interest up to the date of the commencement of the relevant insolvency proceedings. Finally, shareholders would receive any remaining funds.

Certain of our subsidiaries incorporated under the laws of England and Wales will guarantee the notes on a subordinated secured basis. Generally, in any insolvency proceedings commenced by or against any such guarantor, the guarantee will rank as a subordinated secured debt behind the claims of unsubordinated secured creditors of such guarantor. Your ability to recover any amounts under the guarantee from such guarantor in administration or liquidation will be subject to the same principles as set out in the preceding paragraph resulting from the application of English insolvency law.

Under English insolvency law, if a company enters into liquidation or administration, then a liquidator or administrator of the company could apply to the court to rescind a transaction, including the issuance of security and/or a guarantee, if the liquidator or administrator believes that it constituted a transaction at an undervalue. A transaction is at an undervalue if a company makes a gift to a person or enters into a transaction on terms where the company receives no consideration or consideration which has a value which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the company. The court can set aside a transaction at an undervalue if (i) it was entered into within the period of two years ending with the onset of insolvency (i.e. two years before the date of commencement of the winding up or, depending on how the company enters administration, two years before: (a) the date on which the administration application is made, or (b) the date of filing at court of a notice of intention to appoint an administrator, or (c) the date the appointment of an administrator takes effect), and (ii) the company was "unable to pay its debts" at the time it entered into the transaction or became "unable to pay its debts" as a result of entering into it. A company will be "unable to pay its debts" if a statutory demand for over £750 is served on the company and remains unsatisfied for three weeks or an execution on or other process issued on a judgment, decree or order of a court in favor of a creditor is returned unsatisfied in whole or in part or it is proved to the court's satisfaction that the company is not able to pay its debts as they fall due (the "*cash flow test*") or that the value of the company's assets is less than the amount of its liabilities (taking into account contingent and prospective liabilities) (the "*balance sheet test*"). Under English insolvency law, there is a presumption that the company was unable to pay its debts if the parties to the transaction are connected (including, but not limited to, intra-group transactions or transactions with a director of the company) unless it can be shown otherwise. For these purposes, a person is "connected" with the company if he or she is a director or shadow director of the company or an associate of a director or shadow director or an associate of the company. "Associate" is widely defined and includes companies related to each other by virtue of being under common control. The court shall not make an order restoring the position if it is satisfied that the company which entered into the transaction did so in good faith for the purposes of carrying on its business and that at the time it did so there were reasonable grounds for believing that the transaction would benefit the company. We believe that the issue of the notes and provision of security by the Issuer and the issue of the guarantees and provision of security by those guarantors incorporated under the laws of England and Wales will be provided in good faith for the purpose of carrying on the business of the Issuer and such guarantors and that there are reasonable grounds for believing that the transactions will benefit the Issuer and such guarantors. There can be no assurance, however, that the provisions of the issue of the notes or the provision of such security or such guarantees will not be challenged by a liquidator or administrator or that a court would support our analysis.

If the liquidator or administrator can show that a company has given a "preference" to any person within six months of the onset of insolvency (or within two years if the preference is to a connected person) and, at the time of the preference, the company was unable to pay its debts or became so as a result of the preferential transaction, a court has the power, among other things, to set aside the preferential transaction. For these purposes, a company gives a preference to a person if that person is one of the company's creditors (or a surety or guarantor for any of the company's debts or liabilities) and the company does anything or suffers anything to be done that has the effect of putting that person into a position which, in the event of the company going into insolvent liquidation, would be better than the position that person would have been in if that thing had not been done. The court may not make an order setting aside a preference transaction unless it is satisfied that the company was influenced by a desire to put that person in such a better position. If a court were to find that the issue of the notes or the grant of the security and/or guarantees were preferences, the court would have the power to restore the position to what it would have been if that preference had not been given (although there is protection for a third party who enters into one of the transactions in good faith for value). In either administration or liquidation, it is for the administrator or liquidator to demonstrate that a company was insolvent or became so as a result of the preferential transaction and that the company was influenced by such a desire to prefer (unless a beneficiary of the transaction was a connected person, in which case it will be presumed that the company was influenced by a desire to prefer that person unless the contrary can be shown).

Where a floating charge over a company's property was given to any person within twelve months of the onset of insolvency (or within two years if the charge is in favor of a connected person) in exchange for prior or no consideration, and at the time of creation of the charge the company was unable to pay its debts or became unable to pay its debts as a consequence of the transaction under which the charge is created, such charge will be invalid. However, to the extent that the consideration for the creation of the floating charge consists of (i) money paid, or goods or services supplied to the company at the same time or after the creation of the charge, or (ii) the discharge or reduction of any debt of the company, at the same time as or after the creation of the charge or (iii) interest incurred on (i) or (ii) above, such floating charge may, to the extent of the value of such consideration, be valid. The requirement that the company is unable to pay its debts at the time that the charge is created, or becomes unable to pay its debts as a result, does not apply if the charge is granted in favor of a connected person, making it easier, therefore, to invalidate a floating charge in such circumstances. If the floating charge qualifies as a "security financial collateral agreement" under the Financial Collateral Arrangements (No. 2) Regulation 2003, the floating charge will not be subject to challenge as described in this paragraph.

Where it can be shown that a transaction, such as the issuance of the notes or the grant of security or a guarantee, was at an undervalue and was made for the purposes of putting a company's assets beyond the reach of a person or persons making, or who may at some time make, a claim against a company, or for the purpose of otherwise prejudicing the interests of such person or persons, the transaction may be set aside by the court as a transaction defrauding creditors. An application for an order to set aside such transaction can be made by the liquidator, administrator or (with leave of the court) any victim prejudiced, or potentially prejudiced, by the transaction. English insolvency legislation does not provide a statutory time limit within which such a challenge must be made and there is no requirement for the company to be unable to pay its debts at the time of the transaction. To the extent that a court were to find that the issuance of the notes or the grant of the security or guarantees constituted transactions defrauding creditors, the court could make such orders as it thought fit to restore the position to what it would have been if the transactions had not been entered into and to protect the interests of victims of the transactions.

A liquidator or administrator could apply to court to set aside or vary the obligations of the company under, or the terms of, a security interest or guarantee granted by the company (or give other relief) on the grounds that the company is party to an extortionate transaction for the provision of credit to it if the security interest or guarantee (a) was entered into during the three years ending with the day on which the company went into liquidation or entered administration and (b) is held to be extortionate. Whether a transaction is "extortionate" depends on whether (i) the terms of it are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit (having regard to the risk accepted by the person providing the credit), or (ii) it otherwise grossly contravened ordinary principles of fair dealing. To the extent that a court were to find that the issuance of the notes, a guarantee or any related transaction constituted an extortionate credit transaction, the court may make such orders as it thinks fit to restore the position to what it would have been if such notes, guarantee or transaction had not been issued, granted or entered into.

Pursuant to the principles of public policy relating to insolvency laws, the English courts will strike down transactions aimed at circumventing basic insolvency principles (for example those of mandatory set-off and *pari passu* distribution) or aimed at excluding the jurisdiction of the English court or the insolvency laws of the United Kingdom.

A liquidator may disclaim any onerous property which includes any unprofitable contract and any other property of a company which is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. A person sustaining loss or damage in consequence of the operation of such a disclaimer is deemed an unsecured creditor of the relevant company to the extent of such loss or damage.

In addition, in a liquidation or administration under English insolvency law any debt payable in a currency other than pounds sterling (such as dollars in the case of the notes) must be converted into pounds sterling at the "official exchange rate" prevailing at the date when the debtor went into liquidation or entered administration or, if the liquidation or administration (as the case may be) was immediately preceded by the respective other proceeding, an administration, the date the debtor entered the administration or went into liquidation (respectively). This provision overrides any agreement between the parties. The "official exchange rate" for these purposes is the middle market rate on the London Foreign Exchange Market at the close of business as published for the date in question or, if no such rate is published, such rate as the court determines. Accordingly, in the event that we go or a guarantor goes into liquidation or enters administration, holders of the notes may be subject to exchange rate risk between the date that we or such guarantor (as the case may be) went into liquidation or administration (as the case may be) and receipt of any amounts to which holders of notes may become entitled.

European Union

The Issuer and certain of the Guarantors are incorporated or organized under the laws of the Member States of the EU.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "*EU Insolvency Regulation*"), the court that shall have jurisdiction to open insolvency proceedings in relation to a company in the court of the EU Member State (other than Denmark) where the company concerned has its "centre of main interest" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interest" is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

The term "centre of main interest" is not a static concept. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "centre of main interests" in the EU Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "centre of main interest" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the perception of the company's creditors as regards the centre of the company's business operations may all be relevant in the determination of the place where the company has its "centre of main interest."

If the "centre of main interest" of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings with respect to the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be opened in another EU Member State. If the "centre of main interest" of a debtor is in one EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other EU Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings with respect to such company under the EU Insolvency Regulation.

In the event that any one or more of the Issuer, the Guarantors or any of their subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

Germany

Some of the guarantors are organized under the laws of Germany. In the event of insolvency, insolvency proceedings may, therefore, be initiated in Germany. German law would then govern those proceedings. The insolvency laws of Germany may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain interest after the commencement of insolvency proceedings and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Under German insolvency law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor (i.e., in accordance with the legal definition of over-indebtedness, if the debtor's liabilities exceed the value of its assets, unless it is highly likely, considering the circumstances, that the enterprise will survive as a going concern (positive Fortführungsprognose), or in the event that the debtor is unable to pay its debts as and when they fall due (*Zahlungsunfähigkeit*). In addition, only the debtor can file for insolvency proceedings if it is imminently at risk of being unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*). The insolvency proceedings are court-controlled, and upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the property of the debtor. The court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. The court orders the commencement of insolvency proceedings (*Eröffnungsbeschluss*) if certain formal requirements are met and if there are sufficient assets to cover at least the cost of the insolvency proceedings. The court additionally appoints an insolvency administrator (*Insolvenzverwalter*) who, once the main insolvency proceeding has been opened, has full administrative and disposal authority over the debtor's assets.

All creditors, whether secured or unsecured, (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*)) wishing to assert claims against the debtor must participate in the insolvency proceedings. Many of the individual enforcement actions brought against the debtor by any of its creditors are subject to an automatic stay once the insolvency proceedings have been opened. Secured creditors are generally not entitled to enforce the security interest outside the insolvency proceedings. However, certain creditors who are secured by a pledge over a claim, or over a movable asset that such secured creditors have in their possession, are entitled to enforce their security interest by themselves. Other security interests (e.g., security assignments of receivables) are enforced by the insolvency administrator. In an enforcement by the insolvency administrator, the net enforcement proceeds less certain contributory charges for assessing the value of the secured assets (4% of the relevant gross proceeds) and realizing the secured assets (usually 5% of the relevant gross proceeds), are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. The remaining amount, if any, will be distributed among the unsecured creditors who are satisfied on a pro rata basis only. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among others, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules. Depending on the composition of the different creditor classes, such majority rules could allow creditors who would not have sufficient votes on their own to act in concert with another class of creditors in order to overrule other classes of creditors (the German equivalent of a "cramdown" under U.S. bankruptcy law).

Under German insolvency and other laws, an insolvency administrator can, under certain circumstances, avoid any claim for the payment of debt and any guarantee or security or, if payment has already been made, require that the recipient returning the payment to the insolvency estate. The right of avoidance applies to transactions (which term also includes the provision of security or the payment of debt) entered into prior to the commencement of insolvency proceedings. The insolvency administrator's right to challenge transactions can, depending on the circumstances, extend to transactions entered into during a ten-year period prior to the petition for the commencement of insolvency proceedings. There are several different provisions that govern the particular preconditions for a challenge of a transaction or any other legal acts, such as situations in which a debtor

(i) discharges, or grants security to a shareholder for, a repayment claim under a shareholder loan, (ii) makes its performance other than on the basis of consideration or (iii) was illiquid and the creditor was (or should have been) aware thereof at the time of the transaction. In addition, as long as no insolvency proceedings were instituted, a creditor who has obtained an enforcement order has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). In the event such a transaction were successfully avoided, the holders of the notes or, if different, the relevant holders of the security, would be under an obligation to repay the amounts received or to waive the guarantee or security.

The above principles of avoidance apply, in particular, to the guarantees and security interests granted by the German guarantors. In the case of such avoidance of a guarantee or security interest granted by a German guarantor holders of notes would not have any claim in respect of the respective guarantee or security interest and any amounts obtained under the guarantee or security interest that is avoided would have to be repaid. The German principles on avoidance may therefore limit the ability of holders of the notes to recover payments due on the guarantees or to retain proceeds from an enforcement of the security interests.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency.

Parallel Debt

Under German law, certain accessory security interests such as share pledges require that the pledgee and the creditor of the secured claim be the same person. Such security interests cannot be granted or held on behalf of third parties who do not hold the secured claim. The noteholders will not be party to the security documents. In order for the noteholders to benefit from accessory security interests, the indentures that govern the notes will provide for the creation of a "parallel debt". Pursuant to the parallel debt, each collateral agent becomes the holder of a claim equal to each amount payable by an obligor under the notes and the note guarantees. The share pledges governed by German law will directly secure the parallel debt. The parallel debt procedure has not been tested in court under German law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by German law.

Hong Kong

Some of the guarantors are incorporated under the laws of Hong Kong. Therefore, any insolvency proceedings by or against such Hong Kong guarantors may be based on Hong Kong insolvency laws. The insolvency laws of Hong Kong may differ from bankruptcy law with which the holders of the notes are familiar. The following is a brief summary of only certain aspects of Hong Kong insolvency law.

The Hong Kong guarantors have provided guarantees and security for the notes that will rank *pari passu* with the guarantees and security in respect of the Senior Secured Facilities. However, note that, in the event of a winding up, to the extent that the liabilities under the notes and the Senior Secured Facilities are secured by way of floating charge, those liabilities will be paid after certain of the Hong Kong guarantors' other debts owing to preferential creditors which are entitled to priority under Hong Kong insolvency law (insofar as the realization of relevant guarantor's unsecured assets are insufficient). Such debts will include amounts due to employees and the Hong Kong government. In contrast, holders of fixed charge security will be entitled to be paid out of the proceeds of enforcing their security ahead of all other claims.

The holders of the guarantees and the security in respect of the Senior Secured Facilities maintain the ability to cause the commencement of enforcement proceedings in respect of the guarantees and security and to control the conduct of such proceedings, as well as the approval of amendments to, releases of, and waivers of past defaults under, the security documents. As such, as described in the section entitled "Holders of the New First Lien Senior Secured Notes will not control certain decisions regarding collateral and will waive certain rights relating to collateral in a bankruptcy or insolvency proceeding" above on pages 41-42, the control of the holders of the notes in respect of the guarantees and security provided by the Hong Kong guarantors may be limited and the lenders under the Senior Secured Facilities control substantially all matters related to the collateral securing the notes.

On the enforcement of the security provided by the Hong Kong guarantors, a receiver may be appointed to realize those Hong Kong guarantors' secured assets and pay the debt owing under the notes and the Senior Secured Facilities. The appointment of a receiver can lead to the liquidation of a company (typically when the value of the realization of the security is less than the outstanding debt owed to the secured creditors). A creditor may petition the court for the liquidation of a company on the grounds that it is unable to pay its debts (in such circumstances, the liquidation shall be by way of court order (a "*Compulsory Liquidation*"). A company will be deemed unable to pay its debts if the company fails to satisfy a debt of HK$10,000 or more within three weeks of a statutory demand, a judgment debt is not satisfied in whole or in part, or it is proved to the court's satisfaction that the company is unable to pay its debts (taking into account contingent and prospective liabilities). Alternatively, in the absence of a creditor petitioning the court, if the company is insolvent and the directors can see no way of avoiding liquidation, the only option available to the company is for its shareholders to pass a winding-up resolution or in limited circumstances, directors to deliver a winding-up statement to the Companies Registrar to place the company into a creditors' voluntary liquidation ("*Creditors' Voluntary Liquidation*").

The aim of liquidation is to realize a company's assets and distribute them to the creditors in order of priority (as set out in Hong Kong law) to satisfy, as far as possible, the liabilities of the company. In the event of a Compulsory Liquidation or a Creditors' Voluntary Liquidation, under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "*C(WUMP)O*"), a liquidator will have a number of avoidance powers to attempt to avoid transactions entered into by the insolvent company, including the following:

Extortionate credit transactions

Section 264B of the C(WUMP)O relates to transactions for the provision of credit to an insolvent company within three years of the commencement of its winding up. Under section 264B(3) of the C(WUMP)O, such a transaction will be considered extortionate (and will be subject to the broad powers of the court) "if, having regard to the risk accepted by the person providing the credit:

(a) the terms of it are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of credit; or

(b) it otherwise grossly contravenes ordinary principles of fair dealing."

Where an application is made by a liquidator to the court under section 264B of the C(WUMP)O, there is a presumption that the relevant transaction is (or was) extortionate unless proved otherwise.

Note, this provision is rarely, if ever used in Hong Kong corporate insolvency.

Unfair preferences

Sections 266, 266A and 266B of the C(WUMP)O (which effectively apply section 50 of the Bankruptcy Ordinance (Cap. 6) of Hong Kong, applicable to individuals, to companies) can, upon the application by a liquidator to the court, be invoked to invalidate transactions relating to a company's property if such transactions are deemed to be "unfair preferences".

This applies to a broad range of transactions (including payment to a creditor, or providing security for indebtedness) and occurs where:

(a) a company does anything, within six months (generally) or two years (when granted to an "associate") before that company's winding-up, which puts a creditor, guarantor or surety in a better position in the event of a liquidation of the company than it would otherwise have been in;

(b) the company is influenced by a desire to prefer that creditor, guarantor or surety (the relevant desire will be presumed unless contrary is shown, if preference was given to a recipient who was an "associate" of the debtor (otherwise by reason only of being an employee of the debtor); and

(c) the company was insolvent at the time of the preference or has become insolvent as a result thereof.

Invalid floating charges

Section 267 of the C(WUMP)O will invalidate any floating charge over a company's property or undertaking granted within 12 months prior to the commencement of its winding-up, unless it can be shown that the company was solvent immediately after that security was created. However, this provision does not affect any cash advanced to the company on or after the date of (and in consideration for) the charge, nor any scheduled interest on those sums under the charge, up to a maximum of 12% per annum.

No application is required to the court for section 267 to apply, however, in practice, a court application will usually be made by a liquidator.

Voidable dispositions of property

Under section 60(1) of the Conveyancing and Property Ordinance (Cap. 219) of Hong Kong (the "*CPO*") the court may set aside any disposition of property made with the intent to defraud creditors at the instance of an affected party. It does not extend to a disposal made either "for valuable consideration and in good faith or upon good consideration and in good faith to any person not having, at the time of the disposition, notice of the intent to defraud creditors" (section 60(3) of the CPO).

The above is not an exclusive list of every circumstance under which a court or a liquidator could have a guarantee or security set aside or avoided.

Schemes of arrangement

Hong Kong has no statutory equivalent of Chapter 11 which is available in the United States or the administration process available for rescuing companies in the United Kingdom. Notwithstanding this, arrangements with creditors of an insolvent company can also be made as schemes of arrangement under Section 166 of the C(WUMP)O.

A scheme of arrangement under Section 166 of the C(WUMP)O is the only statutory procedure in Hong Kong through which a company may bind all its creditors (including any dissenting minority creditors) to a compromise or arrangement of its debts. The terms of a compromise or arrangement implemented through a scheme of arrangement may take any form that the company and its creditors may agree, such as a deferral or suspension of payment of interest or principal, debt-for-equity swaps and/or payments to unsecured creditors to compromise debt outstanding.

There is no moratorium on creditors taking actions against a company while a scheme of arrangement is being formulated and considered by the creditors until the scheme is sanctioned by the court. This means a dissenting creditor may still petition for winding-up of the company or take other legal actions with a view to improve their recovery, even though such action may not necessarily be in the best interest of the creditors generally.

General

The directors of the Hong Kong guarantors must also consider whether the transactions the companies enter into in connection with the notes are in the best interests of such companies and for a proper purpose. If the transactions are not in the best interests of the companies and for a proper purpose there is a risk that such transactions may not be effective.

Italy

It is uncertain and untested in the Italian courts whether, under Italian law, a security can be created and perfected: (i) in favor of creditors which are neither directly parties to the relevant security documents or are not specifically identified therein and/or in the relevant share certificates and /or corporate documents and/ or public

registries; and (ii) in favor of a "trustee," since there is no established concept of "trust" or "trustee" under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of a ''trustee'' as agent or trustee under security interests granted over Italian assets is uncertain under Italian law. Therefore, in the absence of relevant court precedents, there is no certainty on the effectiveness or validity of a security interest expressed to be created under Italian law in favor of an entity acting as trustee for the creditors to be secured and holding the security interest in such capacity.

The validity of "parallel debt" structures under Italian law has, to date, not been considered before the Italian courts and the security interests comprising the parallel debt claim could be held to be in conflict with mandatory provisions of Italian law. Accordingly, no assurance can be given that the enforceability of a security interest governed by Italian law securing a ''parallel debt'' obligation will be upheld by an Italian court and further, no assurance can be provided on how an Italian court would interpret an Italian law security instrument purporting to secure, inter alia, a ''parallel debt'' obligation.

The procedures for the enforcement of Italian law security and the timing for obtaining judicial decisions (including in relation to security enforcement) in the Republic of Italy are materially complex and time-consuming, especially given that the Italian courts maintain a significant role in the enforcement process, in comparison to other jurisdictions with which investors may be familiar.

Luxembourg

Some of the guarantors are incorporated under the laws of, and have their registered office and their central administration in the Grand Duchy of Luxembourg. Assuming their center of main interests or their principal establishment is in the Grand Duchy of Luxembourg, Luxembourg courts shall have jurisdiction to open insolvency proceedings with respect to these guarantees, which proceedings shall be governed by Luxembourg insolvency laws.

Under Luxembourg insolvency laws, the following types of proceedings (the "*Insolvency Proceedings*") may be opened against in respect of such guarantors:

- bankruptcy proceedings (*faillite*), the opening of which is initiated by the relevant guarantor or by any of its creditors. Following such a request, the Luxembourg courts having jurisdiction may open Insolvency Proceedings, if the relevant guarantor is in default of payment (*cessation des paiements*) and has lost its commercial creditworthiness (*ébranlement de crédit*). If a court finds that these conditions are satisfied, it may also open Insolvency Proceedings, absent a request made by the relevant guarantor or a creditor. The main effect of such proceedings is (i) the suspension of all measures of enforcement against the relevant guarantor, except, subject to certain limited exceptions, for secured creditors and (ii) the payment of the guarantor's creditors in accordance with their ranking upon the realization of the guarantor's assets;
- controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the relevant guarantor and not by its creditors; and
- composition proceedings (*concordat préventif de faillite*), the opening of which may be requested by the relevant guarantor only after receiving prior consent from a majority in number of its creditors holding at least 75% of the claims against such guarantor. The obtaining of such composition proceedings will trigger a provisional stay on enforcement of claims by creditors.

The guarantor's liabilities in respect of the notes will, in the event of a liquidation of the guarantor following Insolvency Proceedings or judicial liquidation proceedings, rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those of the concerned guarantor's debts that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law, include, among others, (i) certain amounts owed to the Luxembourg Revenue; (ii) value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise; (iii) social security contributions; and (iv) remuneration owed to employees.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized).

During insolvency proceedings, all enforcement measures by unsecured creditors are suspended. The ability of secured creditors to enforce their security interest may also be limited in the event of controlled management proceedings automatically causing the rights of secured creditors to be frozen until a final decision has been taken by the court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the relevant Luxembourg court. A reorganization order requires the prior approval of more than 50% of the creditors representing more than 50% of the relevant guarantor's liabilities in order to take effect.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the guarantor during the period before bankruptcy, the so-called "suspect period" (*période suspecte*) which is a maximum of six months and ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date, if the bankruptcy judgment was preceded by another Insolvency Proceeding (e.g. a suspension of payments or controlled management proceedings) under Luxembourg law.

Pursuant to article 445 of the Luxembourg code of commerce, specified transactions (such as, in particular, (i) the granting of a security interest for antecedent debts; (ii) the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; (iii) the payment of debts which have fallen due by any means other than in cash or by bill of exchange; and (iv) the sale of assets without consideration or with substantially inadequate consideration) entered into during the suspect period or the preceding ten days must be set aside or declared null and void, if so requested by the insolvency receiver. Article 445 does not apply for financial collateral arrangements and set-off arrangements subject to the Luxembourg law of August 5, 2005 on financial collateral arrangements.

Pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts and other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt's cessation of payments. Article 446 does not apply for financial collateral arrangements and set-off arrangements subject to the Luxembourg law of August 5, 2005, as amended, on financial collateral arrangements.

Regardless of the suspect period, article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg Civil Code (*action paulienne*) give any creditor the right to challenge any fraudulent payments and transactions made prior to the bankruptcy.

The Netherlands

Some of the guarantors are incorporated in The Netherlands. Any insolvency proceedings relating to such guarantor's guarantee and any security interest from such guarantor would likely be based on Dutch insolvency law.

Under certain circumstances, bankruptcy proceeding may also be opened in the Netherlands in accordance with Dutch law over the assets of companies that are not established under Dutch Law.

Dutch insolvency law differs significantly from insolvency proceedings in the U.S. and may make it more difficult for holders of notes to recover the amount they would normally expect to recover in liquidation or bankruptcy proceedings in the U.S. under Council Regulation (EC) No. 1346/2000. Creditors are entitled to seek opening of secondary proceedings in each member state of the European Union (except for Denmark), where a company has an establishment. Secondary proceedings under Council Regulation (EC) No. 1346/2000 will to a certain extent be based upon the insolvency law of such foreign jurisdictions, including their clawback statutes. There are two primary insolvency regimes under Dutch law: the first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. A general description of the principles of both insolvency regimes is set out below.

An application for a moratorium of payments can only be made by the debtor itself. Once the request for a moratorium of payments is filed, the court will immediately (*dadelijk*) grant a provisional moratorium and appoint an administrator (*bewindvoerder*). A meeting of creditors is required to decide on the definitive moratorium. If a draft composition (*ontwerp akkoord*) is filed simultaneously with the application for a moratorium of payments, the court can order that the composition will be processed before a decision about a definitive moratorium. If the composition is accepted and subsequently confirmed by the court (*gehomologeerd*) the provisional moratorium ends. The definitive moratorium will generally be granted unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or more than one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent. The moratorium of payments is only effective with regard to unsecured non-preferential creditors. Unlike Chapter 11 proceedings under U.S. bankruptcy law, during which both secured and unsecured creditors are generally barred from seeking to recover on their claims during a moratorium of payments, under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the company in moratorium of payments to satisfy their claims as if there were no moratorium of payments. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. However, the court may order a "cooling-down period" ("*afkoelingsperiode*") for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. Also in a definitive moratorium of payments, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the meeting of the recognized and of the admitted creditors representing at least 50% of the amount of the recognized and of the admitted claims and (ii) subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of the notes to effect a restructuring and could reduce the recovery of a holder of notes in Dutch moratorium of payments proceedings. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. Certain creditors (such as tax and social security authorities) will have special rights that take priority over the rights of other creditors and may therefore adversely affect the interests of secured creditors (including holders of the notes). Consequently, Dutch insolvency laws could reduce any potential recovery by holders of notes in Dutch bankruptcy proceedings. As in moratorium of payment proceedings, the court may order a "cooling down period" for a maximum of four months during which enforcement actions by secured or preferential creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the holders of notes that were not due and payable by their terms on the date of a bankruptcy of the relevant guarantor will be accelerated and become due and payable as of that date. Each of these claims will have to be submitted to the receiver to be verified. "Verification" under Dutch law means that the receiver determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceedings. The valuation of claims that otherwise would not have been payable at the time of the bankruptcy proceedings may be based on a net present value analysis. Interest payments that fall due after the date of the bankruptcy cannot be verified. The existence, value and ranking of any claims submitted by the holders of the notes may be challenged in the Dutch bankruptcy proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooiprocedure*). These proceedings could cause holders of notes to recover less than the principal amount of their notes or less than they could recover in a U.S. liquidation. Such proceedings could also cause payments to the holders of notes to be delayed compared with holders of undisputed claims. Furthermore, in a bankruptcy a composition may be offered to creditors, which shall be binding on unsecured non-preferential creditors if (i) it is approved by a simple majority of the meeting of unsecured non-preferential creditors with admitted and provisionally admitted claims, representing at least 50% of the total amount of the admitted and provisionally admitted unsecured non-preferential claims, and (ii) subsequently ratified (*gehomologeerd*) by the court. The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, which will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

A receiver in bankruptcy can force a secured creditor (including holders of the notes) to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have to share in the bankruptcy costs. Also, in this case, the secured creditor will have to wait for payment until the distribution payment plan becomes final. Excess proceeds of enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor in the bankruptcy. Such set-off is allowed prior to the bankruptcy, although a set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off.

To the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its receiver in bankruptcy, if (i) it preformed such acts without an obligation to do so (*onverplicht*), (ii) generally the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act and (iii) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced (*actio pauliana*). In the case of a bankruptcy, the beneficiary of the guarantee or security interest is presumed (subject to evidence to the contrary) to have known that creditors of the debtor would be prejudiced if the bankruptcy follows within a year of the granting and for no consideration. Also, payments made prior to the bankruptcy order may be clawed back in Dutch insolvency proceedings. In addition, payments made that were due and payable can be clawed back if (i) the payee (*hij die betaling ontving*) knew that the application for bankruptcy of the debtor was filed at the moment of payment or (ii) the debtor and the payee engaged in this payment in a conspiracy in order to prejudice other creditors. To the extent a secured creditor can demonstrate that its claims cannot be satisfied out of its security interest, it may require that it will be treated as an unsecured creditor for the remainder of its claims without having to waive its security interest.

Whether or not a guarantor is insolvent, pursuant to Dutch law, payment under a guarantee or a security document may be withheld under the doctrines of reasonableness and fairness (*redelijkheid en billijkheid*), force majeure and unforeseen circumstances (*onvoorziene omstandigheden*). The validity of guarantees and security interests given by any Dutch subsidiary guarantor may be contested by the Dutch subsidiary guarantor or its trustee in bankruptcy, if the giving of such a guarantee or security interest is not within the scope of its objects and the holders of the notes were, at the time of the giving of the guarantee or security interest, so aware or, with no obligation to carry out any investigation, should have been so aware. In addition, the giving of guarantees and security interests by any Dutch subsidiary guarantor may in certain circumstances be contested by its creditors or the trustee in bankruptcy of the Dutch subsidiary guarantor if the giving of such guarantee or security interest is considered by the courts to be prejudicial to the interests of the creditors of the Dutch subsidiary guarantor.

Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor, as well as all attachments on the debtor's assets (other than with respect to secured creditors and certain other creditors, as described above), will be terminated by operation of law. Simultaneously with the opening of the bankruptcy, a Dutch receiver will be appointed. The proceeds resulting from the liquidation of the bankrupt estate may not be sufficient to satisfy unsecured creditors under the guarantees granted by a bankrupt guarantor after the secured and the preferential creditors have been satisfied. Litigation pending on the date of the bankruptcy order is automatically stayed.

Any security interest given by a Dutch subsidiary guarantor will have no effect with respect to assets acquired, or rights and claims (*vorderingsrechten*) arising, on or after the date on which the guarantor is granted a moratorium of payments or is declared bankrupt. For the purpose of collecting certain taxes, the tax authorities are entitled to recourse against certain movable assets (such as machinery and equipment) which are intended to furnish the premises used by any Dutch subsidiary guarantor irrespective of any security interest over such movable assets. Any security interest over rights and claims will have no effect with respect to rights and claims arising under an agreement creating continuous obligations of a Dutch subsidiary guarantor and becoming due and payable on or after the date on which the guarantor is granted a moratorium of payments or is declared bankrupt. Any power of attorney granted by a Dutch subsidiary guarantor will become ineffective upon the moratorium of payments of the guarantor and will automatically terminate upon its bankruptcy.

A guarantee granted by a Dutch company and a security interest provided by a Dutch company may be suspended or avoided by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of 10% or more of the shares in such company or shares or depositary receipts issued therefor with a nominal value of €225,000 or more or such lesser amount as provided in the company's articles of association. If the company has an issued share capital of at least €22.5 million, such motion may be made by a holder or holders of 1% or more of the shares in such company or, provided those are listed on a qualifying trading venue, shares or depositary receipts issued therefor with a value of €20 million or more or such lesser amount as provided in the company's articles of association. A trade union and of other entities entitled thereto in the articles of association of the relevant Dutch company may also submit a motion to the Enterprise Chamber for this purpose. The guarantee or security itself may further be upheld by the Enterprise Chamber, yet actual payment under it may be suspended or avoided.

It is generally assumed that under Dutch law security interests such as rights of pledge cannot be validly created in favor of a person who is not the creditor of the claim that the security interest intends to secure. The beneficial holders of the Notes from time to time will not be party to the security documents. In order to permit the holders of the Notes from time to time to have a secured claim, the documentation relating to the Notes will provide for the creation of a "parallel debt". Pursuant to the parallel debt, the collateral agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by Dutch law will directly secure the parallel debt. The parallel debt concept has not been tested under Dutch law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Dutch law.

The United States

Under U.S. federal bankruptcy laws or comparable provisions of state fraudulent transfer laws, the incurrence of the obligations under the notes, the issuance of the guarantees and the grant of security, whether now or in the future, by the Issuer and the note guarantors (together, the "*Obligors*") could be voided, or claims in respect of such liens or obligations could be subordinated to all of its other debts and other liabilities, if, among other things, at the time the Obligors issued the related guarantee or gave the security, the Obligors intended to hinder, delay or defraud any present or future creditor; or received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and either:

- were insolvent or rendered insolvent by reason of such incurrence or grant of security;
- were engaged in a business or transaction for which the Obligors' remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that they would incur, debts beyond their ability to pay such debts as they mature.

By their terms, some or all of the guarantee and security documents of the note guarantors will limit the liability of the note guarantors to the maximum amount it can pay without its guarantee being deemed a fraudulent transfer.

The right of a holder of the notes to enforce its security interests against the Obligors upon the occurrence of an event of default under the indenture governing the notes is likely to be significantly impaired by applicable U.S. bankruptcy law if a bankruptcy case were to be commenced by or against us before such security interest was enforced. Upon the commencement of a case under the bankruptcy code, a secured creditor such as a holder of notes is prohibited by the automatic stay contained in U.S. bankruptcy law from enforcing its security interest against a debtor in a U.S. bankruptcy case, without bankruptcy court approval, which may not be given. Moreover, the bankruptcy code permits the debtor to continue to retain and use collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral as of the commencement of the bankruptcy case and may include cash payments or the granting of additional security if and at such times as the bankruptcy court in its discretion determines that the value of the secured creditor's interest in the collateral is declining during the time the bankruptcy case is pending. A U.S. bankruptcy court may determine that a secured creditor may not require

additional adequate protection for a diminution in the value of its collateral if the value of the collateral exceeds the amount of the debt that it secures.

In view of the automatic stay, the lack of a precise definition of the term "adequate protection" and the broad discretionary power of a U.S. bankruptcy court, it is impossible to predict:

- how long payments under the notes could be delayed following commencement of a bankruptcy case;
- whether or when a holder of the notes could enforce its security interests;
- the value of the collateral at the time of the bankruptcy petition; or
- whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection."

Any future grant of security interest with regard to the collateral in favor of the notes, including pursuant to security documents delivered after the date of the indenture governing the notes, might be avoidable by the grantor (as debtor in possession) or by its trustee in bankruptcy as a preference if certain events or circumstances exist or occur, including, among others, if the grantor is insolvent at the time of the grant, the security interest permits the holders of the notes to receive a greater recovery than if the security had not been given and a bankruptcy proceeding in respect of the grantor is commenced within 90 days following the grant, or, in certain circumstances, a longer period.

ADMISSION TO TRADING AND GENERAL INFORMATION

Admission to Trading

Application will be made to the Irish Stock Exchange for admission of the notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange-regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for purposes of Directive 2004/39/EC.

As long as the notes are admitted to trading on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange shall so require, we will maintain a paying and transfer agent in the European Union. We reserve the right to vary such appointment, and we will publish notice of such change of appointment in a newspaper having a general circulation in Ireland or on the Company's website. The issuance of the notes has been authorized by a resolution of the Board of Directors of CEVA Group Plc, dated February 27, 2014. The giving of the guarantees of the notes will be authorized, pursuant to applicable corporate formalities, prior to the issuance of the notes.

We estimate the expense relating to admission to trading on the Global Exchange Market of the Irish Stock Exchange to be approximately €5,000.

CEVA Group Plc accepts responsibility for the statements contained in this offering circular and confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this offering circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Clearing Information

The notes are expected to be accepted for clearance through the facilities of DTC.

Legal Information

CEVA Group Plc (registered number 5900853), with its registered office at 20-22 Bedford Row, London, WC1R 4JS, United Kingdom, was incorporated in England on August 9, 2006 with the name Louis No. 1 Plc. The Issuer can be contacted by calling +44 1530 568500.

As of the date of this offering circular, the authorized ordinary share capital of £350,000 is divided into 350,000 ordinary shares with a par value of £1 each. As of December 31, 2013, 349,999 ordinary shares of a par value of £1 each in CEVA Group Plc were held by Ceva Holdings LLC and one ordinary share of a par value of £1 was held by CIL Limited. Accordingly, CEVA Group Plc is a wholly owned subsidiary of Ceva Holdings LLC.

The rights of the holders of the common shares in the Issuer are contained in the Articles of Association of the Issuer, and the Issuer will be managed by its directors in accordance with those articles and in accordance with the laws of England and Wales.

Except as disclosed in this offering circular, there has been no material adverse change in our financial position since December 31, 2013.

As discussed in "Business—Litigation and Legal Proceedings," we are currently party to various claims and legal actions that arise in the ordinary course of business. We believe such claims and legal actions, individually and in the aggregate, will not have a material adverse effect on our financial position. Other than as disclosed in "Business—Litigation and Legal Proceedings," we have not been involved in any governmental or arbitration proceedings (including any such proceedings of which we are aware), during a period covering the last twelve months, which may have, or have had in the recent past, significant effects on our financial position or profitability.

Potential Conflicts

Pursuant to contractual arrangements under the LLC Agreement of Holdings, Apollo and its affiliates have the right to appoint a majority of the members of the board of managers of Holdings. The LLC Agreement provides that the members of Holdings shall direct the Company to cause the board of directors of the Company to be identical to the board of managers of Holdings. Therefore, Apollo has the power to control us and our affairs and policies. A majority of members of our board are partners or employees of Apollo.

Information about the Guarantors

Subject to the provisions of the indentures that will govern the notes, it is currently intended that the following entities will guarantee CEVA's obligations under the notes upon their issuance. Each of these entities is engaged in the contract logistics business.

Australia

CEVA Freight (Australia) Pty. Ltd. (formerly known as EGL Eagle Global Logistics (Aust) Pty. Ltd.) is a private limited company, organized under the laws of Australia, incorporated on August 24, 1970. It is registered with the Australia Securities and Investments Commission under Australian Company Number 000820075 and the address of its registered office is 77H Millers Road, Brooklyn, Victoria, 3012, Australia.

CEVA Logistics (Australia) Pty. Ltd. (formerly known as TNT Logistics (Australia) Pty. Ltd. and as TNT Canberra Pty. Ltd.) is a private limited company organized under the laws of Australia registered on December 16, 1963. It is registered with the Australia Securities and Investments Commission under Australian Company Number 008438239 and the address of its registered office is 77H Millers Road, Brooklyn, Victoria, 3012, Australia.

CEVA Materials Handling Pty. Ltd. (formerly known as TNT Materials Handling Pty. Ltd.) is a private limited company organized under the laws of Australia registered on January 14, 1955. It is registered with the Australia Securities and Investments Commission under Australian Company Number 000146010 and the address of its registered office is 77H Millers Road, Brooklyn, Victoria 3012, Australia.

CEVA Pty. Ltd. (formerly known as CEVA Australia Holdco Pty. Ltd. and Louis Australia Holdco Pty. Ltd.) is a private limited company organized under the laws of Australia registered on October 11, 2006. It is registered with the Australia Securities and Investments Commission under Australian Company Number 122147433 and the address of its registered office is 77H Millers Road, Brooklyn, Victoria 3012, Australia.

Belgium

CEVA Freight Belgium NV (formerly known as TGL Talon Global Logistics (Belgium) NV, EGL Eagle Global Logistics (Belgium) NV, Circle International (Belgium) NV and Circle Freight International (Belgium) NV) is a limited liability company (*société anonyme/naamloze vennootschap*) incorporated under the laws of Belgium and registered on August 17, 1982. It is registered with the Court of Commerce of Brussels under number 0422.964.342 and the address of its registered office is Bedrijvenzone Machelen-Cargo 714, 1830 Machelen, Belgium.

EGL (Belgium) Holding Company BVBA (formerly known as C.I.H. Belgium BVBA) is a private company with limited liability (*société privé à responsabilité limitée/besloten vennootschap met beperkte aansprakelijheid*) incorporated under the laws of Belgium and registered on November 19, 1998. It is registered in Belgium with the Court of Commerce of Brussels under number 0464.618.617 and it is registered as a foreign company in the United Kingdom with the Companies House under FC028345 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Logistics Belgium NV (formerly known as TNT Contract Logistics (Belgium) NV, TNT Distribution (Belgium) NV) is a limited liability company (*société anonyme/naamloze vennootschap*) incorporated under the laws of Belgium and registered on April 27, 1989. It is registered with the Court of Commerce of Mechelen under number 0437.401.407 and the address of its registered office is Koningin Astridlaan 12, 2830 Willebroek, Belgium.

Brazil

AV Manufacturing Indústria e Comércio de Peças e Acessórios Automotivos Ltda (formerly known as TNT Skypak do Brasil Ltda and TNT Skypak International Currier Ltda) is a limited liability company organized under the laws of Brazil on May 16, 1983. It is registered with the Brazilian Ministry of Finance under CPNJ number 52.629.607/0001-39 and the address of its registered office is Rodovia BR-290, km 67, Rua 71, s/n., Galpão A, Bairro Distrito Industrial Automotivo de Gravatai, Gravatai, Rio Grande do Sul, Brazil.

CEVA Freight Management do Brasil Ltda (formerly known as Eagle Global Logistics do Brasil Ltda) is a limited liability company organized under the laws of Brazil registered on June 21, 1999. It is registered with the Brazilian Ministry of Finance under CPNJ number 03.229.138/0001-55 and the address of its registered office is Av. Alfredo Egido de Souza Aranha 100, Block D, 8th Floor, São Paulo, Brazil CEP 04726-908.

Ceva Holdings Ltda (formerly known as TNT Holdings Ltda) is a limited liability company organized under the laws of Brazil on October 31, 1996. It is registered with the Brazilian Ministry of Finance under CPNJ number 01.508.582/0001-84 and the address of its registered office is Avenida Fagundes de Oliveira, 1.580, Sala D, Municipality of Diadema, State of São Paulo, Zip Code (CEP): 09950-300, Brazil.

CEVA Logistics Ltda (formerly known as TNT Logistics Ltda, TNT Encomendas Urgentes do Brasil Ltda, Kwikassair Encomendas Urgentes do Brasil Ltda and Kwikasair Encomendas Urgentes Ltda) is a limited liability company organized under the laws of Brazil on November 26, 1973. It is registered with the Brazilian Ministry of Finance under CPNJ number 43.854.116/0001-09 and the address of its registered office is Avenida Mirafiori, 233, Bloco B, Sala A, Distrito Industrial Paulo Camilo Pena, Betim, Minas Gerais, Brazil.

Circle Fretes Internacionais do Brasil Ltda is a limited liability company organized under the laws of Brazil registered on December 5, 1975. It is registered with the Brazilian Ministry of Finance under CPNJ number 48.767.685/0001-22 and the address of its registered office is Av. Alfredo Egido de Souza Aranha 100, Block D, 8th Floor, Room A, São Paulo, Brazil CEP 04726-908.

Canada

CEVA Freight Canada Corp. (formerly known as EGL Eagle Global Logistics (Canada) Corp.) is an unlimited company under the laws of Nova Scotia, Canada amalgamated on January 1, 2001. It is registered with

the Nova Scotia Registry of Joint Stock Companies under number 3052207 and the address of its registered office is 1959 Upper Water St., Ste. 800, Halifax, NS B3J 3N2, Canada.

CEVA Logistics Canada, ULC (formerly known as TNT Canada ULC, TNT Canada Inc., Pioneer Logistics Ltd., 1131044 Ontario Limited, 849373 Ontario Limited and Alltrans Canada Ltd.) is an unlimited liability company amalgamated under the laws of Ontario, Canada on December 28, 2003 and discontinued under the laws of Ontario and continued under the laws of Alberta, Canada on October 19, 2006. It is registered with the Alberta Business Corporations Act under number 2012758997 and the address of its registered office is 1200, 700-2nd Street SW, Calgary, AB T2P 4V5, Canada.

Cayman Islands

CEVA Logistics Cayman is an exempted company incorporated with limited liability under the laws of the Cayman Islands, incorporated on November 5, 2008. It is registered in the Cayman Islands with the Registrar of Companies under number WK-219392 with its registered office in the Cayman Islands at the offices of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KYI-9005 and it is registered as a foreign company in the United Kingdom with the Companies House under number FC028688 and the address of its registered office in the United Kingdom is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Logistics Second Cayman is an exempted company incorporated with limited liability under the laws of the Cayman Islands, incorporated on June 11, 2009. It is registered in the Cayman Islands with the Registrar of Companies under number WK-227093 with its registered office in the Cayman Islands at the offices of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KYI-9005 and it is registered as a foreign company in the United Kingdom with the Companies House under number FC029277 and the address of its registered office in the United Kingdom is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

Germany

CEVA Freight (Management) GmbH is a limited liability company organized under the laws of Germany. It is registered with the local court of Frankfurt am Main under number HRB 88623 and the registered address is Herriotstraße 4, 60528 Frankfurt am Main, Germany.

CEVA Freight Germany GmbH is a limited liability company organized under the laws of Germany. It is registered with the local court of Frankfurt am Main under number HRB 88570 and the registered address is Herriotstraße 4, 60528 Frankfurt am Main, Germany.

CEVA Logistics GmbH is a private limited company organized under the laws of Germany. It is registered with the commercial register of the local court of Frankfurt am Main under number HRB 79325 and the registered address is Herriotstraße 4, 60528 Frankfurt am Main, Germany.

EXPORTA Gesellschaft für Exportberatung m.b.H. is a limited liability company organized under the laws of Germany. It is registered with the local court of Frankfurt am Main under number HRB 88793 and the registered address is Herriotstraße 4, 60528 Frankfurt am Main, Germany.

Hong Kong

CEVA FM (Hong Kong) Limited (formerly known as EGL Eagle Global Logistics China Limited) is a private limited company, organized under the laws of Hong Kong, incorporated on November 21, 1980. It is registered with the Hong Kong Companies Registry under number 89584 and the address of its registered office is 37/F Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Hong Kong.

CEVA Freight (Hong Kong) Limited (formerly known as Eagle Freight Hong Kong Limited) is a private limited company, organized under the laws of Hong Kong, incorporated on September 25, 1998. It is registered with

the Hong Kong Companies Registry under number 655608 and the address of its registered office is 37/F Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Hong Kong.

CEVA Logistics (Hong Kong) Limited (formerly known as EGL Eagle Global Logistics Hong Kong Limited) is a private limited company, organized under the laws of Hong Kong, incorporated on June 16, 1988. It is registered with the Hong Kong Companies Registry under number 218542 and the address of its registered office is 37/F Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Hong Kong.

Pyramid Lines Limited (formerly known as Eagle Asia Holding Limited) is a private limited company, organized under the laws of Hong Kong, incorporated on September 16 1998. It is registered with the Hong Kong Companies Registry under number 654774 and the address of its registered office is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Freight Systems Limited is a private limited company, organized under the laws of Hong Kong, incorporated on June 29, 1984. It is registered with the Hong Kong Companies Registry under number 138405 and the address of its registered office is Suite B, 12th Floor, Two Chinachem Plaza, 135 Des Voeux Road Central, Hong Kong.

Ozonic Limited is a private limited company, organized under the laws of Hong Kong, incorporated on January 31, 1978. It is registered with the Hong Kong Companies Registry under number 58256 and the address of its registered office is 37/F Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Hong Kong.

Luxembourg

CEVA Freight Holdings Luxembourg S.à r.l. (formerly known as EGL Luxembourg S.à r.l.) is a limited liability company organized under the laws of Luxembourg, incorporated on 6 November 2003. It is registered with the Registre de Commerce et des Sociétés de Luxembourg under number B97010 and the address of its registered office is 5, rue Guillaume Kroll, L-1882 Luxembourg.

Netherlands

CEVA Coop Holdco B.V. is a private company with limited liability, organized under the laws of The Netherlands, incorporated on 14 December 2007. It is registered with the Dutch Chamber of Commerce under number 34288963 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Freight Holdings B.V. (formerly known as E.I. Freight Holding B.V.) is a private company with limited liability organized under the laws of The Netherlands, incorporated on November 12, 1998. It is registered with the Dutch Chamber of Commerce under number 24288688 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Freight Holland B.V. (formerly known as Eagle Global Logistics (Holland) B.V., Circle International B.V., Aero & General Holdings B.V. and N.V. Aerotraco Internationaal Expeditiebedrijf) is a private company with limited liability organized under the laws of The Netherlands, incorporated on December 29, 1965. It is registered with the Dutch Chamber of Commerce under number 34034262 and the address of its registered office is Folkstoneweg 182, 1118LN Luchthaven Schiphol, The Netherlands.

CEVA India Holding B.V. is a private company with limited liability organized under the laws of The Netherlands, incorporated on January 25, 2008. It is registered with the Dutch Chamber of Commerce under number 34293073 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Intercompany B.V. is a private company with limited liability organized under the laws of The Netherlands, incorporated on June 24, 2011. It is registered with the Dutch Chamber of Commerce under number 53017897 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Logistics Dutch Holdco B.V. (formerly known as Louis Dutch Holdco B.V.) is a private company with limited liability organized under the laws of The Netherlands, incorporated on October 17, 2006. It is registered with the Dutch Chamber of Commerce under number 34258112 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Logistics Finance B.V. (formerly known as Louis Logistics Finance B.V.) is a private company with limited liability organized under the laws of The Netherlands, incorporated on November 8, 2006. It is registered with the Dutch Chamber of Commerce under number 34259683 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Logistics Headoffice B.V. (formerly known as Logistics Headoffice B.V.) is a private company with limited liability organized under the laws of The Netherlands, incorporated on June 12, 2006. It is registered with the Dutch Chamber of Commerce under number 34250008 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Logistics Holdings B.V. (formerly known as TNT Logistics Holdings B.V., XP Nederland B.V. and City Courier B.V.) is a private company with limited liability organized under the laws of The Netherlands, incorporated on September 7, 1972. It is registered with the Dutch Chamber of Commerce under number 33132522 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

CEVA Logistics Netherlands B.V. (formerly known as TNT Logistics Netherlands B.V. and Holland Districare B.V.) is a private company with limited liability organized under the laws of The Netherlands, incorporated on April 28, 1989. It is registered with the Dutch Chamber of Commerce under number 16066165 and the address of its registered office is Costerweg 14, 4104 AJ Culemborg, The Netherlands.

Coöperatieve CEVA/EGL I B.A. is a cooperative organized under the laws of The Netherlands, incorporated on July 19, 2007. It is registered with the Dutch Chamber of Commerce under number 34279531 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

Coöperatieve CEVA/EGL II B.A. is a cooperative organized under the laws of The Netherlands, incorporated on July 19, 2007. It is registered with the Dutch Chamber of Commerce under number 34279525 and the address of its registered office is Siriusdreef 20, 2132 WT Hoofddorp, The Netherlands.

United Kingdom

CEVA Container Logistics Limited (formerly known as Taylor Barnard Group Limited, Taylor Barnard Limited, Taylor Barnard Group Limited and H.G. Taylor Haulage Limited) is a limited liability company incorporated under the laws of England and Wales on March 20, 1962. It is registered at Companies House under number 718421 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Freight (UK) Holding Company Limited (formerly known as EGL (UK) Holding Company Limited and Circle International European Holdings Limited) is a limited liability company incorporated under the laws of England and Wales registered on August 5, 1998. It is registered with the Companies House under number 3610568 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Freight (UK) Holdings Limited (formerly known as EGL (UK) Holdings Limited and EGL (UK) Sub Holding Company Limited) is a limited liability company incorporated under the laws of England and Wales registered on October 24, 2001. It is registered with the Companies House under number 4310476 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Freight (UK) Limited (formerly known as EGL Eagle Global Logistics (UK) Limited, EGL Eagle Global Logistics Limited, Circle International Limited, Harper Freight International Limited, Circle Freight

International Limited and Circle Air Freight (U.K.) Limited) is a limited liability company incorporated under the laws of England and Wales registered on November 19, 1973. It is registered with the Companies House under number 1146292 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Limited (formerly known as Louis No. 3 Limited) is a limited liability company incorporated under the laws of England and Wales on August 9, 2006. It is registered at Companies House under number 5900891 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Logistics Limited (formerly known as TNT Logistics UK Limited, Taylor Barnard Limited and Taylor Barnard Transport Services Limited) is a limited liability company incorporated under the laws of England and Wales on December 17, 1976. It is registered at Companies House under number 1291251 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Network Logistics Limited (formerly known as Taylor Barnard Holdings Limited) is a limited liability company incorporated under the laws of England and Wales on February 25, 1999. It is registered at Companies House under number 3723307 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

CEVA Supply Chain Solutions Limited (formerly known as TNT Logistics Holdings UK Limited, TNT LG Limited, TNT Overnite Limited, Westwood Parcels Limited, and Darlen (Haulage) Limited) is a limited liability company incorporated under the laws of England and Wales on November 14, 1974. It is registered at Companies House under number 1190596 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

Eagle Global Logistics (UK) Limited (formerly known as Eagle International (UK) Limited and S. Boardman (Air Services) Limited) is a limited liability company organized under the laws of England and Wales registered on May 16, 1968. It is registered with the Companies House under number 932138 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

F.J. Tytherleigh & Co. Limited is a limited liability company incorporated under the laws of England and Wales registered on October 1, 1956. It is registered with the Companies House under number 572216 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

Paintblend Limited is a limited liability company, incorporated by shares, organized under the laws of England and Wales, incorporated on April 17, 2008. It is registered with the Companies House under number 6568566 and the address of its registered office is P.O. Box 8663, CEVA House, Excelsior Road, Ashby de la Zouch, Leicestershire, LE65 9BA, United Kingdom.

United States

CEVA Freight, LLC (formerly known as EGL Management, LLC) is a limited liability company organized under the laws of Delaware, United States registered on October 28, 1999. It is registered with the Delaware Secretary of State under number 3084634 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Freight Management International Group, Inc. (formerly known as Circle International Group, Inc. and The Harper Group, Inc.) is a corporation organized under the laws of Delaware, United States registered on February 3, 1987. It is registered with the Delaware Secretary of State under number 2116436 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Government Services, LLC (formerly known as EGL Government Services, LLC) is a limited liability company organized under the laws of Delaware, United States registered on July 7, 2006. It is registered with the Delaware Secretary of State under number 4160113 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Ground US, L.P. (formerly known as SCG, The Select Carrier Group L.P.) is a limited partnership organized under the laws of Delaware, United States registered on October 7, 2003. It is registered with the Delaware Secretary of State under number 3712675 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA International Inc. (formerly known as Circle International, Inc.) is a corporation organized under the laws of Delaware, United States registered on May 11, 1989. It is registered with the Delaware Secretary of State under number 2196051 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Logistics, LLC (formerly known as EGL Overseas Corp. and Circle Overseas Corp.) is a limited liability company organized under the laws of California, United States registered on February 4, 1984. It is registered with the California Secretary of State under number 200803110110 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Logistics Japan LLC (formerly known as CEVA Logistics Japan, Ltd. and Circle Airfreight Japan, Ltd.) is a limited liability company organized under the laws of California United States registered on February 17, 1970. It is registered with the California Secretary of State under number 200904110011 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Logistics Services U.S., Inc. (formerly known as CTI Services, Inc.) is a corporation organized under the laws of Delaware, United States on August 22, 1994. It is registered with the Secretary of State of the State of Delaware under number 2428858 and the address of its registered office is 10751 Deerwood Park Boulevard, Suite 200, Jacksonville, Florida 32256, United States.

CEVA Logistics U.S., Inc. (formerly known as TNT Logistics North America, Inc., CTI Logistx, Inc. and Customized Transportation, Inc.) is a corporation organized under the laws of Delaware, United States on July 1, 1980. It is registered with the Secretary of State of the State of Delaware under number 0895058 and the address of its registered office is 10751 Deerwood Park Boulevard, Suite 200, Jacksonville, Florida 32256, United States.

CEVA Logistics U.S. Group, Inc. (formerly known as TNT Transport Group Inc. and TNT TG, Inc.) is a corporation organized under the laws of Delaware, United States on June 28, 1988. It is registered with the Secretary of State of the State of Delaware under number 2165068 and the address of its registered office is 10751 Deerwood Park Boulevard, Suite 200, Jacksonville, Florida 32256, United States.

CEVA Logistics U.S. Holdings, Inc. (formerly known as Louis U.S. Holdco, Inc.) is a corporation organized under the laws of Delaware, United States on October 23, 2006. It is registered with the Secretary of State of the State of Delaware under number 4237089 and the address of its registered office is 10751 Deerwood Park Boulevard, Suite 200, Jacksonville, Florida 32256, United States.

CEVA Ocean Line, Inc. (formerly known as Eagle Maritime Services, Inc.) is a corporation organized under the laws of Texas, United States registered on April 21, 1997. It is registered with the Texas Secretary of State under number 144238100 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

CEVA Trade Services, Inc. (formerly known as EGL Trade Services, Inc., Circle Trade Services Limited and Harper Investment & Financial, Inc.) is a corporation organized under the laws of Delaware, United States registered on October 5, 1987. It is registered with the Delaware Secretary of State under number 2139823 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

Circle International Holdings LLC (formerly known as Circle International Holdings, Inc.) is a limited liability company organized under the laws of Delaware, United States registered on June 23, 1998. It is registered with the Delaware Secretary of State under number 2911920 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

ComplianceSource LLC is a limited liability company organized under the laws of Delaware, United States registered on April 14, 2003. It is registered with the Delaware Secretary of State under number 3647316 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

Customized Transportation International, Inc. is a corporation organized under the laws of Delaware, United States on October 23, 1996. It is registered with the Secretary of State of the State of Delaware under number 2676315 and the address of its registered office is 10751 Deerwood Park Boulevard, Suite 200, Jacksonville, Florida 32256, United States.

Eagle Partners L.P. is a limited partnership organized under the laws of Texas, United States registered on March 24, 2000. It is registered with the Texas Secretary of State under number 13293610 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

EGL, Inc. (formerly known as Eagle USA Air Freight, Inc.) is a corporation organized under the laws of Texas, United States registered on March 2, 1984. It is registered with the Texas Secretary of State under number 69410500 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

EGL Eagle Global Logistics, LP is a limited partnership organized under the laws of Delaware, United States registered on October 26, 1999. It is registered with the Delaware Secretary of State under number 3084632 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

Select Carrier Group LLC is a limited liability company organized under the laws of Delaware, United States registered on October 7, 2003. It is registered with the Delaware Secretary of State under number 3712673 and the address of its registered office is 15350 Vickery Drive, Houston, Texas 77032, United States.

INDEX TO FINANCIAL STATEMENTS

Independent Auditors' Report to the Board of Managers of CEVA Holdings LLC

We have audited the consolidated group financial statements of CEVA Holdings LLC for the year ended 31 December 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in the preparation of these group financial statements is International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The consolidated group financial statements of CEVA Holdings LLC have been prepared for inclusion in the listing particulars ("Listing Particulars") that will list the senior secured notes of CEVA Group plc (the "Notes") on the Official List of the Irish Stock Exchange.

An application will be made to list the Notes on the Official List of the Irish Stock Exchange. This report is prepared for the Board of Managers of CEVA Holdings LLC in order that they may satisfy item 2A.11.1 of the Listing Rules published by the Irish Stock Exchange and for no other purpose.

Respective responsibilities of the Board of Managers and auditors

The Board of Managers of CEVA Holdings LLC is responsible for the preparation of the consolidated group financial statements in accordance with IFRSs as adopted by the European Union and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Save for any responsibility which we may have to the Board of Managers of CEVA Holdings LLC, to the fullest extent permitted by law we do not assume any responsibility or liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with our work or this report.

Scope of the audit of the group financial statements

An audit involves obtaining evidence about the amounts and disclosures in the group financial statements sufficient to give reasonable assurance that the consolidated financial statements of CEVA Holdings LLC are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to CEVA Holdings LLC's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Mangers of CEVA Holdings LLC; and the overall presentation of the consolidated financial statements. In addition, we read all the financial and nonfinancial information in the Listing Particulars to identify material inconsistencies with the audited consolidated financial statements of CEVA Holdings LLC and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on group financial statements

In our opinion the group financial statements:

- give, for the purpose of the Listing Particulars satisfying item 2A.11.1 of the Listing Rules published by the Irish Stock Exchange, a true and fair view of the state of the group's affairs as at 31 December 2013 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

PricewaterhouseCoopers LLP
Chartered Accountants
London
7 March 2014

Consolidated Income Statement

$ millions		YEAR ENDED 31 DECEMBER					
	Note	2013			2012		
		Before specific items	Specific items[1]	Total	Before specific items	Specific items[1]	Total
Revenue	5	**8,517**	**-**	**8,517**	**9,285**	**-**	**9,285**
Work contracted out		(4,309)	-	(4,309)	(4,769)	-	(4,769)
Personnel expenses		(2,483)	(42)	(2,525)	(2,618)	(39)	(2,657)
Other operating expenses		(1,448)	(37)	(1,485)	(1,577)	(62)	(1,639)
Operating expenses excluding depreciation, amortization and impairment		**(8,240)**	**(79)**	**(8,319)**	**(8,964)**	**(101)**	**(9,065)**
Other income		-	21	21	-	-	-
EBITDA		**277**	**(58)**	**219**	**321**	**(101)**	**220**
Depreciation, amortization and impairment	12,13	(217)	-	(217)	(232)	(410)	(642)
Operating income		**60**	**(58)**	**2**	**89**	**(511)**	**(422)**
Finance income (including foreign exchange movements)	9	9	274	283	7	-	7
Finance expense (including foreign exchange movements)	9	(300)	(45)	(345)	(409)	(48)	(457)
Net finance expense (including foreign exchange movements)		**(291)**	**229**	**(62)**	**(402)**	**(48)**	**(450)**
Loss before income taxes		**(231)**	**171**	**(60)**	**(313)**	**(559)**	**(872)**
Income tax (expense)/income	10	(12)	25	13	(25)	9	(16)
Loss for the year		**(243)**	**196**	**(47)**	**(338)**	**(550)**	**(888)**
Attributable to:							
Non-controlling interests				4			4
Equity holders of the Company				(51)			(892)

[1] Refer to note 6 'Specific items' for details.

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

Consolidated Statement of Comprehensive Income

$ millions	YEAR ENDED 31 DECEMBER 2013			2012		
	Before specific items	Specific items[1]	Total	Before specific items	Specific items[1]	Total
Loss for the year	**(243)**	**196**	**(47)**	**(338)**	**(550)**	**(888)**
Items that will not be reclassified to Profit and Loss:						
Actuarial gains/(losses) on retirement benefit obligations	5	-	5	(32)	-	(32)
	5	-	5	(32)	-	(32)
Items that may be reclassified subsequently to Profit and Loss:						
Net investment hedges	6	-	6	13	-	13
Currency translation adjustment	(23)	-	(23)	(1)	-	(1)
	(17)	-	(17)	12	-	12
Total comprehensive income/(loss) for the year, net of income tax	**(255)**	**196**	**(59)**	**(358)**	**(550)**	**(908)**
Attributable to:						
Non-controlling interests			4			4
Equity holders of the Company			(63)			(912)
Total comprehensive loss for the year			**(59)**			**(908)**

[1] Refer to note 6 "Specific items" for details.

The above amounts are net of income tax expense recognized in other comprehensive income of US$3 million (2012: US$2 million).

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

Consolidated Balance Sheet

$ millions	Note	AS AT 31 DECEMBER 2013	2012
ASSETS			
Non-current assets			
Intangible assets	12	1,899	2,008
Property, plant and equipment	13	291	338
Deferred income tax assets	14	9	7
Prepayments		42	46
Other non-current assets		20	22
Total non-current assets		**2,261**	**2,421**
Current assets			
Inventory	15	17	19
Trade and other receivables	16	1,241	1,434
Prepayments		54	60
Accrued income		209	283
Income tax receivable		12	10
Cash and cash equivalents	17	574	339
Assets held for sale	18	1	166
Total current assets		**2,108**	**2,311**
TOTAL ASSETS		**4,369**	**4,732**
EQUITY			
Capital and reserves attributable to equity holders			
Preferred stock, Common stock and Additional paid in capital	20	1,439	1,439
Other reserves		884	(543)
Accumulated deficit		(2,033)	(1,982)
Attributable to equity holders of the Company		**290**	(1,086)
Non-controlling interests		16	14
Total Group equity		**306**	**(1,072)**
LIABILITIES			
Non-current liabilities			
Borrowings	21	1,920	3,383
Deferred income tax liabilities	14	36	80
Retirement benefit obligations	22	120	150
Provisions	24	71	80
Other non-current liabilities		36	39
Total non-current liabilities		**2,183**	**3,732**
Current liabilities			
Borrowings	21	160	165
Provisions	24	91	86
Trade and other payables	25	1,627	1,801
Income tax payable		2	7
Liabilities held for sale	18	-	13
Total current liabilities		**1,880**	**2,072**
TOTAL EQUITY AND LIABILITIES		**4,369**	**4,732**

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

The financial statements on pages F-3 to F-53 were approved by the Board of Managers on 28 February 2014 and were signed on its behalf by:

Marvin O. Schlanger

Manager and Chairman

Consolidated Statement of Cash Flows

		YEAR ENDED 31 DECEMBER	
$ millions	Note	**2013**	**2012**
Loss before income taxes		(60)	(872)
Adjustments for:			
Depreciation, amortization and impairment		217	642
Finance income	9	(283)	(7)
Foreign exchange (gains) and losses	9	35	22
Finance expense	9	310	435
EBITDA after specific items		**219**	**220**
Share based compensation		-	2
Gain on disposal of property, plant and equipment		(3)	(3)
Other income		(21)	-
Change in provisions:			
Retirement benefit obligations	22	(21)	(12)
Provisions	24	(7)	(3)
Changes in working capital:			
Inventory	15	1	11
Trade and other receivables	16	171	(76)
Prepayments and accrued income		78	(36)
Trade and other payables	25	(103)	90
Changes in non-current prepayments		(18)	(16)
Changes in non-current accrued liabilities		(4)	6
Cash generated from operations		**292**	**183**
Interest and other financing cost paid		(201)	(370)
Net income taxes paid	10	(34)	(40)
Net cash from operating activities		**57**	**(227)**
Divestments		177	1
Capital expenditure		(93)	(129)
Proceeds from sale of property, plant and equipment		20	22
Proceeds from sale of other assets		1	-
Interest received		1	3
Net cash used in investing activities		**106**	**(103)**
Issuance of shares		219	-
Repayment of borrowings	21	(402)	(1,063)
Proceeds from non-current borrowings	21	43	1,207
Proceeds from current borrowings	21	224	248
Dividends paid to non-controlling interests		(3)	(1)
Net cash from financing activities		**81**	**391**
Change in cash and cash equivalents		244	61
Cash and cash equivalents at beginning of period		339	281
Foreign exchange impact on cash and cash equivalents		(9)	(3)
Cash and cash equivalents at end of period	17	**574**	**339**

Refer to note 21 "Borrowings" for details of non-cash changes in borrowings

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

Consolidated Statement of Changes in Equity

$ millions	Preferred stock, common stock and Additional paid in capital	Other reserves[3]	Accumulated deficit	Attributable to equity holders of the Company	Non-controlling interest	Total Group equity
Balance at 1 January 2012[1]	**1,439**	**(523)**	**(1,090)**	**(174)**	**12**	**(162)**
Currency translation adjustment	-	(1)	-	(1)	(2)	(3)
Net investment hedges	-	13	-	13	-	13
Actuarial losses on retirement benefit obligations	-	(32)		(32)		(32)
Profit/(loss) attributable to equity holders for the period	-	-	(892)	(892)	4	(888)
Balance at 31 December 2012	**1,439**	**(543)**	**(1,982)**	**(1,086)**	**14**	**(1,072)**
Balance at 1 January 2013	**1,439**	**(543)**	**(1,982)**	**(1,086)**	14	**(1,072)**
Recapitalisation: debt for equity exchange[2]	-	1,439	-	1,439	-	1,439
Currency translation adjustment	-	(23)	-	(23)	(2)	(25)
Net investment hedges	-	6	-	6	-	6
Actuarial gains on retirement benefit obligations	-	5	-	5	-	5
Profit/(loss) attributable to equity holders for the period	-	-	(51)	(51)	4	(47)
Balance at 31 December 2013	**1,439**	**884**	**(2,033)**	**290**	**16**	**306**

[1] See section 2.1 in the accounting policies for details on the predecessor accounting treatment.

[2] See note 21 "Borrowings" for details on the Recapitalization completed on 2 May 2013.

[3] Includes total currency translation adjustment of US$(511) million (2012: US$(488) million), a total net investment hedge reserve of US$31 million (2012: US$37 million) and a cumulative actuarial loss of US$50 million (2012: US$ 55 million).

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

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

CEVA Holdings LLC (the "Company") and its subsidiaries (together the "Group" or "CEVA") design, implement and operate complete, end-to-end Freight Management and Contract Logistics solutions for multinational and large and medium sized companies on local, regional and global level.

The Company was formed on 28 March 2013 in the Republic of the Marshall Islands. The address of its registered office is c/o The Trust Company of The Marshall Islands, Inc., Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands.

The Company is the immediate parent of CEVA Group Plc, a company incorporated on 9 August 2006 in England and Wales as a UK public company with limited liability. Pursuant to the LLC Agreement, Apollo Global Management LLC ("Apollo") and its affiliates hold a majority of the voting power of the Company and have the right to elect a majority of the respective boards of the Company and CEVA Group Plc. Certain major corporate actions by the Company's Board require approval of a majority of the Managers not designated by Apollo.

On 2 May 2013 CEVA completed a major financial Recapitalization. The Company became the new parent company of CEVA Group Plc. These financial statements are the first consolidated non-statutory accounts of the Company, using the US$ as the Company's reporting currency. They have been prepared in accordance with the LLC Agreement on the same basis as the accounts of CEVA Group Plc other than reflecting the new holding company, CEVA Holdings LLC, and using a US$ reporting currency. The accounts have been prepared as though the Company had always been the parent of CEVA Group Plc and its subsidiaries.

At 31 December 2013, the Company had senior secured, junior priority secured, second lien secured and senior notes listed on the Global Exchange Market of the Irish Stock Exchange ("ISE").

These Group consolidated financial statements were authorized for issue by the Board of Managers on 28 February 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with IFRIC interpretations. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

In accordance with best practice, company management considers whether it is appropriate to prepare the financial statements under the going concern principle. CEVA prepares annual budgets, five year forecasts and regularly supplements the budgets with quarterly forecasts during the year. After reviewing this information in conjunction with our available facilities and our commitments to debt repayments, and considering the financial recapitalization, Company management has concluded that the Group has adequate resources for the foreseeable future. Therefore the Group and the Company have continued to adopt the going concern basis in the preparation of the financial statements.

The consolidation of the financial statements of CEVA Group Plc into the financial statements of the Company was accomplished using the principles of predecessor accounting, whereby an acquirer is not required to be identified, and the assets and liabilities of all entities are included at their pre-combination carrying amounts. This method has been used because all the Group entities were under common control before and after the Recapitalization so the transaction is outside the scope of IFRS 3.

This accounting treatment leads to differences on consolidation between consideration given to acquire CEVA Group Plc and its subsidiaries and the book value of their underlying net assets and this difference (US$243 million) is included within equity as a predecessor accounting reserve (Consolidated statement of changes in equity).

Prior to 2 May 2013, the financial statements of the individual Group entities were combined on a line-by-line basis by adding together comparable items of assets, liabilities, equity and income and expenses. Balances, transactions and unrealized gains or losses on transactions between the combined and consolidated entities, including their subsidiaries, were eliminated in full. From 2 May 2013, the Company has consolidated the individual entities.

Under predecessor accounting, the Company has elected to report the whole prior period results and statement of comprehensive income of CEVA Group Plc and its subsidiaries rather than including them only from the Recapitalization date. When this election is taken, the Company must include the acquired entity's results and capital structure, as if the group had always existed in this form, even though the transaction did not occur until 2 May 2013. This gives rise to a difference on consolidation, called the predecessor accounting reserve, which represents the difference between the share capital and additional paid in capital of the Company as per 2 May 2013 and the book value of consolidated net assets of CEVA Group Plc as at 1 January 2012.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 "Critical accounting estimates and judgments".

The Group's operating segments are its Freight Management and Contract Logistics businesses which are the main focus of the Group's chief operating decision maker ("CODM"), the Executive Board of CEVA Group Plc (the "Executive Board"). This is the primary way in which the CODM is provided with financial information. The Group's internal organization and management structure is also aligned to the two businesses. From a practical perspective, the Group also manages its operations on a regional basis. All reporting to the CODM analyzes performance by Freight Management and Contract Logistics business activity, and resources are allocated on this basis. Disclosure has been included in the segment note to reflect these operating segments. As additional information the group has also provided geographical information on its results.

Presentation of financial information

The Group's consolidated income statements and segment analysis separately identify operating results before specific items. Specific items are those that in management's judgment are exceptional by virtue of their size, nature or incidence and therefore are separately disclosed on the face of the consolidated income statements. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. This is consistent with the way that financial performance is measured by management and reported to the Board of Managers and assists in providing a meaningful analysis of the operating results of the Group. Management believes that presentation of the Group's results in this way is relevant to an understanding of the Group's financial performance. Furthermore, the Group considers a columnar presentation to be appropriate, as it improves the clarity of the presentation and is consistent with the way that financial performance is measured by management and reported to the Board of Managers. Specific items may not be comparable to similarly titled measures used by other companies. Items that have been considered to be specific items include integration and separation costs, gains and losses on individual debt transactions, business restructuring programs, asset impairment charges and antitrust investigation costs. Specific items for the current and prior year are disclosed in note 6.

Adjusted EBITDA is a key financial measure used by management to assess operational performance. It excludes the impact of specific items. Previously this measure of performance was called EBITDA before specific items. "EBITDA" or "earnings before interest, tax, depreciation and amortization" is not a measurement of performance or liquidity under IFRS and should not be considered as a substitute for profit / (loss) for the year, operating profit, net income or any other performance measures derived in accordance with IFRS or as a substitute for cash flow from operating activities as a measure of CEVA's performance. Because not all companies calculate EBITDA identically, the presentations of EBITDA in the financial statements may not be comparable to other similarly titled measures of other companies.

New and amended standards adopted by the Group

The following standards have been adopted by the group for the first time for the financial year beginning on 1 January 2013:

- IAS 19, 'Employee Benefits' was amended in June 2011. This amendment requires the Group to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The amendment to IAS 19 did not have any material impact on the Group's pension liability, expenses and disclosures.
- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). This has been shown in the consolidated statement of comprehensive income. The amendments do not address which items are presented in OCI.
- Amendment to IFRS 7, Financial Instruments: 'Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.
- IFRS 13, Fair value measurement, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The Group uses level 1 and level 2 valuation methods for its fair value measurements. Level 1 refers to quoted (unadjusted) prices in active markets and level 2 refers to Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This standard did not have a material impact on the Group's consolidated financial statements.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.
- IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11, 'Joint arrangements', focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investor have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the

net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. As from 1 January 2014 the Group will no longer be consolidating Anji Automotive Logistics Company Limited ("Anji"). The impact of using proportional consolidation is disclosed in note 5 and 19. Instead the post tax share of net income (see note 19) of Anji will be equity accounted in the consolidated financial statements of CEVA Holdings LLC from 2014 with comparatives restated to reflect the same accounting treatment in 2013.

- IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and is required to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2014.
- IFRIC 21, 'Levies', sets out the accounting for an obligation that pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognized. The Group is not currently subjected to significant levies so the impact on the Group is not expected to be material on our annual results.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value and any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognized the amount adjacent to ´share of profit/(loss) of associates' in the income statement.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are eliminated unless they provide evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board, which makes strategic decisions. In addition, information from a geographical perspective has also been presented.

Inter-segment pricing is determined at an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate cost centers, borrowings and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill, which is disclosed separately.

2.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in US Dollars ('US$'), which is the Group's presentation currency. All values are rounded to the nearest million except where otherwise indicated.

Per IAS 21, the Company is deemed to be a "shell entity" with no operating activities and only carries out financing activities. Financing activities and equity are mainly US$ denominated. The functional currency of the Company is therefore identified as US$.

Transactions and balances

Foreign currency transactions in the Group's entities are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss of the entity concerned.

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the US$ are translated into US$ as follows:

a) assets and liabilities for each Consolidated Balance Sheet presented are translated at the closing rate at the date of that balance sheet;
b) income and expenses for each Consolidated Income Statement are translated at average exchange rates; and
c) all resulting exchange differences are recognized in other comprehensive income.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity. Where a subsidiary that is a foreign operation repays such a quasi-equity loan and there is no change in the parent's percentage shareholding, the Group believes that this does not represent a disposal or partial disposal and hence does not transfer the accumulated foreign exchange gains or losses in equity to the income statement when this occurs.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is disposed of or sold, exchange differences that were previously recorded in other comprehensive income are reclassified to profit and loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate of exchange. Exchange differences arising are recognized in other comprehensive income.

2.5 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 the Group's activities. Revenue is shown net of value-added tax and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

This is usually when goods and services have been delivered but is dependent upon the contractual terms agreed with the customer.

Freight Management revenue is derived from international air, ocean and domestic freight forwarding, customs brokerage, deferred air and pickup and delivery, and other value-added services. Revenue is recorded in gross terms when acting as an indirect carrier. Revenue is recorded net of transportation costs and freight insurance premiums when acting as a carrier's agent.

In Freight Management, the Company is primarily a non-asset based carrier and as such owns only limited transportation assets. The majority of air and ocean freight revenue is obtained through the purchase of transportation services from direct (asset-based) carriers and the resale of those services to customers as an indirect carrier, such that the Company issues customers a contract of carriage. Revenues related to shipments are recognized based on the terms in the contract of carriage, primarily when goods reach their destination.

Air and ocean freight forwarding revenue is also generated when acting as a carrier's agent. Such revenues comprise commissions and fees earned for the services performed and are recognized on completion of those services. Revenues related to customs brokerage and other services provided at origin or destination are recognized on completion of the services.

Revenue in Contract Logistics represents the revenue from services to third parties related to contracts for supply chain management, warehousing and distribution activities. Revenue is recognized net of trade discounts, credit notes and taxes levied on sales when the service is rendered based on the contract with the customer.
Accrued income represents goods delivered and services rendered which have not yet been invoiced.

2.6 Work contracted out
Work contracted out represents the cost of third party transport providers that we utilize to provide services to our customers.

2.7 Other operating expenses
Other operating expenses include cost of materials, rental expenses, maintenance and repair charges, professional fees and other miscellaneous expenses. Other operating income of US$4 million (2012: nil) representing insurance receipts has been netted against other operating expenses on materiality grounds.

2.8 Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under a finance lease are depreciated over the shorter of the useful life of the asset and the lease term.

2.9 Finance income and expenses
Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss and gains on the purchase of financial liabilities. Interest income is recognized as it accrues in profit or loss.

Finance expenses comprise interest expense on borrowings and changes in the fair value of financial assets at fair value through profit or loss. Borrowing costs on qualifying assets are capitalized. All other borrowing costs are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are presented on a net basis.

2.10 Income tax
Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset 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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefit will be realized.

Deferred income tax is not provided on the unremitted earnings of subsidiaries where the timing of the reversal of the remitting temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future or where the remittance would not give rise to incremental tax liabilities or is not taxable.

2.11 Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets and is carried at cost less accumulated impairment losses.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination. Goodwill is monitored at operating segment level.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the contractual customer relationships over their estimated useful lives of between 10 and 20 years.

Other intangibles

Other intangible assets mainly comprise computer software, licenses and brand names.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when it can be demonstrated how the software product will generate probable future economic benefits; there are adequate technical, financial and other resources to complete the development and to use the software product and the expenditure attributable to the software product during its development can be reliably measured. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Computer software development costs recognized as assets are amortized over their estimated useful lives, on average three years.

Separately acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognized at fair value at the acquisition date. Licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives of three to five years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which do not exceed three years.

Other intangible assets that are acquired by the Group, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Other intangible assets are amortized on a straight-line basis over their estimated useful lives of three to 20 years.

2.12 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the cost of that equipment.

Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation
Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful economic lives (or period of finance lease, if shorter), as follows:

- Buildings 10-50 years
- Plant and equipment 2-10 years
- Other 3-10 years

The assets' estimated residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Disposal
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss.

2.13 Impairment of non-financial assets
Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually or earlier in response to a triggering event for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Financial assets
Classification
The Group classifies its financial assets into two categories: (a) at fair value through profit or loss and (b) loans and receivables.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Balance Sheet.

Recognition and measurement
Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Consolidated Income Statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Consolidated Income Statement within 'net financial expense' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the Consolidated Income Statement when the Group's right to receive payments is established.

If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.15 Derivative financial instruments and hedging activities
The Group can hold derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from

the host contract and accounted for separately if they are not closely related, that is if the economic characteristics and risks of the host contract and the embedded derivative would meet the definition of a derivative and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with changes recognized immediately in the profit or loss. The Group does not apply hedge accounting for its derivative financial instruments.

The Group uses certain borrowings to hedge net investments. The Group applies hedge accounting to foreign currency differences arising on net investment between the functional currency of the foreign operation and the functional currency of its parent or intermediate holding company, regardless of whether the net investment is held directly or through an intermediate parent.

The Group documents at the inception of the hedge the relationship between hedging instrument and hedged item, as well as its risk management objectives and strategy for undertaking the hedge. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used are highly effective in offsetting changes in the hedged items' spot rate revaluation attributable to the hedged risk.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement. When the hedged foreign operation is disposed of or sold, the relevant amount in the translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

2.16 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

In a non-recourse factoring arrangement, when the Group has transferred substantially all the risks and rewards of ownership of the receivables, the trade receivables are derecognized in their entirety. In a factoring of receivables with recourse the Group recognizes the factoring arrangement as a financing transaction, that is, a liability is recognized for the amounts received from the factor.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Consolidated Balance Sheet to the extent that there is no right of offset and no practice of net settlement with cash balances.

2.19 Assets (or disposal groups) held for sale

If the carrying amount of the non-current asset (or disposal group) will be recovered principally through a sale transaction rather than through continuing use, the Group will classify the asset (or disposal group) as held for sale. For this to be the case, the asset, or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets (or disposal group) and its sale must be highly probable.

Upon classification the assets (or disposal group) are measured at the lower of their carrying amount and fair value less costs to sell.

2.20 Share capital

Under predecessor accounting, the Company has elected to report the whole prior period results and statement of comprehensive income of CEVA Group Plc and its subsidiaries rather than including them only from the restructuring date. When this election is taken, the Company must include the acquired entity's results and capital structure, as if the group had always existed in this form, even though the transaction did not occur until 2 May 2013.

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity net of any tax effects.

Series A-1 Convertible Preferred Shares ("A-1 Preference shares")

The A-1 Preference shares have the following features:

- The instrument is perpetual;
- Entitlement to a Series A-1 Dividend which is equal to LIBOR+3% (capped at 5% in aggregate) which can be paid in cash or accrued and deferred indefinitely. The Series A-1 Dividend is accrued automatically and is cumulative but is only paid under the discretion of the Managers of the Company, upon

conversion or upon liquidation of the Company;
- Entitlement to a dividend on an as converted basis when dividends are declared on the Common shares plus any additional dividends that the managers of the Company may declare;
- Prior to the two year anniversary of the issuance date, entitlement to receive its liquidation preference prior to the Series A-2 Preference shares and the Common shares. After such date, the liquidation preferences are pari passu, with limited exceptions;
- Have a right to $1,000 per share and unpaid dividends upon liquidation (the "Aggregate Series A-1 Liquidation Preference");
- Convertible into Common Shares at the option of the holders at a conversion ratio (As at 31 December 2013 one A-1 Preference Share would convert into 1.36 Common Share, subject to anti-dilution adjustments) which takes into account any accrued but unpaid Series A-1 Dividend;
- Mandatorily convertible in the event of (a) a merger or consolidation or a recapitalization involving a change of control or (b) a qualifying public offering, at the same ratio as above; and
- After three years from the original issue date, the Company may elect to redeem in whole or in part the A-1 Preference shares for the Aggregate Series A-1 Liquidation Preference, or the holders could elect to convert into Common Shares at the same conversion ratio as above.

The A-1 Preference shares issued by the Company are accounted for as equity at fair value since the Company does not have an obligation to pay cash at any point in the future other than on liquidation. IAS 32 states that such obligation is not a financial liability as:
- The instruments have a perpetual life; and
- It is under the discretion of the Managers of the Company to declare dividends.

Series A-2 Convertible Preferred Shares ("A-2 Preference shares")

The A-2 Preference shares have the following features:
- The instrument is perpetual;
- Entitlement to a dividend on an as converted basis when dividends are declared on the Common Shares plus any additional dividends that the managers of the Company may declare;
- Have a right to $1,000 per share on liquidation, plus an amount per annum equal to LIBOR+2% (capped at 4% in aggregate), cumulative and compounded quarterly times $1,000, plus any unpaid dividends (the "Aggregate Series A-2 Liquidation Preference");
- Convertible to Common Shares at the option of the holders at a fixed conversion ratio (As at 31 December 2013 one A-2 Preference Share would convert into 1.00 Common Share, subject to anti-dilution adjustments);
- Mandatorily convertible in the event of (a) a merger, consolidation or a recapitalization involving a change of control or (b) a qualifying public offering at the same ratio as above; and
- After three years from the original issue date, the Company may elect to redeem in whole or in part the A-2 Preference shares for the Aggregate Series A-2 Liquidation Preference, or the holders could elect to convert into Common Shares at the same conversion ratio as above.

The A-2 Preference shares are accounted for as equity at fair value since the Company does not have an obligation to pay cash at any point in the future other than on liquidation. IAS 32 states that such obligation is not a financial liability as:
- The instruments have a perpetual life; and
- It is under the discretion of the Managers of the Company to declare dividend

2.21 Borrowings

Borrowings are 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 is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until some draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

A financial liability is derecognized when it is redeemed or otherwise extinguished, that is when the obligation is discharged, cancelled or expired. An exchange between CEVA and a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. If the new terms are not substantially different the transaction is regarded as a modification.

If a portion of a financial liability is purchased, the previous carrying amount of the financial liability is allocated between the portion that continues to be recognized and the portion that is derecognized based on the relative fair values of those respective portions on the date of the repurchase. The difference between (a) the carrying amount allocated to the part derecognized and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized are recognized in profit or loss.

IFRIC 19 requires a gain or loss to be recognized in the income statement when a financial liability is settled through the issuance of the Companies own equity instruments. It clarifies that the new equity instruments are treated as consideration paid for the extinguishment of a financial liability. The amount of the gain or loss recognized is therefore the difference between the carrying value of the financial liability (or part of a financial liability) extinguished and the fair value of the equity instruments issued. The equity instruments issued are recognized and measured initially at fair value at the date the financial liability was extinguished. The difference between the carrying value of the debt extinguished and fair value of equity issued is booked in the income statement as a gain/loss in specific items.

Transaction costs are also likely to be incurred when the Company extinguishes a liability in exchange for equity instruments. IFRIC 9 considers a 'debt for equity swap' to be a liability extinguishment in accordance with IAS 39. When an extinguishment of a liability occurs in this way any costs or fees incurred are recognized as part of the gain or loss on extinguishment.

The fair value of the non-current interest bearing debt has been presented using the available market price at the balance sheet date or otherwise using the face value. The senior bank debt's fair value has been presented using its face value, as it is a private floating rate facility, and the fair value of current debt has been presented using its carrying value given its short-term nature.

2.22 Employee benefits

Pension obligations

The Group operates a number of defined contribution and defined benefit pension schemes.

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as a personnel expense in profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by the yield at the reporting date on AA credit-rated bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

All actuarial gains and losses arising from defined benefit plans have been recognized immediately in other comprehensive income. Interest expense on the pension obligation and interest income on the return on assets are recognized as a net amount in finance income and expense.

Other long term employee benefits

Other long term employee obligations include long-service, sabbatical or jubilee leave, long term disability benefits and deferred compensation not payable within 12 months after the end of the period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans except for actuarial gains and losses, which are recorded in profit and loss. These obligations are valued annually by independent, qualified actuaries.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it has demonstrably committed to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or provided termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

Share based compensation

The Group operates equity-settled share based compensation plans, under which the Company receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is charged by the Company and is recognized as an expense by the Company. The total amount to be expensed is recognized by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The Group recognizes the impact of the revision to original estimates, if any, in profit or loss.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.23 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions for insurance represent an estimate, based on historical experience, of the ultimate cost of settling outstanding claims and claims incurred but not reported at the balance sheet date on certain risks retained by the Group.

2.24 Trade payables
Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with generally accepted accounting principles under IFRS as adopted by the EU requires the Group to make estimates, judgments and assumptions that may affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting estimates will, by definition, rarely equal the related actual results. Actual results may differ significantly from these estimates, the effect of which is recognized in the period in which the facts that give rise to the revision become known. The estimates, judgments and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3.1 Estimated Impairment of goodwill
The Group tests annually, or earlier in response to a triggering event, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in notes 2.11 "Intangible assets" and 2.13 "Impairment of non-financial assets". The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions consistent with the most up-to-date budgets and plans that have been formally approved by management. Refer to note 12 "Intangible assets" for the key assumptions used for the value-in-use calculations.

3.2 Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

3.3 Retirement benefits
The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

Defined benefit schemes are reappraised annually by independent actuaries based upon actuarial assumptions. Significant judgment is required in determining these actuarial assumptions. Refer to note 22 "Retirement benefit obligations" for the principal assumptions used

3.4 Provisions and contingent liabilities
Legal proceedings covering a range of matters are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against CEVA often raise difficult and complex factual and legal issues. These are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, we consult with legal counsel and certain other experts on matters related to litigation.

We recognize a provision when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event that an adverse outcome is possible and an estimate is not determinable, the matter is disclosed. Refer to note 27 "Contingencies" for further information regarding contingent liabilities.

3.5 Recapitalization in 2013
The CEVA Holdings LLC common shares are ordinary equity shares and have been accounted for as such. The A1 and A2 convertible preference shares of CEVA Holdings LLC are perpetual instruments with differing terms but have also been accounted for as equity on the basis that they have no obligation to be settled in cash (except on liquidation) or a fixed number of equity shares and dividends payable are discretionary. CEVA applied IFRIC 19 'Extinguishing financial liabilities with equity instruments' to the debt tendered by their eligible holders for equity. This resulted in a gain on extinguishment of US$128 million net of transaction costs of US$44 million (see note 6). In measuring this gain the fair value of the debt tendered has been assumed to equal the fair value of the equity issued as the transaction was conducted at arm's length (refer to note 2.20 and 21).

4. FINANCIAL RISK MANAGEMENT

Financial risk factors
The Group's operating activities expose it to a variety of financial risks, such as market risk (including foreign currency exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Financial risk management is carried out by Group Treasury under policies approved by the Board of Directors of CEVA Group Plc. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. Although the Group enters into derivative contracts for risk hedging purposes, we do not apply hedge accounting for such derivative financial instruments.

The following analysis provides quantitative information regarding our exposure to the financial risks described above. There are certain limitations inherent in the analyses presented, primarily due to the assumption that rates change in a parallel fashion and instantaneously. In addition, the analysis is unable to reflect the complex market reactions that normally would arise from the market shifts assumed.

(a) Market risk

Foreign currency exchange risk

The Group operates internationally and is exposed to foreign currency exchange risks arising from future commercial transactions, recognized assets and liabilities, investments and divestments in foreign currencies other than the US dollar, the Group's reporting currency. Although we enter into hedging arrangements and other contracts in order to reduce our exposure to currency fluctuations, these measures may be inadequate or may subject us to increased operating or financing costs.

The main currencies of our external hedges are the United States Dollar, Chinese Yuan and Euro. Significant acquisitions are typically funded in the currency of the underlying assets. We have established policies which require Group companies to manage their foreign exchange risk against their functional currency. Group companies are required to report their relevant foreign exchange risk exposure to Group Treasury. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts, transacted with Group Treasury. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

CEVA has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The main exchange rates are shown below:

	2013		2012	
	Year end closing	Average	Year end closing	Average
British pound	0.6036	0.6104	0.6157	0.6194
Euro	0.7252	0.7293	0.7577	0.7619
Chinese yuan	6.0527	6.0735	6.2362	6.2376

A five percent strengthening of the following currencies against the US$ at 31 December 2013 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

$ millions	2013		2012	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
British pound	(1)	5	2	9
Euro	(4)	77	(8)	77
Chinese yuan	(2)	15	1	17

A five percent weakening of the above currencies against the US$ at 31 December 2013 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that unexpected interest rate changes negatively affect the Group's results, cash flows and equity. Hedging activities are meant to protect CEVA against changes in interest rates.

The table below shows the interest rate profile of the Group's interest-bearing financial instruments as of 31 December 2013 and 2012 (refer to note 21 "Borrowings" for further details):

$ millions	2013	2012
	Carrying value	Carrying value
Fixed Rate Instruments:		
Loan notes	1,234	2,424
Variable Rate Instruments:		
Financial liabilities	846	1,123
Total	**2,080**	**3,547**

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis as for 2012.

$ millions		2013	2012
	Change in interest rate	Effect on profit before Tax	Effect on profit before Tax
Euro (denominated)	+100 basis points	(4)	(3)
Euro (denominated)	-100 basis points	4	3
US dolllar (denominated)	+100 basis points	(7)	(7)
US dolllar (denominated)	-100 basis points	7	7

Commodity risk

As a supply chain company, CEVA is exposed to the risk of an increase in the price of fuels, principally diesel gasoline. The Group typically has an ability to pass on fuel price increases to customers and has therefore not entered into any contract to hedge any specific commodity risk.

(b) Credit risk

The collectability of accounts receivable is assessed on a monthly basis, where the method of determining the reduction is tailored to the specific business environment and takes into consideration the history of the reporting unit. The Group is focusing strongly on the cash generating capacity of its businesses and acknowledges the importance of strong credit control which is monitored through periodic detailed analysis of overdue trade receivable balances.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks as well as the risk that counterparties fail to meet their contractual payment obligations through insolvency or default as well as credit exposures to customers. The credit risk of a derivatives portfolio overlaps market risk, since it is the replacement value of the portfolio that the Group is likely to lose if the counterparty fails. In order to reduce legal risk resulting from derivatives, CEVA strives to have an International Swaps and Derivative Association agreement in place before entering into derivatives. For banks and financial institutions, only independently rated parties with a minimum rating of 'A-' from Standard & Poor's or equivalent rating from Moody's are accepted. Group Treasury only trades with its defined relationship banking group unless trading outside this banking group is required either for operational needs or provides significantly better terms and conditions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

$ millions	2013	2012
Loans and receivables	1,251	1,446
Cash and cash equivalents	574	339

(c) Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient headroom (cash and cash equivalents plus central credit facilities described in note 21 "Borrowings") available to meet both our day-to-day operating requirements and debt servicing obligations (interest and debt repayment). As is typical of global, integrated companies such as CEVA, cash is often held in various jurisdictions in which the Group operates and may not be immediately available to Group Treasury. Group Treasury mitigates liquidity risk by seeking to ensure that CEVA has adequate funding at its disposal at all times and helping facilitate access to the money markets and capital markets. This includes relationship management with all financial stakeholders, such as banks, rating agencies and debt investors.

The Recapitalization strengthened our liquidity with approximately US$219 million of proceeds from equity capital from our new shareholders, issuance of approximately US$85 million of additional 4% Senior Secured Notes and reduced debt levels and interest expenses.

The US ABL Facility initially matured on 19 November 2015, but was refinanced on 31 December 2013 and now matures on 31 December 2018. As at 31 December 2013, the outstanding drawn amount of the US ABL Facility was US$153 million.

As at 31 December 2013, the Company had US$574 million (2012: US$339 million) in cash on its Consolidated Balance Sheet. In addition to this cash, the Company has access to US$553 million (2012: US$557 million) of credit facilities held centrally, of which US$375 million (2012: US$505 million) was drawn. Total headroom at 31 December 2013 was therefore US$758 million (2012: US$391 million).

The table below analyses the amounts of interest bearing borrowings and trade and other payables into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date:

$ millions							2013
	Present value of minimum lease payments	Interest	Future minimum lease payments	Loan notes	Bank borrowings	Interest on borrowings	Trade and other payables
Less than 1 year	16	4	20	7	135	132	1,627
1-5 years	23	12	35	1,127	747	341	-
Thereafter	23	17	40	43	4	7	-
Total	**62**	**33**	**95**	**1,177**	**886**	**480**	**1,627**

$ millions							2012
	Present value of minimum lease payments	Interest	Future minimum lease payments	Loan notes	Bank borrowings	Interest on borrowings	Trade and other payables
Less than 1 year	11	4	15	-	59	340	1,801
1-5 years	29	12	41	999	1,062	1,209	-
Thereafter	24	18	42	1,321	135	274	-
Total	**64**	**34**	**98**	**2,320**	**1,256**	**1,823**	**1,801**

The interest on borrowings with a variable interest rate has been calculated by using the year end rate. The tables above exclude aggregate minimum operating lease payments totaling US$1,292 million (2012: US$1,402 million) that are disclosed in note 26 "Commitments".

Capital management

The Group's objectives when managing capital, which comprises our paid in capital and borrowings, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

As at 31 December 2013 the Group had a capital structure which utilized a high proportion of structured debt to equity, which was historically adopted because debt financing was viewed as a cheaper source of capital than equity financing. During the year the Group completed a Recapitalization that reduced consolidated net debt by approximately US$1.6 billion as described in note 21 "Borrowings". The structure of our debt and facilities is a combination of long term debt secured to finance our acquisitions in 2006 of the TNT contract logistics business and in 2007 of the EGL Inc freight management business and medium term facilities which are available to support shorter term liquidity requirements. The majority of our interest rates are fixed and as of 31 December 2013 there are no material debt repayments due until November 2018.

Fair value estimation

The fair value of the derivative financial instruments at 31 December 2013 is US$0.1 million (2012: nil) and was determined based on a level 2 valuation method. As at 31 December 2013 there were foreign exchange and interest derivative contracts with a notional amount of US$13 million (2012: US$13 million).

5. SEGMENT INFORMATION

The chief operating decision maker is the Executive Board of CEVA Group Plc. The Executive Board reviews the Group's internal reporting to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Board considers the operations from a business perspective. In addition, information from a geographical perspective has also been presented.

Operating segments

- Freight Management including the provision of international air, ocean and domestic freight forwarding, customs brokerage, deferred air and pickup and delivery, and other value-added services;
- Contract Logistics including the provision of inbound logistics, manufacturing support, outbound/distribution logistics and aftermarket logistics.

Additional information - geographical

- Americas (including the United States of America, Canada, Brazil, Argentina and Mexico);
- Asia Pacific (including Australia, China, Singapore, Thailand, Malaysia and India);
- Europe (including the United Kingdom, Ireland, the Nordics, Benelux, France, Germany, Eastern Europe, Italy, Spain, Turkey and Greece, Middle East and Africa).

The Executive Board assesses the performance of the operating segments based on earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"). Interest income and expenditure are not included in the result for each operating segment that is reviewed by the Executive Board. The information provided to the Executive Board is measured in a manner consistent with that in the financial statements.

Operating segments

The segment results for the year ended 31 December 2013 are as follows:

$ millions			2013
	Freight Management	Contract Logistics	Total
Total segment revenue	3,775	4,770	8,545
Inter-segment revenue	-	(28)	(28)
Revenue from external customers	**3,775**	**4,742**	**8,517**
Operating expenses excluding depreciation, amortization and impairment	(3,733)	(4,507)	(8,240)
Adjusted EBITDA	**42**	**235**	**277**
Specific items			(58)
EBITDA			**219**
Depreciation, amortization and impairment			(217)
Operating income			**2**

The segment assets and liabilities at 31 December 2013 and the capital expenditure for the year then ended are as follows:

$ millions				2013
	Freight Management	Contract Logistics	Unallocated	Total
Total assets	2,325	2,024	20	4,369
Total liabilities	687	1,234	2,142	4,063
Capital expenditure	23	70	-	93

The segment results for the year ended 31 December 2012 are as follows:

$ millions			2012
	Freight Management	Contract Logistics	Total
Total segment revenue	4,294	5,028	9,322
Inter-segment revenue	(2)	(35)	(37)
Revenue from external customers	**4,292**	**4,993**	**9,285**
Operating expenses excluding depreciation, amortization and impairment	(4,162)	(4,802)	(8,964)
Adjusted EBITDA	**130**	**191**	**321**
Specific items			(101)
EBITDA			**220**
Depreciation, amortization and impairment			(642)
Operating income			**(422)**

The segment assets and liabilities at 31 December 2012 and the capital expenditure for the year then ended are as follows:

$ millions				2012
	Freight Management	Contract Logistics	Unallocated	Total
Total assets	2,454	2,260	18	4,732
Total liabilities	780	1,367	3,657	5,804
Capital expenditure	30	100	-	130

Additional information - geographical

The geographical results for the year ended 31 December 2013 are as follows:

$ millions				2013
	Americas	Asia Pacific	Europe	Total
Total segment revenue	2,673	2,348	3,581	8,602
Inter-segment revenue	(32)	(16)	(37)	(85)
Revenue from external customers	**2,641**	**2,332**	**3,544**	**8,517**
Operating expenses excluding depreciation, amortization and impairment	(2,533)	(2,292)	(3,415)	(8,240)
Adjusted EBITDA	**108**	**40**	**129**	**277**
Specific items				(58)
EBITDA				**219**
Depreciation, amortization and impairment				(217)
Operating income				**2**

The geographical assets and liabilities at 31 December 2013 and capital expenditure for the year then ended are as follows:

$ millions					2013
	Americas	Asia Pacific	Europe	Unallocated	Total
Total assets	1,355	1,185	1,825	4	4,369
Total liabilities	515	404	1,002	2,142	4,063
Capital expenditure	33	26	34	-	93

The geographical results for the year ended 31 December 2012 are as follows:

$ millions				2012
	Americas	Asia Pacific	Europe	Total
Total segment revenue	2,842	2,731	3,817	9,390
Inter-segment revenue	(43)	(20)	(42)	(105)
Revenue from external customers	**2,799**	**2,711**	**3,775**	**9,285**
Operating expenses excluding depreciation, amortization and impairment	(2,710)	(2,600)	(3,654)	(8,964)
Adjusted EBITDA	**89**	**111**	**121**	**321**
Specific items				(101)
EBITDA				**220**
Depreciation, amortization and impairment				(642)
Operating income				**(422)**

The geographical assets and liabilities at 31 December 2012 and capital expenditure for the year then ended are as follows:

$ millions					2012
	Americas	Asia Pacific	Europe	Unallocated	Total
Total assets	1,465	1,287	1,962	18	4,732
Total liabilities	602	476	1,069	3,657	5,804
Capital expenditure	44	42	44	-	130

The reported Adjusted EBITDA for the year ended 2013 includes US$18 million (2012: US$20 million) from joint ventures that are accounted for using proportional consolidation. The reported revenue for the year ended 2013 includes US$340 million (2012: US$266 million) from joint ventures that are accounted for using proportional consolidation (see note 19).

The result of the Group's revenue from external customers in the United States is US$1,935 million (2012: US$2,042 million), in China US$1,104 million (2012: US$1,289 million), in Italy US$831 million (2012: US$938 million) and in the UK US$747 million (2012: US$781 million). The total revenue from external customers from other countries is US$3,900 million (2012: US$4,235 million).

The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts located in the Marshall Islands is nil (2012: nil) and the total of these non-current assets located in other countries is $2,249 million (2012: $2,409 million).

6. SPECIFIC ITEMS

$ millions	2013	2012
Personnel expenses	42	39
Other operating expenses	37	62
Other income	(21)	-
Impairment	-	410
Finance income	(274)	-
Finance expense	45	48
Total (income)/expense	**(171)**	**559**

Personnel expenses
In 2013 and 2012, personnel expenses are largely related to one time severance payments as a result of site optimization and labor claims incurred in relation to the cost reduction program announced in November 2012.

Other operating expenses
Other operating expenses in 2013 and 2012 include expenses related to the outsourcing and optimizing our finance processes and streamlining our freight management systems, as well as expenses related to the on-going industry wide antitrust investigation. For 2012 it also includes expenses associated with the disposal of the Intermediate Bulk Container Business that was completed in 2013..

Other income
On 2 January 2013, CEVA Logistics completed the sale of its European Container Logistics business and Asia Pacific Pallecon business (together forming the Intermediate Bulk Container ("IBC") Business). The sale price of US$178 million resulted in a gain on disposal of US$21 million. The gain is calculated after deducting goodwill and intangibles of US$112 million, transaction costs of US$8 million and currency translation differences of US$3 million that were previously recognized in other comprehensive income.

Impairment
No goodwill impairment charges were recognized for the year ended 31 December 2013 as a result of the annual goodwill impairment testing (2012: US$410 million). The prior year non-cash impairment charges were primarily driven by the impact on business valuations from significantly lower forecasted cash flows from revised internal 5 year projections, reflecting recent experiences and potential future challenging economic and competitive conditions.

Finance income
On 2 May 2013, the Group successfully closed the Recapitalization announced and commenced on 3 April 2013. The Recapitalization reduced consolidated net debt by approximately US$1.6 billion, further strengthened liquidity with US$219 million of proceeds from equity capital from our new shareholders, and received additional liquidity of US$85 million through a financing from certain funds and accounts managed by Franklin Advisers, Inc. and Franklin Templeton Investments Corp. ("Franklin"), one of our largest institutional investors.

The specific items in 2013 comprise a gain of US$127 million (net of US$45 million of transaction costs) arising on the debt for equity exchange referred to above and detailed in note 21 plus a gain of US$54 million arising on part of the above debt exchange transaction involving an exchange of Franklin's holdings of 8.375% notes for 4% notes with Franklin as well as the reversal of accrued interest payable of US$93 million that was waived as part of the Recapitalization.

Finance expense
Finance expenses relate to finance charges incurred in relation to debt transactions. For the year ended 31 December 2013, finance expenses include US$39 million of accelerated non-cash amortization of debt issuance costs as a result of the Recapitalization and US$6 million of transaction costs. For the year ended 31 December 2012, finance expenses include US$45 million of accelerated non-cash amortization of debt issuance costs in 2012 as a result of a previous refinancing completed on 1 February 2012 by CEVA Group Plc.

7. PERSONNEL EXPENSES

$ millions	2013	2012
Wages and salaries	2,203	2,300
Employee benefits and social expenses	297	307
Pension costs - defined benefit plans (note 22)[1]	(15)	11
Pension costs - defined contribution plans	39	38
Share options granted to Managers and employees	1	1
Total personnel costs	**2,525**	**2,657**

[1]Pension costs from defined benefit plan includes a curtailment gain ("negative past service costs") of US$21 million in Europe.

Average number of people employed

The average number of persons (including executive management) employed by the Group during the year was as follows:

	2013	2012
Freight Management	10,213	12,016
Contract Logistics	36,360	38,433
Total	**46,573**	**50,449**

The above disclosure excludes the total average headcount at Anji of 7,841 in 2013 (2012: 8,774).

Managers and executive management emoluments

$ thousands	2013	2012
Marvin Schlanger	1,489	428
Marc Becker	30	-
Tom White	697	68
Michael Jupiter	30	50
Stan Parker	30	46
Alan Miller	52	-
Emanuel Pearlman	52	-
John Smith	52	-
Other executive management	5,032	6,342
Total	**7,465**	**6,934**

Managers and other executive management (key management) emoluments include salaries of US$5 million (2012: US$6 million), accrued bonus provisions of US$2 million (2012: nil) and share option expenses of nil (2012: US$1 million). Managers and other executive management received US$489 thousand (2012: US$82 thousand) for pension related costs.

The Company has four independent, non-employee managers. Independent non-employee managers receive US$25,000 for each calendar quarter of service. All other non-employee managers are paid US$15,000 for each calendar quarter of service. Independent non-employee managers are entitled to receive two awards of restricted stock or restricted stock units of the Company each having a fair market value on the date of grant of US$75,000. The first award is issued following appointment of the manager to the Board of Managers and the second award is issued following the first board meeting in the calendar year following the manager's initial appointment to the Board of Managers. The Chairman receives €20,000 per month for his service as Chairman.

Share options and restricted stock units granted to the Managers and other executive management are shown in the table below:

Number of share options

	Outstanding at 31 December 2012/ 1 January 2013	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31 December 2013[1]	Weighted average exercise price in $
Marvin Schlanger	-	3,205	-	-	3,205	1,000.00
Tom White	-	1,477	-	-	1,477	1,000.00
Alan Miller	-	75	-	-	75	-
Emanuel Pearlman	-	75	-	-	75	-
John SMith	-	75	-	-	75	-
Other executive management	-	6,516	-	-	6,516	820.76
Total	-	**11,423**	-	-	**11,423**	**891.56**

[1] Includes a total of 2,137 restricted stock units

8. INDEPENDENT AUDITOR REMUNERATION

During the year, the Group obtained the following services from its independent auditor, PricewaterhouseCoopers LLP and its associates:

$ millions	2013	2012
Fees payable to the Company's auditor and its associates for the audit of the consolidated financial statements	3	3
The audit of the Company's subsidiaries pursuant to legislation	3	3
Tax services	1	1
Tax advisory services	-	1
Services relating to corporate finance transactions not covered above	2	-
Total	**9**	**8**

Independent auditor remuneration is recognized in other operating expenses in the Consolidated Income Statement.

9. FINANCE INCOME AND EXPENSE

$ millions	2013	2012
Interest income	101	7
Other financial income	182	-
Finance income	**283**	**7**
Interest expense on bank borrowings	(213)	(327)
Interest on finance lease liabilities	(5)	(5)
Net foreign exchange losses	(35)	(22)
Interest expense on retirement benefit obligations	(4)	(5)
Other financial expense	(88)	(98)
Finance expense	**(345)**	**(457)**
Net finance expense	**(62)**	**(450)**

Other financial expense includes the amortization of debt issuance costs of US$53 million (2012: US$55 million).

During 2013, the Group continued to define certain net investment hedge relationships, whereby foreign exchange movements pertaining to these defined relationships are recognized directly in other comprehensive income rather than in profit and loss. As at 31 December 2013 US$183 million (31 December 2012: US$692 million) of borrowings was designated as a net investment hedge.

Other financial income comprise specific items in 2013 which includes a gain of US$127 million (net of US$45 million of transaction costs) arising on the debt for equity exchange, plus a gain of US$54 million arising on part of the above debt exchange transaction (involving an exchange of Franklin's holdings of 8.375% notes for 4% notes with Franklin). The transaction also included the reversal of accrued interest payable of US$93 million that was waived as part of the Recapitalization, which is included in the line item "Interest income".

10. INCOME TAX EXPENSE

$ millions	2013	2012
Current tax expense	33	26
Deferred tax income	(46)	(10)
Income tax (income)/expense	**(13)**	**16**

Income tax expense recognized in other comprehensive income is US$3 million (2012: US$2 million).

The contributing factors for the difference between the expected tax rate (the Group's overall expected tax rate is calculated as the weighted average tax rate based on earnings before tax of each subsidiary and can change on a yearly basis) are as follows:

$ millions	2013		2012	
Theoretical tax charge/(income)	**(87)**		**(252)**	
Permanent differences:				
Non deductible write off of goodwill	-		129	
Non deductable other costs	15		(9)	
Non taxable repurchase of debt	-		15	
Non taxable gain on sale of business	(6)		-	
Other movements:				
Deferred tax assets not recognized on temporary differences	53		77	
Deferred taxes not recognized on losses	8		71	
Other income tax (income)/expense	4		(15)	
Actual tax charge/(income)	**(13)**	**21.7%**	**16**	**(1.8)%**

The 2013 effective tax rate is 21.7% (2012: (1.8)%). The 2013 and 2012 rate was impacted by uncertainty over the future utilization of losses and the company's debt and equity financing. The 2013 rate was also impacted by the non taxable gain on the sale of a subsidiary and the 2012 rate was impacted by the impairment of goodwill.

11. BUSINESS COMBINATIONS

The Company did not complete any material acquisitions in 2013 and 2012.

12. INTANGIBLE ASSETS

$ millions	Goodwill	Contractual customer relationships	Other intangibles	Total
Net book amount at 1 January 2012	**1,992**	**559**	**35**	**2,586**
Additions	-	-	32	32
Amortization	-	(94)	(22)	(116)
Impairment	(410)	-	-	(410)
Transferred to disposal group classified as held for sale	(113)	(1)	-	(114)
Exchange rate differences	27	4	(1)	30
Closing net book amount at 31 December 2012	**1,496**	**468**	**44**	**2,008**
Historical cost	1,929	1,017	397	3,343
Accumulated amortization and impairment	(433)	(549)	(353)	(1,335)
Net book amount at 31 December 2012 / 1 January 2013	**1,496**	**468**	**44**	**2,008**
Additions	-	-	23	23
Amortization	-	(97)	(27)	(124)
Transfers	-	-	(3)	(3)
Exchange rate differences	(5)	-	-	(5)
Closing net book amount at 31 December 2013	**1,491**	**371**	**37**	**1,899**
Historical cost	1,924	1,017	417	3,358
Accumulated amortization and impairment	(433)	(646)	(380)	(1,459)
Net book amount at 31 December 2013	**1,491**	**371**	**37**	**1,899**

Impairment tests for goodwill

Goodwill is subject to annual impairment reviews. These reviews are carried out using the following criteria. An amount of goodwill is attributed to each of the operating segments. Such operating segments are determined to be a "Cash Generating Unit" (CGU) as determined by IAS 36 "Impairment of Assets". The recoverable amount of each CGU is determined based on calculating its value in use. The value in use is calculated by applying discounted cash flow modeling to management's own projections covering a five year period. Cash flows beyond the five year period are extrapolated using a long term growth rate of 2% which does not exceed the estimated long term GDP growth rates for the most relevant territories in which the businesses operate.

The carrying amount of goodwill at 31 December as allocated to each of the Group's two identified CGUs is as follows:

$ millions	2013	2012
Freight Management	1,110	1,118
Contract Logistics	381	378
Total goodwill	**1,491**	**1,496**

Management's five year projections have been prepared on the basis of strategic plans, knowledge of the market, performance of competitors and management's views on achievable growth in market share over the longer term.

The impairment charges in 2012 were primarily driven by the impact on business valuations from significantly lower cash flows from revised internal projections reflecting recent experiences and potential future challenging economic and competitive conditions.

The projections for Freight Management demonstrate a robust market position; however, the uncertainty concerning the outlook for the economy around the world has suppressed the projections such that the remaining value of goodwill was impaired to US$1,118 million in 2012. No impairment losses were recognized for the year ended 31 December 2013.

The revised projections for Contract Logistics incorporate the increasing weaknesses in various key markets, particularly in the Southern European economies, while also considering management's actions on costs. The remaining value of goodwill was impaired to US$378 million in 2012. No impairment losses were recognized for the year ended December 2013.

Key assumptions

The key assumptions used in determining the value in use are:

Growth rates and discount rates used

	2013		2012	
	Growth rate beyond five years	Pre-tax discount rate	Growth rate beyond five years	Pre-tax discount rate
Freight Management	2.0%	13.4%	2.0%	14.1%
Contract Logistics	2.0%	13.4%	2.0%	14.1%

After five years of management projections, a long-term growth rate into perpetuity of 2% has been determined by an estimated nominal Gross Domestic Product (GDP) growth rate.

The discount rates applied to cash flows is based on the Group's weighted average cost of capital (WACC) adjusted for income tax. The WACC is calculated based on a weighted average of the post-tax interest rates paid on our loans, and a return on equity based on the equity market risk premium (that is the required increased return required over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the Group relative to the market as a whole. The beta used is based on an average of the betas of what management considers to be the most comparable listed logistics companies.

Projected EBITDA

The five year projections for Adjusted EBITDA have been prepared using strategic plans which include key assumptions for growth in sales and costs over this period. These assumptions take into account knowledge of the current markets in our Freight Management and Contract Logistics segments, management's views on the development of our services relative to the market and the impact of the cost reduction activities that were carried out in 2012 and 2013.

Budgeted capital expenditure
The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to implement new projects and maintain existing activities in our Contract Logistics segment and grow and maintain our Freight Management network. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and computer software.

Net Working Capital (NWC) levels
Projections for NWC levels are based on the actual NWC needs of the Freight Management and Contract Logistics segments during the last three years.

Result
No goodwill impairment losses were recognized for the year ended 31 December 2013 (2012: US$410 million) as a result of the goodwill impairment testing.

Sensitivities
A sensitivity analysis has been performed on each of the base case assumptions used for assessing the goodwill with other variables held constant. Consideration of sensitivities to key assumptions can evolve from one financial year to the next.

The table below shows the sensitivity impact of changes in key assumptions by CGU:

$ millions			2013
	Freight Management	Contract Logistics	Total
Decrease in long term growth rate of 0.5%	(71)	(85)	(156)
Increase in pre-tax discount rate of 1%	(133)	(137)	(270)
Decrease in projected EBITDA of 5%	(100)	(122)	(222)
Worsening in the projected NWC levels of 10%	(10)	(36)	(46)
Increase in projected capital expenditure of 10%	(43)	(111)	(154)

The table above shows the change in headroom as a result of a change in assumptions affecting the headroom. None of these would individually lead to an impairment for either the Contract Logistics or Freight Management segment. The recoverable amount of the Freight Management segment is US$1,577 million and of the Contract Logistics segment is US$2,016 million.

13. PROPERTY, PLANT AND EQUIPMENT

$ millions	Land and buildings	Plant and equipment	Other	Under construction	Total
Net book amount at 1 January 2012	**165**	**160**	**70**	**5**	**400**
Additions	20	42	30	6	98
Disposals	(2)	(13)	(3)	-	(18)
Depreciation	(23)	(60)	(34)	-	(117)
Exchange rate differences	5	2	2	1	10
Transferred to disposal group classified as held for sale	(2)	(33)	-	-	(35)
Transfers	6	-	2	(8)	-
Closing net book amount at 31 December 2012	**169**	**98**	**67**	**4**	**338**
Historical cost	315	428	272	4	1,019
Accumulated depreciation and impairment	(146)	(330)	(205)	-	(681)
Net book amount at 31 December 2012 / 1 January 2013	**169**	**98**	**67**	**4**	**338**
Additions	9	25	27	9	70
Disposals	(1)	(4)	(11)	-	(16)
Depreciation	(23)	(31)	(34)	-	(88)
Impairment	(5)	-	-	-	(5)
Exchange rate differences	(1)	(4)	(1)	(1)	(7)
Transferred to disposal group classified as held for sale	(1)	-	-	-	(1)
Transfers	-	-	5	(5)	-
Closing net book amount at 31 December 2013	**147**	**84**	**53**	**7**	**291**
Historical cost	321	445	292	7	1,065
Accumulated depreciation and impairment	(174)	(361)	(239)	-	(774)
Net book amount at 31 December 2013	**147**	**84**	**53**	**7**	**291**

Finance leases

The following assets held under finance leases are included in property, plant and equipment:

$ millions	Land and buildings	Plant and equipment	Other	Total
Under finance lease 31 December 2012	40	22	1	63
Under finance lease 31 December 2013	**22**	**20**	**1**	**43**

14. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes relate to the same fiscal authority. The amounts are as follows:

$ millions	2013	2012
Before offsets:		
Deferred income tax assets	(56)	(72)
Deferred income tax liabilities	83	145
Net deferred income tax liabilities	**27**	**73**
After offsets:		
Deferred income tax assets	(9)	(7)
Deferred income tax liabilities	36	80
Net deferred income tax liabilities	**27**	**73**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

$ millions	Provisions	Goodwill and other intangibles	Losses carried forward	Other	Total
Balance at 1 January 2012	**32**	**26**	**33**	**2**	**93**
Transfers	17	2	(5)	4	18
Income statement effect	(8)	(16)	(17)	2	(39)
Deferred income tax assets at 31 December 2012 / 1 January 2013	**41**	**12**	**11**	**8**	**72**
Transfers	-	14	(20)	6	-
Exchange rate differences	(1)	-	-	(6)	(7)
Income statement effect	(8)	(15)	19	(5)	(9)
Deferred income tax assets at 31 December 2013	**32**	**11**	**10**	**3**	**56**

Deferred income tax liabilities

$ millions	Property, plant and equipment	Intangibles	Other	Total
Balance at 1 January 2012	**5**	**183**	**(1)**	**187**
Transfers	14	(16)	9	7
Exchange rate differences	(1)	1	(1)	(1)
Income statement effect	(17)	(32)	1	(48)
Deferred income tax liabilities at 31 December 2012 / 1 January 2013	**1**	**136**	**8**	**145**
Transfers	-	(23)	19	(4)
Exchange rate differences	-	-	(3)	(3)
Income statement effect	(1)	(30)	(24)	(55)
Deferred income tax liabilities at 31 December 2013	**-**	**83**	**-**	**83**

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is considered more likely than not. The Group did not recognize deferred income tax assets of US$8 million (2012: US$71 million) in respect of losses amounting to US$57 million (2012: US$279 million) that can be carried forward against future taxable income for a period between one year and an indefinite period of time.

15. INVENTORY

$ millions	2013	2012
Raw materials and supplies	13	15
Finished goods	4	4
Total inventory	**17**	**19**

The provision for inventory obsolescence is nil (2012: nil).

Movements in inventory are recorded in other operating expenses in the Consolidated Income Statement.

16. TRADE AND OTHER RECEIVABLES

$ millions	2013	2012
Trade receivables	1,161	1,386
Provision for impairment of trade receivables	(37)	(49)
Trade accounts receivable - net	**1,124**	**1,337**
VAT receivable	35	40
Other	82	57
Other receivables	**117**	**97**
Total trade and other receivables	**1,241**	**1,434**

Other receivables include amounts receivable from insurance companies and from tax authorities.

The fair value of trade and other receivables approximates its carrying amount.

At 31 December 2013 non-recourse factoring resulted in the derecognition of US$97 million (2012: US$135 million) of trade receivables.

The Group has liabilities of US$190 million (2012: US$209 million) related to financing secured by receivables which it includes in bank borrowings. These relate to arrangements in which the Group remains exposed to some or all of the bad debt risk related to these trade receivables. Based on the borrowing bases and advance rates of these arrangements, over US$230 million (2012: over US$251 million) of trade receivables are financed pursuant to these arrangements. The Group has not derecognized these trade receivables as it may incur losses in respect of poor collection performance and retains the benefits of collections in excess of the factoring liabilities.

During October 2012, certain Australian subsidiaries of the Group entered into a Receivables Purchase Agreement with a facility limit of A$40 million maturing in September 2015. Receivables sold under this agreement are not derecognized and the related liabilities are included in bank borrowings.

On 19 November 2010, certain US subsidiaries of the Group and a new subsidiary CEVA US Receivables LLC (Unrestricted Subsidiary) entered into agreements establishing an Asset Backed Loan (ABL) Facility with an initial commitment amount of US$200 million. On 30 November 2010, the committed amount of the ABL Facility was increased to US$250 million. The obligations of the Unrestricted Subsidiary under the ABL Facility are secured on a first-priority basis by all currently owned and subsequently acquired assets of the Unrestricted Subsidiary, including, but not limited to, all of the accounts receivable transferred to the Unrestricted Subsidiary by the US subsidiaries. On 31 December 2013, CEVA closed the refinancing of this instrument resulting in a maturity extension and increased availability. The ABL Facility matures on 31 December 2018. As at 31 December 2013, the outstanding drawn amount of the ABL Facility was US$153 million. The transaction has been accounted for as collateralized borrowing (refer to note 21 “Borrowings”). Following an event of default by the Unrestricted Subsidiary under the ABL Facility loan agreement or if a specified liquidity event occurs, the lenders have the right to receive the cash flows from the pledged receivables to repay the outstanding loans under the ABL Facility. Absent an event default or liquidity event, the Unrestricted Subsidiary will collect the receivables and all new receivables transferred to the Unrestricted Subsidiary by the US subsidiaries will be collateral. Receivables sold under this agreement are not derecognized and the related liabilities are included in bank borrowings.

As at 31 December 2013, trade receivables of US$158 million (2012: US$259 million) were past due but not impaired. These receivables relate to a number of independent customers for whom there is no history of default. The ageing profile of trade receivables past due but not impaired is as follows:

$ millions	2013	2012
Past due 0-30 days	93	144
Past due 31-60 days	25	42
Past due 61-90 days	10	21
Past due 91-120 days	7	14
Past due more than 121 days	23	38
Total	**158**	**259**

Due to our continued focus on collections in this area, our overdue receivables have decreased as a percentage of total receivables. This was primarily driven by our continued efforts to collect outstanding debt as soon as it is due.

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

$ millions	2013	2012
Euro	311	356
US dollar	390	397
UK pound sterling	86	81
Other currencies	491	649
Total	**1,278**	**1,483**

Movements on the provision for impairment of trade receivables are as follows:

$ millions	2013	2012
At 1 January	**49**	**41**
Charged to other operating expenses	23	16
Receivables written off during the year as uncollectable	(34)	(9)
Unused amounts reversed	(1)	-
Exchange rate difference	-	1
At 31 December	**37**	**49**

The creation and release of the provision for impaired receivables has been included in other operating expenses in the Consolidated Income Statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

17. CASH AND CASH EQUIVALENTS

$ millions	2013	2012
Cash at bank	361	200
Current bank deposits	213	139
Total cash and cash equivalents	**574**	**339**

Cash and cash equivalents are largely available for use by the Group. Bank overdrafts are included within interest bearing borrowings (note 21 "Borrowings").

18. ASSETS AND LIABILITIES HELD FOR SALE

Following the commitment of the Group's management, a property in Asia Pacific was classified as held for sale as at 31 December 2013. The assets and liabilities held for sale as per 31 December 2012 related to the CEVA Logistics European Container Logistics business and Asia Pacific Pallecon business (together forming the Intermediate Bulk Container Business) which was sold on 2 January 2013.

The assets classified as held for sale are presented below:

$ millions	AS AT 31 DECEMBER	
	2013	2012
ASSETS		
Non-current assets		
Goodwill	-	113
Customer relations	-	1
Property, plant and equipment	1	35
Prepayments	-	1
Total non-current assets	**1**	**150**
Current assets		
Inventory	-	5
Trade and other receivables	-	11
Total current assets	-	**16**
TOTAL ASSETS	**1**	**166**

The liabilities classified as held for sale are presented below:

$ millions	AS AT 31 DECEMBER	
	2013	2012
LIABILITIES		
Non-current liabilities		
Non-current borrowings	-	1
Retirement benefit obligations	-	1
Other long term liabilities	-	-
Total non-current liabilities	**-**	**2**
Current liabilities		
Trade and other payables	-	5
Other current liabilities	-	6
Total current liabilities	**-**	**11**
TOTAL LIABILITIES	**-**	**13**

19. JOINT VENTURES

The Group has one significant joint venture being a 50% interest in Anji Automotive Logistics Company Limited, a company which is incorporated in China and primarily provides contract logistics services. The following amounts represent the Group's 50% share of the assets and liabilities, sales and results of the joint venture. They are included using proportional consolidation in the Consolidated Balance Sheet and Consolidated Income Statement of the Group.

$ millions	2013	2012
Assets		
Non-current assets	66	59
Current assets	132	143
Liabilities		
Current liabilities	109	127
Net assets	**89**	**75**
Revenue	340	266
Depreciation and amortization	(8)	(6)
Financial income	1	-
Other expenses[1]	(322)	(254)
Profit/(loss) after income tax	**11**	**6**
Adjusted EBITDA	**18**	**20**
Proportionate interest in joint venture's commitments	20	37

[1] Included in other expenses is US$ nil (2012: US$8 million) tax expense.

The joint venture had no contingent liabilities as at 31 December 2013 (2012: nil).

20. SHARE CAPITAL

	Number of common shares	Number of A-1 Convertable Preferred Shares	Number of A-2 Convertable Preferred Shares	$
1 January 2013	-	-	-	-
Issued share capital during the year	443,106	237,644	334,828	1
31 December 2013	**443,106**	**237,644**	**334,828**	**1**
Authorized share capital as per 31 December 2013	**4,000,000**	**275,000**	**345,000**	**1**

On 2 May 2013 CEVA completed a major financial recapitalization plan that has reduced substantially CEVA's overall debt and interest costs, as well as increased liquidity and strengthened its capital structure (the "Recapitalization"). As part of the Recapitalization, the Company became the new parent company of CEVA Group Plc. The Company was formed on 28 March 2013 in the Republic of the Marshall Islands.

At 28 March 2013, the authorized share capital comprised 4.620.000 shares. Shares have a nominal value of US$1 each. The issued share capital as per 31 December 2013 consists of 443,105.98 common shares, 237,643.78 A1 preference shares and 334,827.60 A2 preference shares.

The A1 and A2 preference shares are convertible to common shares under certain conditions. They have a discretionary entitlement to dividends and a perpetual life with no contractual obligation to pay cash in the future, other than on liquidation (see note 2.20). Accordingly they have been treated as equity instruments.

21. BORROWINGS

The carrying amounts and fair value of borrowings are as follows:

$ millions	2013		2012	
	Carrying value	Fair value	Carrying value	Fair value
Non-current				
Bank borrowings	733	747	1,080	1,102
Loan notes	1,140	1,132	2,251	2,059
Finance leases	47	47	52	52
Total non-current borrowings	**1,920**	**1,926**	**3,383**	**3,213**
Current				
Bank overdrafts	113	113	129	129
Loan notes	7	7	-	-
Bank borrowings	24	24	26	26
Finance leases	16	16	10	10
Total current borrowings	**160**	**160**	**165**	**165**
Total borrowings	**2,080**	**2,086**	**3,548**	**3,378**
Unamortized debt issuance costs	45		92	
Total principal debt	**2,125**		**3,640**	

Non-current borrowings

The fair value of the non-current interest bearing debt has been presented using the available market price (level 1) at the balance sheet date or otherwise using the face value. The senior bank debt's fair value has been presented using its face value, as it is a private floating rate facility, and the fair value of current debt has been presented using its carrying value given its short-term nature. The average floating interest rate for the period was 5.2% (2012: 5.0%) and 4.9% (2012: 5.7%) for Euro and for US$ denominated loans respectively.

Current borrowings

The carrying amounts of current borrowings approximate their fair value.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Maturity	Amount drawn at 31 December 2013 (millions)	Amount drawn at 31 December 2012 (millions)
Senior secured facilities - tranche B	Euro	EURIBOR + 5%	August 2016	€103	€103
Senior secured facilities - tranche B	US dollar	US LIBOR + 5%	August 2016	$393	$485
Senior secured facilities - revolver	Euro	EURIBOR + 4%	November 2015	-	€65
Senior secured facilities - revolver	US dollar	Prime Rate + 1.5%	November 2015	-	$52
First lien senior secured notes	US dollar	8.375%	December 2017	$562	$775
First-and-a-half priority lien senior	US dollar	11.625%	October 2016	$210	$210
12.75% senior notes	US dollar	12.75%	March 2020	$43	$620
Senior unsecured loans	US dollar	9.75%	June 2018	-	$113
US ABL facility	US dollar	US LIBOR + (2% - 2.5%)	December 2018	$153	$164
Australian receivables facility	AU dollar	BBSY + 5.28%	September 2015	A$39	A$40
Bank overdrafts	Various	Various	Various	€82	€111
Finance lease liabilities	Various	Various	Various	€43	€ 47
Other loans	Various	Various	Various	€36	€24
4% senior notes	US dollar	4%	May 2018	$390	-

The carrying amounts of the Group's borrowings are denominated in the following currencies:

$ millions	2013	2012
Euro	203	980
US dollar	1,678	2,418
Other currencies	199	150
Total	**2,080**	**3,548**

Debt and equity funded financing in 2013

On 3 April 2013 CEVA Group Plc announced and commenced a financial recapitalization plan that would reduce substantially CEVA's overall debt and interest costs, as well as increase liquidity and strengthen its capital structure (the "Recapitalization"). On 2 May 2013 the Recapitalization successfully closed. The Recapitalization enables CEVA to serve its customers better, accelerate its growth throughout the world and fund the development of new supply chain products and services. The Recapitalization reduced consolidated net debt by approximately US$1.6 billion, is expected to reduce annual cash interest expense by over US$170 million or approximately 50%, further strengthened liquidity with US$219 million of proceeds from equity capital from our new shareholders, and received additional liquidity of US$85 million through the financing from certain funds and accounts managed by Franklin Advisers, Inc. and Franklin Templeton Investments Corp. ("Franklin"), one of our largest institutional investors. CEVA utilized the new money for investment in its business plan.

Following the Recapitalization, the Company became the 99.99% shareholder of CEVA Group Plc. In the Recapitalization, equity interests held by affiliates of Apollo in CIL Limited, the former parent of CEVA Group Plc, were eliminated, and Apollo affiliates acquired a stake of 21.4% in the equity of the Company through exchanging CEVA Group Plc debt it held and through the cash purchase of equity, while Franklin acquired a stake of 27.8%, and funds affiliated with Capital Research and Management Company ("CapRe") acquired a stake in excess of 15% both through exchanging CEVA Group Plc debt. Upon receipt of regulatory approvals, CapRe's stake became 28.9%. No other shareholder holds 5% or more of the equity of the Company. Pursuant to the LLC Agreement, Apollo affiliates hold a majority of the voting power of the Company and have the right to elect a majority of the respective boards of the Company and CEVA Group Plc.

The Recapitalization involved the following transactions:

- US$689 million principal amount of Junior Priority Senior Secured Notes exchanged for equity in the Company, which then released the notes and received a like amount of new junior priority senior secured PIK notes issued by CEVA Group Plc. Each US$1,000 of Junior Priority Senior Secured Notes validly tendered by eligible holders received 0.4855082 CEVA Holdings LLC Series A-2 Convertible Preferred Shares and 0.2242813 CEVA Holdings LLC Common Shares
- US$577 million principal amount of 12.75% Senior Notes exchanged for equity in the Company, which then released the notes. Each US$1,000 of 12.75% Senior Notes validly tendered by eligible holders received 0.4144362 CEVA Holdings LLC Common Shares
- €6 million (US$8 million) principal amount of 12% Senior Notes exchanged for equity in the Company, which then released the notes. Each €1,000 (US$1,307) of 12% Senior Notes validly tendered by eligible holders received 0.5035416 CEVA Holdings LLC Common Shares
- US$113 million principal amount of Senior Unsecured Loans exchanged for equity in the Company, which then released the loans. Each US$1,000 of Senior Unsecured Loans validly tendered by eligible holders received 0.3929161 CEVA Holdings LLC Common Shares
- US$92 million principal amount of Term Loans and US$213 million principal amount of 8.375% Senior Secured Notes were released by Franklin in return for US$305 million principal amount of new 4% Senior Secured Notes
    - CEVA also obtained a commitment from this investor to purchase an additional principal amount of new 4% Senior Secured Notes equal to the US$ equivalent of €65 million at CEVA's option
- US$219 million capital injection was received from CEVA's new ultimate shareholders for the issue of Series A-1 Convertible Preferred Shares of the Company
- Interest payments were made on the Junior Priority Senior Secured Notes and 12.75% Senior Notes remaining outstanding after the Recapitalization in respect of amounts due 1 April 2013
- Payments of accrued interest amounting to US$93 million were not made on the Term Loans and 8.375% Senior Secured Notes being released and this amount has been reversed (see note 6).
- The issued shares and preference shares issued by the Company for debt tendered by their eligible holders have been treated as equity. Given the terms of the preference shares, which have a perpetual life, with no contractual obligation to pay cash in the future other than on liquidation, and discretionary entitlement to dividends, these do not qualify as financial liabilities under IAS 32.
- CEVA has applied IFRIC 19 'Extinguishing financial liabilities with equity instruments' to the debt tendered by their eligible holders for equity. This resulted in a gain on extinguishment of US$128 million net of transaction costs of US$44 million (see note 6). In measuring this gain the fair value of the debt tendered has been assumed to equal the fair value of the equity issued as the transaction was conducted at arm's length.
- The exchange of Term Loans and 8.375% Senior Secured Notes held by Franklin for new 4% Senior Secured Notes, whose terms were otherwise unchanged, has been accounted for as an extinguishment of the old debt and issue of new debt with a resulting gain on extinguishment of US$54 million (see note 6). A fee of US$3 million was paid to Franklin in the form of common shares as a commitment fee, treated as a debt issuance cost, to purchase additional 4% Senior Secured Notes in a principal amount of approximately US$85 million from CEVA. This facility was drawn down during the year.

Bank borrowings

As at 31 December 2013 the Company has drawn US$102 million (2012: US$137 million) under the revolving credit facility.

In addition to the term bank loans, the Group has a US$169 million (2012: US$166 million) synthetic letter of credit facility which is available for the issuance of letters of credit and bank guarantees. On 2 May 2012, the Group completed a refinancing of its synthetic letter of credit facility due 2013 by increasing its existing term loan due 2016 by US$150 million.

Approximately US$161 million of letters of credit in various currencies were issued but undrawn on 31 December 2013 (2012: US$157 million) under the synthetic letter of credit facility and revolving credit facility. The remaining amount unissued under our synthetic letter of credit facility as at 31 December 2013 is US$9 million (2012: US$9 million).

The Group has the following undrawn borrowing facilities which expire beyond one year:

$ millions	2013	2012
Floating rate	186	61
Fixed rate	-	-
Total	**186**	**61**

As at 31 December 2013, the Company had US$574 million (2012: US$339 million) in cash on its Consolidated Balance Sheet. In addition to this cash, the Company LLC has access to US$553 million (2012: US$557 million) of credit facilities held centrally, as described above, of which US$375 million (2012: US$505 million) was drawn. Total headroom at 31 December 2013 was therefore US$758 million (2012: US$391 million).

Certain covenants and events of default
Our indebtedness contains, and any future indebtedness we may incur would likely contain, a number of restrictive covenants that will impose significant operating and financial restrictions on us, including restrictions on our ability to, amongst others, incur or guarantee additional debt, pay dividends and make other restricted payments, create or incur certain liens, make certain investments, engage in sales of assets and subsidiary stock, enter into transactions with affiliates and transfer all or substantially all of our assets or enter into merger or consolidation transactions. In addition, our senior secured credit facilities require us to maintain a maximum ratio of secured first lien net debt to covenant EBITDA of 4.0 to 1.0, calculated for the trailing four quarters (as determined under our senior secured credit facility). The definition of covenant EBITDA allows us to add back certain non-cash or non-recurring charges that are deducted in determining net income (for example, restructuring costs) and to add the future benefit of specific cost reduction programs. As at 31 December 2013 the Group had significant headroom on this covenant.

Interest rate and fees
The interest rates applicable to loans under the senior secured facilities are, at our option, equal to either an alternate base rate or an adjusted LIBOR for a one, two, three or six-month interest period, or a nine or 12 month period, if available from all relevant lenders, in each case, plus an applicable margin.

Notes
The Group's secured notes are senior obligations of the issuer and the guarantors, secured by liens on certain of the issuer's and the guarantors' existing and future assets. The liens securing the 8.375% first lien senior secured notes and the senior secured facilities rank senior to the liens securing the other secured notes. The liens securing the Group's lien-and-a-half priority senior secured notes ranks senior to the liens securing the junior-priority senior secured notes but junior to the liens securing the first lien debt. The Group's senior notes and senior unsecured loans are unsecured senior obligations of the issuer and the guarantors.

Each series of notes contains customary covenants and events of default that, among other things, restrict, subject to certain exceptions, our ability and the ability of our subsidiaries, to incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and make dividend and other restricted payments.

Each series of notes may be redeemed at our option at certain redemption prices, plus accrued interest. Upon the occurrence of certain change of control events, each holder of notes may require us to repurchase all or a portion of its notes at a purchase price equal to 101% of the principal amount of its notes, plus accrued interest.

On 21 November 2011, we entered into amendments to the agreements governing the Senior Unsecured Facility, the Extended Senior Notes and the Extended Senior Subordinated Notes. Pursuant to such amendments, instead of receiving scheduled interest payments in the fourth quarter of 2011, Apollo agreed to receive accrued and unpaid interest on 1 February 2012 in exchange for a nominal consent fee, the purpose of which was to improve the balance of the timing of CEVA's interest payments.

US ABL facility due 2018
On 19 November 2010, certain US subsidiaries of the Group and a new subsidiary CEVA US Receivables LLC (Unrestricted Subsidiary) entered into agreements establishing an Asset Backed Loan (ABL) Facility with an initial commitment amount of US$200 million. On 30 November 2010, the committed amount of the ABL Facility was increased to US$250 million. The obligations of the Unrestricted Subsidiary under the ABL Facility are secured on a first-priority basis by all currently owned and subsequently acquired assets of the Unrestricted Subsidiary, including, but not limited to, all of the accounts receivable transferred to the Unrestricted Subsidiary by the US subsidiaries. On 31 December 2013, CEVA closed the refinancing of this instrument resulting in a maturity extension and increased availability. The ABL Facility matures on 31 December 2018. As at 31 December 2013, the outstanding drawn amount of the ABL Facility was US$153 million.

Australian Receivables Facility due 2015
On 1 October 2012, certain Australian subsidiaries of the Group completed a A$40 million receivables purchase facility due 2015. As at 31 December 2013, the outstanding drawn amount was U$35 million (A$39 million).

22. RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of pension plans around the world, most of which are defined contribution plans. CEVA has a small number of defined benefit plans of which the main ones are based in Italy, the Netherlands, the United Kingdom and the United States. The plans in the United Kingdom and the United States are closed to new members.The majority of benefit payments are from trustee-administration funds; however, there are also a number of unfunded plans where the company meets the benefit payment as it falls due.

Amounts recognized in the Consolidated Balance Sheet

$ millions	2013	2012
Present value of funded obligations	260	279
Fair value of plan assets	142	131
Deficit	**118**	**148**
Reimbursement right	2	2
Liability in the balance sheet	**120**	**150**

Italian pension plan
In accordance with the Trattamento di Fine Rapporto ('TFR') legislation in Italy, employees are entitled to a termination payment on leaving the company. The TFR regulation changed from 1 January 2007 and employees were given the option to either remain under the prior regulation or to transfer the future accruals to external pension funds. The funded provision for TFR maturing after 1 January 2007 is treated as a defined contribution plan under both options. An amount of US$20 million at 31 December 2013 (2012: US$23 million) has been recognized in the provision for pension liabilities in accordance with this legislation, which is unfunded. As part of the retirement benefit obligation the Group also reports a liability ("Cassa Vincolata Passiva") of US$34 million at 31 December 2013 (2012: US$35 million) that represents the right of current employers of former CEVA employees to claim TFR payments. Similarly, the Group also has an asset ("Cassa Vincolata Attiva") of US$2 million (2012: US$2 million) that is included in non-current prepayments. This asset reflects the right of the Group to claim TFR payments for certain employees from their prior employers.

Movement in defined benefit obligations

$ millions	2013	2012
At 1 January	**279**	**235**
Service costs	3	11
Other costs	-	1
Interest costs	7	10
Actuarial loss	2	36
Exchange rate differences	7	-
Benefits paid	(11)	(15)
Curtailments	(23)	-
Settlements	(3)	-
Transfers	(1)	1
At 31 December	**260**	**279**

Movement in plan assets

$ millions	2013	2012
At 1 January	**131**	**112**
Expected return on plan assets	3	5
Actuarial gain	7	4
Exchange rate differences	3	2
Employer contributions	4	13
Benefits paid	(4)	(7)
Settlements	(2)	2
At 31 December	**142**	**131**

Expense recognized in the Consolidated Income Statement

$ millions	2013	2012
Recognized in personnel expenses (note 7)		
Service costs	3	11
Other costs	3	-
Gain on curtailment and settlements[1]	(21)	-
Recognized in finance expense (note 9)		
Expected return on plan assets	(3)	(5)
Interest costs	7	10
Employer pension (income)/expense for the year	**(11)**	**16**

[1]The gain is related to a curtailment ("negative past service costs") of a defined benefit plan in Europe.

Amounts recognized in the Statement of Other Comprehensive Income

$ millions	2013	2012
Actuarial (gains) / losses recognized in the statement of other comprehensive income in the period (before tax)	(5)	32
Cumulative actuarial losses recognized in the statement of other comprehensive income (before tax)	50	55

The actual return on plan assets was an US$9 million gain (2012: US$10 million gain).

Principal actuarial assumptions

	2013	2012
Discount rate	3.7%	3.7%
Rate of compensation increase	2.2%	2.2%
Inflation	1.8%	2.0%

Percentages indicated are weighted averages.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with public statistics and experience in each territory. Mortality assumptions for our most important funds are based on the following post-retirement mortality tables:

- United Kingdom: for males the assumption is 98% of the SAPS Series 1 ("S1PA") table with year of birth medium cohort projections and floors subject to a minimum annual rate of improvement of 1.5% and for females it is 100% of the S1PA table with year of birth medium cohort projections subject to a minimum annual rate of improvement of 1.0%.
- The Netherlands: age adjustment based on the ES-P2A table published by the Dutch Actuarial Society, the GBM/GBV 2012-2062 mortality table.
- United States: RP2000 Combined Healthy table, Fully Generational.

These tables translate into an average life expectancy in years of a pensioner retiring at age 65:

	2013			2012		
	UK	NL	US	UK	NL	US
Retiring at the end of the reporting period:						
Male	22.8	21.6	19.5	22.4	21.5	19.6
Female	24.3	23.3	21.3	24.1	23.3	21.4
Retiring 20 years after the end of the reporting period:						
Male	25.0	23.4	21.0	25.3	23.3	21.0
Female	25.9	24.4	22.2	25.9	24.4	22.4

Other key assumptions inherent to the valuation of the Group's pensions and the determination of our pension cost include employee turnover, discount rates, expected long term returns on plan assets and future wage increases. The expected return on plan assets is determined by considering the expected returns available on assets underlying the current investments policy. These assumptions are given a weighted average and are based on independent actuarial advice and are updated on an annual basis. Actual circumstances may vary from these assumptions giving rise to a different pension liability.

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility; The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
- Inflation risk; The main part of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
- Life expectancy; The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 7.2%	Increase by 7.8%
Life expectancy	1 year	Increase by 4.3%	Decrease by 4.3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The weighted average duration of the defined benefit obligation is 15.4 years.

Expected employer contributions to post-employment benefit plans for the year ending 31 December 2014 are US$2 million. The expected employer contribution for the year ended 31 December 2014 is lower compared to the actual employer contribution for the year ended 2013 mainly due to a curtailment of the pension plan in Europe.

Plan assets do not include any investments in the Group and are comprised as follows:

	2013	2012
Equity	28%	30%
Fixed interest	15%	34%
Real estate	0%	2%
Cash	2%	1%
Other	55%	33%
Total	**100%**	**100%**

The experience adjustment to the pension plans are as follows:

$ millions	2013	2012	2011	2010	2009
At 31 December present value of defined benefit obligation	260	279	228	219	185
Fair value of plan assets	142	131	109	98	80
Deficit in the plan's funded status	**118**	**148**	**119**	**121**	**105**
Experience adjustment on plan liabilities	(2)	3	1	2	20
Experience adjustment on plan assets	3	4	6	1	6

23. SHARE BASED PAYMENTS

The Company implemented a new share-based equity plan effective 11 June 2013 that replaces the stock-based compensation issued from the CEVA Investments Limited 2006 Long Term Incentive Plan which was terminated as part of the Recapitalization.

The new management equity plan comprising rights to receive shares in the Company and deferred cash compensation has been put in place. In addition new option and share award plans have been implemented.

CEVA Recap Equity-Based Compensation Plan

The Company implemented a new share-based compensation plan effective 11 June 2013, referred to as "CEVA Recap Equity-Based Compensation Plan".

This new equity plan gives selected employees rights to receive shares of the Company free of charge at specified dates. Such rights vest in three equal installments at the 3rd, 4th and 5th anniversary.

CEVA Recap Cash-Based Compensation Plan
The Company implemented a new cash-based compensation plan effective 11 June 2013, referred to as "CEVA Recap Cash-Based Compensation Plan". This new deferred cash plan gives selected employees rights to receive cash from Company at specified dates. Such rights vest in three equal installments at the 3rd, 4th and 5th anniversary.

CEVA New Option Awards
The Company implemented a new share-based option plan effective 11 June 2013, referred to as "CEVA New Option Award plan". This new option plan gives selected employees rights to acquire shares of the Company at the fair market value of the grant date provided specified vesting conditions are met. Such rights partly vest over time and partly when specified company metrics are met.

New Investor Awards
The Company implemented a new share-based investments plan effective 2 October 2013, referred to as "CEVA New Investor Award plan". This new plan gives selected employees rights to purchase shares of the Company at fair market value of the award date.

All performance based options and shares vest at change of a qualified change in control and are subsequently locked for trading for a minimum period of 180 days. Change in control can be an acquisition of beneficial ownership of the Group, merger, consolidation or recapitalization.

The number and weighted average exercise price of share options are as follows:

	2013	
	Number	Weighted average exercise price in $
Outstanding at 1 January	**-**	**-**
Granted during the year	27,638	819.23
Forfeited	-	-
Exercised	-	-
Outstanding at 31 December	**27,638**	**819.23**
Exercisable at the end of the year	-	-

The options outstanding at 31 December 2013 have a weighted average exercise price of US$819.23 and a remaining weighted average contractual life of 9.47 years. As at 31 December 2013 a total of 4,455 restricted stock units were outstanding.

The fair value for services received in return for share options granted is based on the fair value of share options granted. The weighted average fair value of the share options granted during the period determined using the Black-Scholes Merton valuation model was US$559.22 per option. The significant inputs into the model were a weighted average share price of US$1,000, exercise price as shown above, average volatility during the year of 42.77%, a weighted average expected option life of 6.99 years and a risk free interest rate of 1.51% based on the SEC rates on each grant date in 2013. Expected volatility is estimated by considering the historic average share price volatility of our industry peers.

In the absence of a public market for common shares, the share price was determined by the Group based on a number of valuation methods incorporating factors and assumptions that the Group believes knowledgeable, willing market participants would consider in setting the share price, including consideration of industry peers and other quantitative and qualitative factors.

There are no expected dividends.

Refer to note 7 "Personnel expenses" for the share option expense and the details of the options granted to Managers and executive management

24. PROVISIONS

$ millions	Legal claims	Insurance	Restructuring	Other	Total
Balance at 1 January 2013	**60**	**48**	**18**	**40**	**166**
Raised during the year	33	29	32	14	108
Utilized during the year	(36)	(21)	(15)	(10)	(82)
Reversed during the year	(14)	-	(5)	(9)	(28)
Exchange rate differences	(2)	-	-	-	(2)
Balance at 31 December 2013	**41**	**56**	**30**	**35**	**162**
Of which non-current	26	20	1	24	71
Of which current	15	36	29	11	91

The economic outflow of non-current provisions is expected to occur within one to five years. The impact of discounting was not considered to be material.

Legal claims
A number of legal claims are pending against the Group. They consist of provisions for claims related to labor and employment matters, commercial arrangements, personal injury and property damage claims (including claims seeking to hold us liable for accidents involving our independent owner-operators), international trade, intellectual property, environmental, health, and safety, tariff enforcement, property damage, subrogation claims and various other matters arising from CEVA's ordinary business activities.

While the outcome of these disputes cannot be predicted with certainty, management believes that, based upon legal advice and information received, the final decision will not materially affect the consolidated position of the Group. To the extent management has been able to reliably estimate the expected outcome of these claims, a provision has been recorded as at 31 December 2013. Where the expected outcome cannot be reliably estimated disclosure of the matter is given in note 27 "Contingencies".

Insurance
The insurance provision includes amounts provided in respect of self insurance schemes which represent estimates, based on historical experience, of the ultimate cost of settling outstanding claims and claims incurred but not reported at the balance sheet date on risks retained by the Group.

Restructuring
These provisions relate to various restructuring projects initiated as part of the Group's cost containment programs. They include staff redundancy costs, and site closure costs.

Other
Other provisions largely comprise provisions for dilapidations and dismantling costs, employee benefit obligations, onerous contracts, tax and other related costs.

25. TRADE AND OTHER PAYABLES

$ millions	2013	2012
Trade payables	878	893
Personnel related accruals	148	137
Social security and other taxes	100	106
Accrued liabilities	501	665
Total trade and other payables	**1,627**	**1,801**

26. COMMITMENTS

Capital commitments
Capital expenditure for the acquisition of tangible and intangible fixed assets contracted for at the balance sheet date but not yet incurred totals US$23 million (2012: US$18 million).

Operating lease commitments
The Group leases various offices and warehouses under non-cancellable operating lease agreements. The lease terms are generally between one and six years and the majority of lease agreements are renewable at the end of the lease period at market rates.

The Group also leases various motor vehicles, office and computer equipment under operating lease agreements.

During the year ended 31 December 2013, US$398 million was recognized as an expense in the Consolidated Income Statement in respect of operating leases (2012: US$391 million).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

$ millions	2013	2012
Less than 1 year	322	335
1-5 years	714	673
Thereafter	270	394
Total	**1,306**	**1,402**
Of which guaranteed by third party / customers	99	123

Of the future lease payments, US$931 million (2012: US$1,023 million) relates to commitments in relation to multi user/shared facilities, while the remaining US$375 million (2012: US$379 million) is dedicated to specific customers.

Guarantees
The Group has issued guarantees on behalf of its subsidiaries in the ordinary course of business in connection with lease agreements, customs duty deferment and local credit lines amounting to US$381 million (2012: US$332 million), of which US$161 million (2012: US$157 million) was issued but undrawn under our synthetic letter of credit facility and US$102 million (2012: US$69 million) issued but undrawn under our revolving credit facility. The remaining amount unissued under the synthetic letter of credit facility was US$9 million (2012: US$9 million). The obligations under the guarantees issued by banks and other financial institutions have been secured by CEVA and certain of its subsidiaries.

27. CONTINGENCIES

Litigation and Legal Proceedings
The Company is involved in several legal proceedings relating to the normal conduct of our business. While the outcome of these legal proceedings is uncertain, the Company believes that it has provided for all probable and estimable liabilities arising from the normal course of business, and we therefore do not expect any liability arising from any of these legal proceedings to have a material impact on our results of operations, liquidity, capital resources or financial position.

Surcharge Antitrust Investigation and Litigation
Several CEVA subsidiaries and certain current and former employees have been or are subject to, and cooperating with, investigations by the European Commission ("EC") and the governments of Brazil and Singapore for possible price-fixing and other improper collusive activity with respect to certain accessorial and other charges, along with several other entities in the freight forwarding industry. Several investigations (including by the U.S. Department of Justice ("DOJ") and by authorities in Canada, Japan, New Zealand, and Switzerland) have been resolved.

CEVA has also reached a settlement agreement with the plaintiffs in a putative class action lawsuit against EGL, Inc. and EGL Eagle Global Logistics, LP, styled Precision Associates, Inc., et al. v. Panalpina World Transport (Holding) Ltd, et al., filed in the U.S. District Court for the Eastern District of New York. On 23 September 2013, the court approved the settlement agreement and dismissed with prejudice the case against the EGL entities. All settlement funds have now been paid.

In February 2010, we received a statement of objections from the EC concerning our alleged participation in certain price-fixing cartels in the air freight forwarding business in violation of the European Union antitrust rules. We submitted a response, and on 28 March 2012, the EC issued its ruling. The EC ruled that EGL, Inc. and two of its subsidiaries (now known as CEVA Freight (UK) Limited and CEVA Freight Shanghai Limited) had violated European Union competition law by participating in two infringements of competition law in relation to the pricing of two discrete fees. The EC imposed a total fine of approximately US$4 million (€3 million) on EGL, Inc. and its subsidiaries, which we have now paid, pending our appeal, which has now been filed. The Company cooperated with the EC throughout its investigation and received substantial reductions in its fines as a result.

With regard to the Brazilian investigation, on 6 August 2010, the Brazilian antitrust enforcement authorities announced an administrative proceeding against numerous freight forwarding companies, including CEVA Logistics Holdings B.V. and CEVA Logistics Ltda., and against numerous individuals, including one current and one former employee of CEVA. Pursuant to the applicable administrative process, we intend to submit a response. At this time, the extent of the potential claims identified by the Brazilian authorities that are being alleged as to the Company's subsidiaries is not clear. It is not possible to predict the timing or outcome of the investigation or the potential financial impact on the Company, which could involve the imposition of administrative or civil fines, penalties, damages or other sanctions that could have a material adverse impact on the Company.

The Competition Commission of Singapore ("CCS") issued a formal request for information in November 2012 which appears to be focused on the subject matters of the DOJ plea agreement, the New Zealand Commerce Commission settlement, and the EC statement of objections. We are cooperating with the CCS to provide requested information. We cannot determine the timing or outcome of the governmental investigations that remain pending. These investigations could result in the imposition of administrative or civil sanctions, including fines, penalties, damages and debarment from federal contracting in the U.S. or other sanctions which could have a material adverse effect on our financial position, results of operations, operating cash flows and business activities.

We are also the subject of an investigation by the Italian competition authority related to possible price-fixing and other improper collusive activity with respect to international road freight forwarding to and from Italy. On 16 June 2011, we were notified that the Italian competition authority has found an infringement of Italian law and imposed fines and penalties against a number of freight-forwarders, including a subsidiary of CEVA. As a result of the fines being imposed, we have previously recorded a provision in connection with this investigation, paid the fine, and appealed; our initial appeal was rejected, but we have filed a further appeal. Management believes the amounts in question are not material to the financial performance of the Company.

Independent Contractor-Related Proceedings
The classification of drivers as independent contractors—which we believe to be a common practice in our industry in the U.S.—is challenged from time to time by federal and state governmental and regulatory authorities, including tax authorities, as well as by individual drivers who seek to have drivers reclassified as employees. We are currently party to a lawsuit styled Mohit Narayan, et al. v. EGL, Inc. and CEVA Freight, LLC, in which the plaintiffs filed a putative class action, seeking a declaratory judgment, restitution, damages and other relief. The case is currently on remand from the Ninth Circuit Court of Appeals to the federal district court in the Northern District of California. In September 2012, the district court denied the plaintiffs' request to certify the lawsuit as a class action. The plaintiffs asked the Ninth Circuit Court of Appeals to review that ruling, but the court denied that request. That means individual members of the former putative class must pursue their own individual claims, which some are doing.

In addition, in October 2009, the California Employment Development Department ("EDD"), based on a worker classification audit, determined that such individuals should be reclassified as employees for purposes of state unemployment tax, employment training tax, disability insurance contributions, and personal income tax, and the EDD issued a tax assessment. We have petitioned the EDD to review its assessment, with a potential for abating a majority of the assessed taxes.

While we cannot provide assurances with respect to the outcome of these cases and it is possible that we could incur a material loss in connection with any of these matters, we intend to vigorously defend ourselves in these proceedings and do not at this time believe that a loss in these cases is probable or reasonably estimable.

Tax Proceedings
We are involved in tax audits in various jurisdictions relating to the normal conduct of our business. While the outcome of these audits is uncertain, we believe that we have provided for all probable and estimable tax liabilities arising from its normal course of business, and we therefore do not expect any liability arising from these audits to have a material impact on our results of operations, liquidity, capital resources or financial position.

Other Proceedings
From time to time, we are involved in a variety of legal proceedings and disputes arising in the ordinary course of business. For example, we have been and currently are subject to numerous labour and employment proceedings and disputes in both Italy and Brazil alleging various causes of action and raising other legal challenges to our labour and employment practices. Such proceedings include individual claims and lawsuits, disputes with unions, class action claims, and governmental or quasi-governmental investigations. While the outcome of these legal proceedings is uncertain and may not be capable of estimation, we believe that resolution of these matters and the incurrence of their related costs and expenses should not have a material adverse effect on our results of operations, liquidity, capital resources or financial position.

28. RELATED PARTY TRANSACTIONS

Parent company
The parent of CEVA Group Plc at 31 December 2013 was CEVA Holdings LLC, a company formed in the Republic of the Marshall Islands. The following table sets forth the shareholders of the Company as at 31 December 2013:

	Number of shares beneficially owned			2013
	A-1 Preference Shares	A-2 Preference Shares	Common shares	Ownership percentage[2]
Apollo	87,428	12,737	105,010	21.5%
Franklin	4,126	172,100	128,613	27.8%
CapRe	100,879	50,239	130,623	28.9%
Other[1]	45,211	99,752	78,860	21.8%
Total	**237,644**	**334,828**	**443,106**	**100.0%**

[1] None of the other individual shareholders own 5% or more of the shares in CEVA Holdings LLC

[2] Assuming preference shares convert to common shares (see note 2.20 in accounting principles)

The A1 and A2 preference shares are convertible to common shares under certain conditions and have no contractual obligation to be settled in cash. Accordingly they have been treated as equity instruments.

Franklin Advisers, Inc. and Franklin Templeton Investments Corp. (together, "Franklin") are related parties by virtue of the fact that they manage certain funds and accounts which together own 27.8% of the Company's shares outstanding assuming all preferred shares are converted to common shares.

Capital Research and Management Company ("CapRe") is a related party by virtue of the fact that it manages certain funds which together control 28.9% of the Company's shares outstanding assuming all preferred shares are converted to common shares.

Apollo is a related party by virtue of the fact that it manages certain funds which together own 21.5% of the Company's shares outstanding assuming all preferred shares are converted to common shares, possesses 50.1% of the aggregate share votes and has the right to designate a majority of the Board of Managers.

The Company owns 99.99% of the equity of CEVA Group Plc, 0.01% is held by CIL Limited (formerly CEVA Investment Limited, the former parent of CEVA Group Plc), and one share is held by Louis Cayman Second Holdco Limited, a wholly owned subsidiary of CIL Limited. In addition, CIL Limited holds 349,999 deferred shares and Louis Cayman Second Holdco Limited owns 1 deferred share (which has the right to a return of capital upon a winding up after the holders of ordinary shares have received the amount paid up on such ordinary shares plus a premium of £10,000 per ordinary share).

An affiliate of CEVA Group Plc has a service agreement with Apollo for the provision of management and support services. The annual fee is equal to the greater of US$4 million per annum and 1.5% of the Group's EBITDA. Fees and expenses of nil (2012: US$5 million) are included in the income statement for the year ended 31 December 2013 because these were waived by Apollo through the end of 2013.

Marvin Schlanger, Michael Jupiter, Stan Parker, Tom White and Xavier Urbain are Managers of the Company. The Managers of the Company are also the

Directors of CEVA Group Plc. Marvin Schlanger, Michael Jupiter, Stan Parker and Tom White also hold senior positions at Apollo or Apollo portfolio companies. CapRe and Franklin jointly appointed Alan Miller, Emanuel Pearlman, John Smith and Thomas Stallkamp as Managers of the Company.

At 31 December 2013 CEVA Group Plc has booked a payable, which is disputed by CEVA Group Plc both as to validity and amount, to CIL Limited, amounting to US$17 million (31 December 2012: US$17 million). This relates to intercompany cash pooling arrangements and is included within trade and other payables in the Consolidated Balance Sheet. CIL Limited was the former parent company of CEVA Group Plc and has been placed in liquidation as part of the Recapitalization. CIL Limited is involved in an official liquidation proceeding in the Republic of the Cayman Islands and a Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. Third party holders of PIK notes with a face amount of US$137 million in CIL Limited were offered an exchange for common shares of the Company as part of the Recapitalization.

CEVA has agreed to indemnify Marvin Schlanger, Stan Parker, Tom White and Michael Jupiter for losses relating to the services contemplated by the management agreement with Apollo.

Trading transactions
During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

$ millions	2013				2012			
	Sales of goods	Purchases of goods	Amounts owed by related parties	Amounts owed to related parties	Sales of goods	Purchases of goods	Amounts owed by related parties	Amounts owed to related parties
Joint ventures	19	1	4	4	5	4	-	1

Financing
From time to time, depending upon market, pricing and other conditions, as well as our cash balances and liquidity, we or our affiliates, including Apollo, Franklin and/or CapRe, may seek to acquire or sell notes or other indebtedness of CEVA through open market purchases or sales, privately negotiated transactions, tender offers, redemption or otherwise, upon such terms and at such prices as we or our affiliates may determine (or as may be provided for in the indentures or other documents governing the notes or other indebtedness), for cash or other consideration. In addition, we have considered and will continue to evaluate potential transactions to reduce our outstanding debt (such as debt for debt exchanges and other similar transactions), to extend our debt maturities or enter into alternative financing arrangements, as well as potential transactions pursuant to which third parties, including our affiliates may provide financing to CEVA or otherwise engage in transactions to provide liquidity to CEVA. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future as the pursuit of any alternative will depend upon numerous factors such as market conditions, our financial performance and the limitations applicable to such transactions under our financing documents.

At 31 December 2013 funds managed by Capital Research and Management Company ("CapRe") held US$29 million par value of CEVA's 8.375% notes due 2017 and US$52 million par value of CEVA's 11.625% notes due 2016.

At 31 December 2012 CapRe held US$97 million par value of CEVA's 11.5% notes due 2018 and US$248 million par value of CEVA's 12.75% notes due 2020 which were all reduced to nil through participation in the Recapitalization.

At 31 December 2013 funds managed by Franklin Advisers, Inc. and Franklin Templeton Investments Corporation ("Franklin") held approximately US$390 million par value of CEVA's 4.0% First Lien Senior Secured Notes due 2018 and approximately US$16 million of CEVA's Tranche B Pre-Funded Letter of Credit.

At 31 December 2013 funds managed by Apollo held none of 11.5% junior priority senior secured notes due 2018 (31 December 2012: US$26 million), none of the senior unsecured loan facility due 2018 (31 December 2012: US$113 million) and none of the 12.75% senior notes due 2020 (31 December 2012: US$132 million). These holdings were all reduced to nil through participation in the Recapitalization.

Ultimate controlling party
The ultimate controlling party of the Company is Apollo in accordance with the terms of the LLC Agreement.

Other related party transactions
Remuneration of key management, being the Managers and executive management, is disclosed in note 7. A new management equity plan comprising rights to receive shares in the Company and deferred cash compensation has been put in place which replaced the previous plan that was administered by CIL Limited and cancelled as part of the Recapitalization. In addition new option and share award plans have been implemented, (see note 23).

29. EVENTS AFTER BALANCE SHEET DATE

CEO transition
Marvin O. Schlanger retired as CEO effective 2 January 2014 and is succeeded by Xavier Urbain as from that date. Mr. Urbain has had a long and outstanding career in the Supply Chain industry serving on the Management Board and Board of Directors and in several senior executive positions within multinational companies. Mr. Urbain has been elected a member of the Board of Managers of the Company, effective January 21, 2014, and will be located at the company's global head office in Hoofddorp, the Netherlands. Mr. Schlanger will resume his position as non-executive Chairman of the Board, a role he first undertook in 2009.

30. GROUP ENTITIES

The Group's subsidiaries, joint ventures, associates and investments as at 31 December 2013 are included in the table below. All entities other than intermediate holding companies are primarily involved in the provision of Freight Management and Contract Logistics services.

All subsidiary undertakings are included in the consolidation. If the proportion of the voting rights in the subsidiary undertakings held directly by the Group differs from the proportion of ordinary shares held, the former is disclosed in brackets in the table below.

Country of incorporation		Entity	Holding if less than 100%
Algeria		CEVA Logistics Algerie EURL	
Angola		CEVA Logistics (Angola) - Trânsitários e Agentes de Navegação, Lda	
Argentina		CEVA Logistics Argentina S.A.	
		Circle International Argentina S.A.	
		Eagle Global Logistics de Argentina S.R.L.	
Australia	*	CEVA Freight (Australia) Pty. Limited	
		CEVA Freight Receivables Trust	
	*	CEVA Logistics (Australia) Pty. Limited	
		CEVA Logistics Receivables Trust	
	*	CEVA Materials Handling Pty. Limited	
		CEVA Receivables (Australia) Pty. Limited	
	*	CEVA Pty. Limited	
Austria		A.S.S. Logistik Schrader Schachinger GmbH	50%
		A.S.S. Logistik Schrader Schachinger GmbH & Co. KG	50%
		CEVA Freight Austria GmbH	
		CEVA Logistics Austria GmbH	
		CEVA Logistics Central and Eastern Europe GmbH (in liquidation)	
Bahrain		EGL Eagle Global Logistics (Bahrain) W.L.L.	0.00% (51%)
Belgium		CEVA DENI Logistics N.V.	
	*	CEVA Freight Belgium N.V.	
		CEVA Ground Europe B.V.B.A.	
	*	CEVA Logistics Belgium N.V.	
		Edoserve (Economic Interest Group)	0.1%
	*	EGL (Belgium) Holding Company BVBA	
		Invictus Boom N.V.	0.01%
		SODIAC (Economic Interest Group)	0.1%
Bermuda		FACET Insurance Limited	
		Regga Holdings, Ltd.	
Brazil	*	AV Manufacturing Indústria e Comércio de Peças e Acessórios Automotivos Ltda.	
	*	CEVA Freight Management do Brasil Ltda.	
	*	CEVA Holdings Ltda.	
	*	CEVA Logistics Ltda.	
	*	Circle Fretes Internationais do Brasil Ltda	
British Virgin Isl. (BVI)		CEVA Central America Holding Limited	
		CEVA China Holding Limited	
Canada	*	CEVA Freight Canada Corp.	
	*	CEVA Logistics Canada, ULC	
Cayman Islands	*	CEVA Logistics Cayman	
	*	CEVA Logistics Second Cayman	
Chile		CEVA Freight Management Logistica de Chile Ltda.	99.99%
		Circle International Chile S.A.	99.99% 100%
		Circle Outsourcing Services S.A.	
China		Anji - CEVA Automotive Logistics Company Limited	50%
		CEVA Freight (Shenzhen) Limited	
		CEVA Freight International (Shanghai) Company Limited	
		CEVA Freight Shanghai Limited	
		CEVA Logistics Company Limited Shanghai	
		CEVA Logistics International Trading (Shanghai) Company Limited	
		Chongqing Anji - CEVA Hongyan Automotive Logistics Company Limited	30%
		Jiangsu Anji - CEVA Logistics Company Limited	35%
		Liao Ning A-Lean Automotive Logistics Company Limited	25%
		Shanghai Anji - Suchi Warehousing and Transportation Company Limited	33%

** Denotes a guarantor entity.*

Country of incorporation		Entity	Holding if less than 100%
China continued		Shanghai Anji - Tonghui Automotive Logistics Company Limited	26%
		Yizhen SAIC Logistics Company Limited	35%
Colombia		Agencia de Aduanas CEVA Logistics Ltda. Nivel 2	
		CEVA Freight Management de Colombia S.A.S.	
Congo		CEVA Logistics Congo S.A. (in liquidation)	70% (100%)
Costa Rica		CEVA Freight Management Costa Rica, S. de R.L.	70% (100%)
Czech Republic		CEVA Freight Czech Republic s.r.o.	
		CEVA Logistics spol. s r.o.	
El Salvador		CEVA Freight Management El Salvador, Ltda. de C.V.	
Finland		CEVA Logistics Finland Oy	
France		CEVA Freight Holdings France SAS	
		CEVA Freight Management France SAS	
		CEVA Logistics France SAS	
Germany	*	CEVA Freight (Management) GmbH	
	*	CEVA Freight Germany GmbH	
	*	CEVA Logistics GmbH	
		DIHS-DAKOSY Interessengemeinschaft Hamburger-Spediteure GmbH	3.85%
	*	Exporta Gesellschaft fur Exportberatung GmbH	
		Interessengemeinschaft Datenbank Spedition GbR	7.66%
		Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. KG	0.21%
		TRANSCONTAINER-UNIVERSAL GmbH & Co. KG	0.83%
Greece		CEVA Logistics Hellas S.A.	
Guatemala		CEVA Freight Management Guatemala, Ltda.	
Hong Kong	*	CEVA FM (Hong Kong) Limited	
	*	CEVA Freight Hong Kong Limited	
	*	CEVA Logistics (Hong Kong) Limited	
	*	Pyramid Lines Limited	
	*	Freight Systems Limited	
	*	Ozonic Limited	
Hungary		CEVA Contract Logistics Kft.	
		CEVA Logistics Hungary Kft.	
India		CEVA Freight (India) Private Limited	
		CEVA Logistics India Private Limited	
Indonesia		PT. CEVA Freight Indonesia	95%
		PT. CEVA Logistik Indonesia	
		PT. Hartapersada Interfreight	95%
Ireland		AVEC International Services Limited	
		AVEC Logistics (Ireland) Limited	
Italy		CEVA Freight Italy S.r.l.	
		CEVA Logistics Holding Italy S.p.A.	
		CEVA Logistics International Italia S.r.l.	
		CEVA Logistics Italia S.r.l.	
		DIMAF Pharma Supply Chain S.r.l.	
		S.I.T.T.A.M. Spedizioni Internazionali Trasporti Terrestri Aerei Marittimi S.r.l.	
Japan		CEVA Logistics Japan Inc.	
Jordan		CEVA Logistics Jordan Limited	50%
Kazakhstan		CEVA Logistics Kazakhstan LLP	
Korea		CEVA Logistics Korea, Inc.	
Luxembourg	*	CEVA Freight Holdings Luxembourg S.à r.l.	50% (100%)
		CEVA Freight Luxembourg S.à r.l.	
Malaysia		CEVA Freight (Malaysia) Sdn. Bhd.	
		CEVA Freight Holdings (Malaysia) Sdn. Bhd.	
		CEVA Logistics (Malaysia) Sdn. Bhd.	
		Milage Sdn. Bhd.	
		Regga (Malaysia) Sdn. Bhd.	
		Unipearl Corporation Sdn. Bhd.	
Mexico		CEVA Freight Management Mexico S.A. de C.V.	0.00% (100%)
		CEVA Logistica de Mexico, S.A. de C.V.	
		CEVA Servicios de Mexico, S.A. de C.V.	
Netherlands	*	CEVA Coop Holdco B.V.	
	*	CEVA Freight Holdings B.V.	

** Denotes a guarantor entity.*

Country of incorporation		Entity	Holding if less than 100%
Netherlands continued	*	CEVA Freight Holland B.V.	
	*	CEVA India Holding B.V.	
	*	CEVA Intercompany B.V.	
	*	CEVA Logistics Dutch Holdco B.V.	
	*	CEVA Logistics Finance B.V.	
	*	CEVA Logistics Headoffice B.V.	
	*	CEVA Logistics Holdings B.V.	
	*	CEVA Logistics Netherlands B.V.	
	*	Coöperatieve CEVA/EGL I B.A.	
	*	Coöperatieve CEVA/EGL II B.A.	
New Zealand		CEVA Logistics (New Zealand) Limited	
Nigeria		CEVA Freight Management Nigeria Limited	
Northern Ireland		CEVA Logistics NI Limited	
Norway		CEVA Logistics Norway AS	
Oman		CEVA Logistics L.L.C.	65%
Panama		CEVA Centram S. de R.L.	
		CEVA Freight Management Panama S. de R.L.	55%
		EGL Colombia Holding, S. de R.L.	
Peru		CEVA Logistics Peru S.R.L.	
		CEVA Peru Aduanas S.A.C.	99%
		EGL Agencia de Aduanas S.A.C.	100%
Philippines		CEVA Holdings (Philippines), Inc.	60%
		CEVA Logistics (SUBIC), Inc.	
		CEVA Logistics Philippines Inc.	
		CEVA Warehousing and Distribution, Inc.	
		Regga Transport Contractors, Inc.	
		Regga Warehousing & Distribution, Inc.	
Poland		CEVA Logistics Poland Sp. z o.o.	
		CEVA Freight (Poland) Sp. z o.o.	
Portugal		CEVA Logistics (Portugal) - Logistica Empresarial, Lda.	
Puerto Rico		CEVA Logistics Puerto Rico, Inc.	
Qatar		CEVA Logistics (Qatar) W.L.L.	49%
Romania		CEVA Logistics S.R.L.	
Saudi Arabia		CEVA International Al-Suwaiket Company Limited	49%
Singapore		CEVA Asia Pacific Holdings Company Pte. Ltd.	
		CEVA FM (Southeast Asia) Pte. Ltd.	
		CEVA Logistics Singapore Pte. Ltd.	
		CEVA Logistics Asia Pte. Ltd.	
		CEVA Supply Chain Singapore Pte. Ltd.	
Slovakia		CEVA Logistics Slovakia, s.r.o.	
South Africa		CEVA Logistics South Africa (Proprietary) Limited	
		TNT Container Logistics (Proprietary) Limited	
Spain		CEVA Freight (España), S.L.U.	
		CEVA Logistics España, S.L.U.	
		CEVA Production Logistics España, S.L.U.	
Sweden		CEVA Logistics (Sweden) AB	
Switzerland		CEVA Logistics Switzerland GmbH	
		CEVA Management GmbH	
Taiwan		CEVA Logistics (Taiwan) Company Limited	
		Concord Express (Taiwan) Company Limited	
Thailand		CEVA Freight (Thailand) Limited	
		CEVA Logistics (Thailand) Limited	
		CEVA Vehicle Logistics (Thailand) Limited	100%
		CWBI Limited	49%
Tunisia		CEVA Logistics Tunisia S.a.r.l.	
Turkey		CEVA Lojistik Limited Şirketi	
		CEVA Uluslararasi Taşimacilik Limited Şirketi	
United Arab Emirates		CEVA Arabia Heavy Transport (L.L.C.)	49%
		CEVA International Freight L.L.C.	49%
		CEVA Logistics (U.A.E.) L.L.C.	49%
		CEVA Logistics FZCO	

** Denotes a guarantor entity.*

Country of incorporation		Entity	Holding if less than 100%
U.A.E. continued		Circle International L.L.C.	49%
United Kingdom		CEVA Automotive Logistics UK Limited	
		CEVA Collections LLP	
	*	CEVA Container Logistics Limited	
		CEVA Distribution Limited	
	*	CEVA Freight (UK) Holding Company Limited	
	*	CEVA Freight (UK) Holdings Limited	
	*	CEVA Freight (UK) Limited	
	*	CEVA Group Plc	99.99%
	*	CEVA Limited	
	*	CEVA Logistics Limited	
	*	CEVA Network Logistics Limited	
		CEVA Showfreight Limited	
	*	CEVA Supply Chain Solutions Limited	
	*	Eagle Global Logistics (UK) Limited	
	*	F.J. Tytherleigh & Co. Limited	
		Louis No. 2 Limited	
		Newsagents Wholesale Corp. Limited	
		Newsfast Limited	
	*	Paintblend Limited	
		Paintblend 2 Limited	
United States		Ashton Leasing, Limited	49%
	*	CEVA Freight Management International Group, Inc.	
	*	CEVA Freight, LLC	
	*	CEVA Government Services, LLC	
	*	CEVA Ground US, L.P.	
	*	CEVA International Inc.	
	*	CEVA Logistics, LLC	
	*	CEVA Logistics Japan LLC	
	*	CEVA Logistics Services U.S., Inc.	
	*	CEVA Logistics U.S. Group, Inc.	
	*	CEVA Logistics U.S. Holdings, Inc.	
	*	CEVA Logistics U.S., Inc.	
	*	CEVA Ocean Line, Inc.	
	*	CEVA Trade Services, Inc.	
		CEVA US Receivables, LLC	
	*	Circle International Holdings LLC	
	*	ComplianceSource LLC	
	*	Customized Transportation International, Inc.	
	*	Eagle Partners L.P.	
		Eagle USA Import Brokers, Inc.	
	*	EGL, Inc.	
	*	EGL Eagle Global Logistics, L.P.	
	*	Select Carrier Group LLC	
Uruguay		Circle International Latin America Holdings S.A.	
		Gadupal S.A.	
Vietnam		CEVA Logistics (Vietnam) Co. Limited	51%

** Denotes a guarantor entity.*

31. GUARANTOR / NON-GUARANTOR FINANCIAL INFORMATION

Following the Recapitalization, CEVA Holdings LLC became the parent of CEVA Group Plc. Currently, CEVA Group Plc's 8.375% first lien senior secured notes due 2017 ("8.375% first lien senior secured notes"), 4.0% first lien senior secured notes due 2018 (the "4% first lien senior secured notes"), 11.625% senior secured notes due 2016 ("lien-and-a-half priority senior secured notes"), 10% second lien secured PIK notes due 2023 ("junior priority secured PIK notes"), 11.5% senior notes due 2018 ("11.5% senior notes"), 12% senior notes due 2014 ("12% senior notes") and 12.75% senior notes due 2020 ("12.75% senior notes") are admitted to trading on the Global Exchange Market of the Irish Stock Exchange ("ISE"). The guarantors of these notes guarantee our senior secured facilities, 8.375% first lien senior secured notes and 4.0% first lien senior secured notes on a senior secured, pari passu basis. The guarantors also guarantee the lien-and-a-half priority senior secured notes (secured on a basis junior to the guarantee of the 8.375% first lien senior secured notes, 4.0% first lien senior secured notes and the senior secured facilities), the junior priority secured PIK notes (secured on a basis junior to the guarantees of the 8.375% first lien senior secured notes, 4.0% first lien senior secured notes, the senior secured facilities and the lien-and-a-half priority senior secured notes) and the remaining amount of the 11.5% senior notes, 12% senior notes and 12.75% senior notes on a senior basis. The subsidiaries who are 'guarantors' are indicated in note 30 "Group entities". All other subsidiaries are the 'non-guarantors'.

When guarantees are provided for debt that is listed on the ISE, the ISE requires financial information relating to each group to be separately presented in a note to the consolidated financial statements, presenting, in separate columns, the Guarantors (on a combined basis) and the non-guarantors (on a combined basis), with an additional column reflecting eliminating adjustments, if material. This information is disclosed in the tables below as at 31 December 2013.

$ millions	YEAR ENDED 31 DECEMBER 2013			
	Guarantor	Non-guarantor	Eliminations	Consolidated
Revenue	**4,819**	**3,746**	**(48)**	**8,517**
Work contracted out	(2,138)	(2,171)	-	(4,309)
Personnel expenses	(1,615)	(868)	-	(2,483)
Other operating expenses	(906)	(590)	48	(1,448)
Operating expenses excluding depreciation, amortization and impairment	**(4,659)**	**(3,629)**	**48**	**(8,240)**
Adjusted EBITDA	**160**	**117**	**-**	**277**
Specific items	(42)	(16)	-	(58)
EBITDA	**118**	**101**	**-**	**219**
Depreciation, amortization and impairment	**(117)**	**(100)**	**-**	**(217)**
Operating income	**1**	**1**	**-**	**2**
Net finance expense (including foreign exchange movements)	(8)	(54)	-	(62)
Loss before income taxes	**(7)**	**(53)**	**-**	**(60)**
Income tax expense	(3)	16	-	13
Loss for the year from continuing operations	**(10)**	**37**	**-**	**(47)**
Attributable to:				
Minority interests	-	4	-	4
Equity holders of the Company	(10)	(41)	-	(51)
Loss for the year	**(10)**	**(37)**	**-**	**(47)**

$ millions	YEAR ENDED 31 DECEMBER 2012			
	Guarantor	Non-guarantor	Eliminations	Consolidated
Revenue	**5,587**	**3,790**	**(92)**	**9,285**
Work contracted out	(2,656)	(2,151)	38	(4,769)
Personnel expenses	(1,738)	(880)	-	(2,618)
Other operating expenses	(980)	(651)	54	(1,577)
Operating expenses excluding depreciation, amortization and impairment	**(5,374)**	**(3,682)**	**92**	**(8,964)**
Adjusted EBITDA	**207**	**114**	**-**	**321**
Specific items	(67)	(34)	-	(101)
EBDITA	**140**	**80**	**-**	**220**
Depreciation, amortization and impairment	**(399)**	**(243)**	**-**	**(642)**
Operating income				
	(259)	**(163)**	**-**	**(422)**
Loss before income taxes	**(699)**	**(173)**		**(872)**
Income tax expense	-	(16)	-	(16)
Loss for the year from continuing operations	**(699)**	**(189)**	**-**	**(888)**
Attributable to:				
Minority interests	-	4	-	4
Equity holders of the Company	**(699)**	**(193)**	**-**	(892)
Loss for the year	**(699)**	**(189)**	**-**	**(888)**

$ millions	AS AT 31 DECEMBER 2013			
	Guarantor	Non-guarantor	Eliminations	Consolidated
ASSETS				
Non-current assets				
Intangible assets	1,297	602	-	1899
Property, plant and equipment	160	131	-	291
Investment in associates	7,172	542	(7,714)	-
Deferred income tax assets	18	(23)	14	9
Amounts receivable from other CEVA companies	152	9	(161)	-
Prepayments	16	26	-	42
Other non-current assets	6	14	-	20
Total non-current assets	**8,821**	**1,301**	**(7,861)**	**2,261**
Current assets				
Inventory	13	4	-	17
Trade and other receivables	1,012	1,397	(1,168)	1,241
Prepayments	30	24	-	54
Accrued income	88	110	11	209
Income tax receivable	1	10	1	12
Cash and cash equivalents	260	314	-	574
Assets held for sale	1	-	-	1
Total current assets	**1,405**	**1,859**	**(1,156)**	**2,108**
TOTAL ASSETS	**10,226**	**3,160**	**(9,017)**	**4,369**
EQUITY				
Total Group equity	**6,109**	**1,297**	**(7,100)**	**306**
LIABILITIES				
Non-current liabilities				
Borrowings	2,509	313	(902)	1,920
Deferred income tax liabilities	38	(32)	30	36
Retirement benefit obligations	48	83	(11)	120
Provisions	51	20	-	71
Other non-current liabilities	14	22	-	36
Total non-current liabilities	**2,660**	**406**	**(883)**	**2,183**
Current liabilities				
Borrowings	106	54	-	160
Provisions	63	28	-	91
Trade and other payables	1,275	1,388	(1,036)	1,627
Income tax payable	13	(13)	2	2
Liabilities held for sale	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**10,226**	**3,160**	**(9,017)**	**4,369**

$ millions				AS AT 31 DECEMBER 2012
	Guarantor	Non-guarantor	Eliminations	Consolidated
ASSETS				
Non-current assets				
Intangible assets	1,375	633	-	2,008
Property, plant and equipment	193	145	-	338
Investment in associates	6,320	522	(6,842)	-
Deferred income tax assets	44	37	(74)	7
Amounts receivable from other CEVA companies	219	(5)	(214)	-
Prepayments	16	30	-	46
Other non-current assets	6	16	-	22
Total non-current assets	**8,173**	**1,378**	**(7,130)**	**2,421**
Current assets				
Inventory	13	6	-	19
Trade and other receivables	1,015	1,589	(1,170)	1,434
Prepayments	42	18	-	60
Accrued income	119	137	27	283
Income tax receivable	2	2	6	10
Cash and cash equivalents	85	254	-	339
Assets held for sale	166	-	-	166
Total current assets	**1,442**	**2,006**	**(1,137)**	**2,311**
TOTAL ASSETS	**9,615**	**3,384**	**(8,267)**	**4,732**
EQUITY				
Total Group equity	**4,457**	**1,339**	**(6,868)**	**(1,072)**
LIABILITIES				
Non-current liabilities				
Borrowings	3,277	377	(271)	3,383
Deferred income tax liabilities	83	34	(37)	80
Retirement benefit obligations	75	92	(17)	150
Provisions	66	14	-	80
Other non-current liabilities	23	8	8	39
Total non-current liabilities	**3,524**	**525**	**(317)**	**3,732**
Current liabilities				
Borrowings	102	63	-	165
Provisions	55	31	-	86
Trade and other payables	1,451	1,426	(1,076)	1,801
Income tax payable	13	-	(6)	7
Liabilities held for sale	13	-	-	13
TOTAL EQUITY AND LIABILITIES	**9,615**	**3,384**	**(8,267)**	**4,732**


CEVA

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