**CEVA Group Plc**
*(a public limited company incorporated under the laws of England and Wales under company number 5900853*)

as Issuer

**Listing Particulars dated 2 November 2015 relating to $18,605,239 10% Second Lien Secured PIK Notes due 2023**

On 1 August 2015 (the "**Issue Date**"), CEVA Group Plc (the "**Issuer**"), issued $18,605,239 in aggregate principal amount of 10% second lien secured PIK notes due 2023 (the "**New PIK Notes**"). Such New PIK Notes shall form a single series with the Issuer's existing PIK notes (the "**Existing PIK Notes**" and, together with the New PIK Notes, the "**PIK Notes**") and shall be deemed to be constituted on the same terms as the Existing PIK Notes.

Unless previously redeemed or repurchased and cancelled, the PIK Notes will mature on 1 May 2023. The Issuer will pay interest on the PIK Notes quarterly on 1 August, 1 November, 1 February and 1 May each year, commencing on 1 August 2013. Interest on the PIK Notes shall be paid, at the option of the Issuer, either by paying such interest in cash or by paying such interest by the issue of PIK Securities (as defined below) in accordance with section entitled *Description of the PIK Notes—PIK Securities as Interest* on page 73 below. The Issuer may redeem some or all of the PIK Notes, at its option, on or after 1 August 2015 at a redemption price equal to 100% of the principal amount of the PIK Notes redeemed plus any accrued and unpaid interest, to the redemption date as set out in the section entitled *Description of the PIK Notes—Optional Redemption* on page 74 of these Listing Particulars.

The PIK Notes are guaranteed by certain of the Issuer's subsidiaries as described in the section entitled *Description of the PIK Notes—PIK Note Guarantees* on page 75 below in relation to the PIK Notes (the "**PIK Guarantees**" and, together with the PIK Notes, the "**PIK Securities**"). A list of the Guarantors for the PIK Notes can be found at page 114.

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

**INVESTING IN THE PIK NOTES INVOLVES SUBSTANTIAL RISKS. SEE THE SECTION ENTITLED "*RISK FACTORS*" BEGINNING ON PAGE 12.**

The New PIK Notes were issued to the holders in certificated form on the Issue Date.

**THE PIK 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 ANY STATE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSONS (AS SUCH TERMS ARE DEFINED IN REGULATION S OF THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.**

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## IMPORTANT NOTICES

You should rely only on the information contained or incorporated by reference in these Listing Particulars. The Issuer has not authorised anyone to provide you with information that is different. These Listing Particulars may be used only where it is legal to sell the PIK Notes. The information in these Listing Particulars may be accurate only on the date of these Listing Particulars. These Listing Particulars contain summaries of the PIK Notes and their respective terms and conditions. You must not rely on these summaries and should instead, consult the full text of the indenture dated 2 May 2013 (the "**PIK Notes Indenture**") under which the Initial PIK Notes (as defined below) were issued (which includes the guarantees in respect of the PIK Notes).

## NOTICE TO INVESTORS

These Listing Particulars do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of these Listing Particulars and any offer or sale of PIK Notes in certain jurisdictions is restricted by law. 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 PIK Notes may not be offered or sold, directly or indirectly, and these Listing Particulars may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Persons into whose possession these Listing Particulars come are required by the Issuer and the Guarantors to inform themselves about and observe such restrictions. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the PIK Notes or possess or distribute these Listing Particulars, and you must obtain all applicable consents and approvals; neither the Issuer, the Guarantors or any other person shall have any responsibility for any of the foregoing legal requirements. See the section entitled "*Transfer Restrictions*" starting on page 109 below.

The Issuer accepts responsibility for the information contained in these Listing Particulars and confirms that, to the best of its knowledge and belief (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.

Each of the Guarantors accepts responsibility for the information in respect of themselves and the Guarantees contained in these Listing Particulars. To the best of the knowledge of each of the Guarantors (each having taken reasonable care to ensure that such is the case), the information with respect to itself and the Guarantees contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the Issuer, the Guarantors, nor any of the Issuer's or the Guarantors' representatives is making any representation to you regarding the legality of an investment in the PIK Notes, and you should not construe anything in these Listing Particulars 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 PIK Notes. In making an investment decision regarding the PIK 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 these Listing Particulars, you agree to the foregoing restrictions, to make no photocopies of these Listing Particulars or any documents referred to herein and not to use any information herein for any purpose other than considering an investment in the PIK Notes.

These Listing Particulars are based on information provided by the Issuer (and with respect to information about themselves and the Guarantees, the Guarantors) and other sources that the Issuer believes are reliable. In these Listing Particulars, the Issuer has summarised certain documents and other information in a manner the Issuer believes to be accurate, but the Issuer refers you to the actual documents for a more complete understanding of the discussions in these Listing Particulars. In making an investment decision, you must rely on your own examination of our business and the terms of the offering and the PIK Notes, including the merits and risks involved.

These Listing Particulars contain 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. Investors can access, in physical form and during the life of the PIK Notes, documents referred to within these Listing Particulars at the registered office of the Issuer.

By purchasing the PIK Notes, you are deemed to have acknowledged that you have reviewed these Listing Particulars and all other documents referred to within these Listing Particulars and have had an opportunity to request, and have received, all additional information that you need from the Issuer. No person is authorised in connection with the PIK Notes and/or these Listing Particulars to give any information or to make any representation not contained in these Listing Particulars and, if given or made, such other information or representation must not be relied upon as having been authorised by the Issuer.

Presentation of Financial Information

Unless stated otherwise, the information contained in these Listing Particulars is as of the date hereof. Neither the delivery of these Listing Particulars at any time after the date of publication nor any subsequent commitment to purchase the PIK Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in these Listing Particulars or in the Issuer's business since the date of these Listing Particulars.

The New PIK Notes were issued to the holders in certificated form on the Issue Date.

The PIK Notes and Guarantees have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction 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. Each purchaser of the PIK Notes and the Guarantees, and each subsequent purchaser of the PIK Notes and the Guarantees in resales prior to the expiration of the distribution compliance period in respect of the PIK Notes and the Guarantees, will be deemed to have made the representations, warranties and acknowledgements that are described in these Listing Particulars in the section entitled "*Transfer Restrictions*", starting at page 109 below.

The PIK Notes are subject to restrictions on transferability and resale, which are described in the section entitled "*Transfer Restrictions*" starting at page 109 below. By possessing these Listing Particulars or purchasing any Note, you are deemed to have represented and agreed to all of the provisions contained in that section of these Listing Particulars. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Application has been made to the ISE for the approval of this document as Listing Particulars. Application has been made to the ISE for the PIK Notes to be admitted to the Official List and to trading on the GEM, which is the exchange regulated market of the ISE. The GEM is not a regulated market for the purposes of the Prospectus Directive.

These Listing Particulars have been prepared on the basis that any offer of the PIK Notes in any Member State of the European Economic Area (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 the PIK Notes. Accordingly any person making or intending to make an offer in the Relevant Member State of the PIK Notes may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. The Issuer has not authorised, nor does it authorise, the making of any offer of the PIK Notes in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

**NOTICE TO U.S. INVESTORS**

Each purchaser of the PIK Notes will be deemed to have made the representations, warranties and acknowledgements that are described in these Listing Particulars in the section entitled "*Transfer Restrictions"*, starting at page 109 below.

The PIK Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. and are subject to certain restrictions on transfer. For a description of certain restrictions on resale or transfer of the PIK Notes, see the section entitled "*Transfer Restrictions*", starting at page 109 below.

## PRESENTATION OF FINANCIAL INFORMATION

The Issuer's consolidated financial information included or incorporated by reference in these Listing Particulars has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the International Accounting Standards Board ("**IASB**"). The Issuer does not believe, however, that its consolidated 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. The Issuer has not reconciled its consolidated financial statements to Generally Accepted Accounting Principles in the U.S. ("**U.S. GAAP**") and does not intend to do so in the future.

These Listing Particulars present certain financial measures, including EBITDA, Adjusted EBITDA and Adjusted EBITDA before management fees, in each case that are not specifically defined under IFRS or U.S. GAAP. These measures are presented because the Issuer believes 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 and Adjusted EBITDA before management fees because the Issuer believes they present helpful comparisons of financial performance between periods by excluding the distorting effect of non-recurring items and management fees. Gross margin is based on direct costs, which are incurred to perform operational and customer related commitments. 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 consolidated financial statements.

These Listing Particulars also present Covenant EBITDA, which is not specifically defined under IFRS or U.S. GAAP. This measure is presented as it is defined under the loan agreement governing the Issuer’s Senior Secured Facilities (as defined below), and the indentures governing the Issuer’s Existing Notes (as defined below). This measure may not be comparable to other similarly titled measures of other companies and is not a measurement under IFRS or other generally accepted accounting principles. It should not be considered as a substitute for the information contained in CEVA’s consolidated 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 the Existing Notes and the New PIK Notes. 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 financial statements.

The consolidated financial statements as of and for the years ended 31 December 2013 and 2014 incorporated by reference into these Listing Particulars include financial information in respect of the subsidiaries of the Issuer which will guarantee the PIK Notes and the subsidiaries of the Issuer which will not guarantee the PIK Notes and have been prepared by and are the responsibility of the Issuer's management. The consolidated financial statements of the Issuer have been audited for the years ended 31 December 2013 and 2014 by PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, United Kingdom, independent auditors of the Issuer, for that period, and unqualified opinions have been reported thereon. PricewaterhouseCoopers LLP has no material interest in the Issuer.

## MARKET AND INDUSTRY DATA

These Listing Particulars include estimates of market share and industry data and forecasts that the Issuer has 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. However, the Issuer has not independently verified any of the data from third party sources, nor has it ascertained the underlying economic assumptions relied upon therein. In addition, these Listing Particulars include market share and industry data that the Issuer has prepared primarily based on its knowledge of the industry in which it operates. Statements as to the Issuer's market position relative to its competitors are approximated based on 2014 revenues unless otherwise noted, and such internal analysis and estimates may not have been verified by independent sources. The Issuer's 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*" starting at page 12 below.

All information regarding the Issuer's market and industry is based on the latest data currently available to us which, in some cases, may be several years old. In addition, some of the data and forecasts that the Issuer has obtained from industry publications and surveys and/or internal company sources are provided in foreign currencies. When necessary, we have converted historical data using CEVA's financial statement methodology and forecasts based on a constant exchange rate in line with the most recent year in the forecast.

Presentation of Financial Information

The information described above 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.

## CERTAIN TERMS

Unless otherwise indicated, or as the context otherwise requires, in these Listing Particulars:

- "**CEVA**" means CEVA Group Plc and its predecessors and consolidated subsidiaries, as applicable and references to "**we**", "**us**" and "**our**" mean CEVA and its predecessors and consolidated subsidiaries, as applicable;
- "**EBITDA**" means earnings before interest, tax, depreciation and amortisation;
- "**Existing Notes**" means the First Lien Notes (as defined below), the Senior Secured Notes, the 1.5 Lien Notes (as defined below) and the Existing PIK Notes;
- "**Holdings**" means CEVA Holdings LLC, the parent company of the Issuer; and
- "**Issuer**" or "**issuer**" means CEVA Group Plc, excluding its subsidiaries.

## INFORMATION INCORPORATED BY REFERENCE

The following are incorporated by reference into these Listing Particulars:

a) the listing particulars dated 31 July 2013 prepared in connection with the issue the 4.0% First Lien Senior Secured Notes due 2018 (the "**Initial Senior Secured Notes**") and the Initial PIK Notes (the "**Original Listing Particulars**"),

b) the supplementary listing particulars dated 4 September 2013 prepared in connection with the issue of the $85,107,750 4.00% First Lien Senior Secured Notes due 2018 (the "**Additional Senior Secured Notes**" and, together with the Initial Senior Secured Notes, the "**Senior Secured Notes**") and the $17,030,983 10% Second Lien Secured PIK Notes due 2023 (the "**Additional PIK Notes**") (the "**First Supplementary Listing Particulars**");

c) the supplementary listing particulars dated 29 January 2014 prepared in connection with the issue of the $17,648,117 10% Second Lien Secured PIK Notes due 2023 (the "**November 2013 PIK Notes**") (the "**Second Supplementary Listing Particulars**");

d) the supplementary listing particulars dated 13 March 2014 prepared in connection with the issue of $18,089,320 10% Second Lien Secured PIK Notes due 2023 (the "**February 2014 PIK Notes**") (the "**Third Supplementary Listing Particulars**");

e) the supplementary listing particulars dated 28 July 2014 prepared in connection with the issue of $16,444,320 10% Second Lien Secured PIK Notes due 2023 (the "**May 2014 PIK Notes**") (the "**Fourth Supplementary Listing Particulars**");

f) the supplementary listing particulars dated 4 September 2014 prepared in connection with the issue of $16,855,428 10% Second Lien Secured PIK Notes due 2023 (the "**August 2014 PIK Notes**") (the "**Fifth Supplementary Listing Particulars**");

g) the supplementary listing particulars dated 29 January 2015 prepared in connection with the issue of $17,276,814 10% Second Lien Secured PIK Notes due 2023 (the "**November 2014 PIK Notes**") (the "**Sixth Supplementary Listing Particulars**");

h) the supplementary listing particulars dated 9 March 2015 prepared in connection with the issue of $17,708,734 aggregate principal amount of 10% Second Lien Secured PIK Notes due 2023 (the "**Seventh Supplementary Listing Particulars**");

i) the listing particulars dated 30 July 2015 prepared in connection with the issue of $18,151,452 aggregate principal amount of 10% Second Lien Secured PIK Notes due 2023 (the "**July 2015 Listing Particulars**");

j) pages 18 to 22 of the CEVA Group Plc Annual Report as of and for the year ended 31 December 2013; and

k) pages 18 to 22 of the CEVA Group Plc Annual Report as of and for the year ended 31 December 2014;

(together, the "**Annual Reports**").

Any statement contained in a document incorporated by reference into these Listing Particulars shall be considered to be modified or superseded for purposes of these Listing Particulars to the extent that a statement contained in these Listing Particulars modifies or supersedes such statement.

You can obtain the Original Listing Particulars, the First Supplementary Listing Particulars, the Second Supplementary Listing Particulars, the Third Supplementary Listing Particulars, the Fourth Supplementary Listing Particulars, the Fifth Supplementary Listing Particulars, the Sixth Supplementary Listing Particulars, the Seventh Supplementary Listing Particulars and the July 2015 Listing Particulars from the website of the Irish Stock Exchange (http://www.ise.ie).

Except for the specific pages of the documents expressly incorporated herein by reference, the Issuer's website and the information contained therein or connected thereto will not be deemed to be incorporated into these Listing Particulars, and you should not rely on any such information in deciding whether to invest in the PIK Notes. Where documents expressly incorporated herein by reference, themselves incorporate information by reference, such information does not form part of these Listing Particulars.

## FORWARD-LOOKING STATEMENTS

These Listing Particulars, and the information incorporated by reference herein, contain "forward-looking statements" with respect to the Issuer's financial condition, results of operations and business, and its expectations or beliefs concerning future events. Such statements may include or include, in particular, statements about its plans, strategies and prospects under the headings "*Company Overview and Certain Selected Information*" and "*Risk Factors*" starting at pages 11 and 12 below. You can identify certain forward-looking statements by our use of forward-looking terminology such as, but not limited to, "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "likely", "will", "would", "could" and similar expressions (or the negative of the aforementioned terminologies or expressions) that identify forward-looking statements. All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in the Issuer's industry and markets. Others are more specific to its 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 its control. Actual results may differ materially from the forward-looking statements contained or incorporated by reference in these Listing Particulars. 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 these Listing Particulars, including, without limitation, in conjunction with the forward-looking statements included in these Listing Particulars. All forward-looking statements in these Listing Particulars and subsequent written and oral forward-looking statements attributable to the Issuer, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements.

Some of the factors that the Issuer believes could affect its results include:

- negative changes in economic conditions;
- increased costs or decreased availability of third-party providers of certain transportation services;
- the Issuer's inability to reduce costs in the event of economic downturns;
- risks that the Issuer may be required to bear increases in operating costs under its multi-year contracts with customers, or certain fixed costs in the event of early termination of contracts;
- its history of losses and uncertainty regarding its profitability in the future;
- changes in the trend toward outsourcing of logistics activities;
- competition and consolidation in the industries in which it operates;
- its substantial indebtedness and ability to comply with the terms of our existing and future indebtedness, including limitations on its flexibility in operating its business;
- its ability to raise additional external financing if such financing is not available on acceptable terms or at all;
- its ability to maintain and continuously improve its information technology and operational systems and financial reporting and internal controls;
- risks relating to its customers and the industries in which it operates;
- risks associated with the Issuer's EBITDA covenant under its debt facilities, which permits certain estimates and assumptions which may differ materially from actual results and effect its ability to achieve certain expected cost savings;
- the control of a majority of the voting interests of the Issuer by Apollo, conflicts of their interests with the Issuer's interests or with the interests of the current holders of Holdings Common Shares;
- its ability to manage its labour costs and labour relations and attract and retain qualified employees;
- the risks that regulation and litigation pose to its business, including its ability to maintain required licences and regulatory approvals and comply with applicable laws and regulations, and the effects of potential changes in governmental regulations;
- the risks deriving from legal claims and proceedings against the Issuer;

- risks associated with acquiring businesses in the future that are difficult to integrate, disruptive to its existing business operations or that are based on inaccurate valuations and projections;
- risks associated with the Issuer's global operations, including natural disasters and currency fluctuations;
- changes in the Issuer's effective income tax rate or accounting standards;
- its ability to maintain relationships with joint venture partners and to manage and develop the businesses conducted by those joint ventures;
- costs or liabilities associated with environmental, health and safety matters;
- the sufficiency of the insurance coverage purchased in the ordinary course of business; and
- the other factors presented under the heading "*Risk Factors*."

Investors should note that the foregoing list of important factors may not contain all of the material factors that are important to investors. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained or incorporated by reference in these Listing Particulars may not in fact occur.

The Issuer and the Guarantors are not obliged to, and do not intend to update or revise any forward-looking statements in these Listing Particulars whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, the Guarantors or any person acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained throughout these Listing Particulars. As a result of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements.

# COMPANY OVERVIEW AND CERTAIN SELECTED INFORMATION

## 1. Introduction

The Issuer is a public limited liability company incorporated under, and operating in accordance with, the laws of England and Wales with registered number 5900853. The Issuer was incorporated on 9 August 2006 with the name Louis No.1 Plc. The registered office of the Issuer is 20-22 Bedford Row, London, WC1R 4JS, United Kingdom, and its telephone number is +44 330 587 7000. The Issuer changed its name from Louis No.1 Plc to CEVA Group Plc on 18 January 2007.

As of the date of these Listing Particulars, the authorised share capital of £699,965 is divided into 3,500,000,000 ordinary shares with a par value of £0.0001 each and 350,000 deferred shares with a par value of £0.9999 each. As of 31 December 2014, 3,499,650,000 ordinary shares of a par value of £0.0001 each in the Issuer were held by Holdings and 349,999 ordinary shares of a par value of £0.0001 each and 349,999 deferred shares of a par value of £0.9999 each were held by CIL Limited. Louis Cayman Second Holdco Limited (a wholly owned subsidiary of CIL Limited) held 1 ordinary share of a par value of £0.0001 on trust as bare nominee for CIL Limited and 1 deferred share of a par value of £0.9999. Accordingly, Holdings holds 99.99% of the Issuer and CIL Limited and Louis Cayman Second Holdco Limited together hold 0.01%. The deferred shares in the capital of the Issuer have no rights, powers or benefits attached to them whatsoever and, without limitation, shall not confer on the holders of deferred rights any right:

- To receive notice of any general meeting of the Company; or
- To be able to attend, speak or vote at any general meeting; or
- To share in a dividend declared by the Company; or
- To appoint a director.

## 2. Accounting Principles

The financial statements of the Issuer as of and for the year ended 31 December 2014 from the Issuer's Annual Report for the year ended 31 December 2014 and the financial statements of the Issuer as of and for the year ended 31 December 2013 from the Issuer's Annual Report for the year ended 31 December 2013 have been incorporated into these Listing Particulars by reference.

The financial information of the Issuer is 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, the Issuer does not believe that its 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.

## 3. Risk Factors

Despite our competitive strengths discussed elsewhere in these Listing Particulars, investing in the PIK Notes involves substantial risk. The risks described under the heading "*Risk Factors*" may cause us not to realise the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Investors should carefully consider all the information included or incorporated by reference in these Listing Particulars, including matters set forth under the heading "*Risk Factors*".

## RISK FACTORS

*Each of the Issuer and the Guarantors believes that the following factors may affect its ability to fulfil its obligations under the PIK Notes and the Guarantees, as applicable. Some of these factors are contingencies which may or may not occur and the Issuer and Guarantors are not in a position to express a view on the likelihood of any such contingency occurring or not occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the PIK Notes and the Guarantees are also described below. If any of the risks described below actually materialises, each of the Issuer's and/or Guarantors' business, prospects, financial condition, cash flows or results of operations could be materially adversely affected. If this were to happen, the trading price of the PIK Notes could decline or the Issuer could be unable to pay interest, principal or other amounts on or in connection with any PIK Notes and the Guarantors could be unable to fulfil their respective obligations under the Guarantees.*

*Each of the Issuer and the Guarantors believes that the factors described below represent the principal risks inherent in investing in the PIK Notes, but the inability of the Issuer or the Guarantors to pay interest, principal or other amounts on or in connection with any PIK Notes, or otherwise perform their respective obligations under the PIK Notes or the Guarantees, as applicable, may occur for other reasons that may not be considered significant risks by the Issuer or the Guarantors based on information currently available to them or for reasons which they may not currently be able to anticipate. Investors should also read the detailed information set out elsewhere in these Listing Particulars together with the information incorporated by reference herein and reach their own views prior to making an investment decision.*

***The order in which these risk factors are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Issuer's and Guarantors' business, prospects, financial condition, cash flows or results of operations.***

### 1. Risks Related to the PIK Notes

#### 1.1 There may not be sufficient collateral to satisfy our obligations under all or any of the PIK Notes.

Indebtedness under the Senior Secured Facilities, the First Lien Notes (as defined below), the Senior Secured Notes, the 1.5 Lien Notes (as defined below) and the PIK Notes is 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 the U.S. trade accounts receivables originated by the Originators that have been transferred to the SPE. The Senior Secured Notes are secured by a pledge of such assets that is equal in priority to the First Lien Notes and the Senior Secured Facilities, and the PIK Notes are secured by a pledge that is junior in priority, to the security interests granted to secure the First Lien Notes, the Senior Secured Notes, the 1.5 Lien Notes and the Senior Secured Facilities. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, (i) the proceeds of the assets securing the 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 First Lien Notes, the Senior Secured Facilities, the Senior Secured Notes and any other indebtedness with a pari passu lien on the collateral and (ii) the proceeds of the assets securing the PIK Notes will be used first to pay indebtedness with a senior lien on the collateral in full before making any payments on the PIK Notes. With respect to the Senior Secured Notes, after the proceeds of the collateral have been used to satisfy the First Lien Notes, the Senior Secured Facilities, the Senior Secured Notes and any other indebtedness with a pari passu or senior lien on the collateral, any 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 1.5 Lien Notes and the PIK Notes, or unsecured unsubordinated indebtedness. With respect to the PIK Notes, after the proceeds of the collateral have been used to satisfy the First Lien Notes, the Senior Secured Facilities, the Senior Secured Notes, the 1.5 Lien Notes and any other indebtedness with a senior or pari passu lien on the collateral, any PIK 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, or unsecured unsubordinated indebtedness.

The PIK Notes are structurally subordinate to indebtedness of our non-guarantor subsidiaries, including the SPE. The PIK Notes are effectively senior in right of payment to all of our existing and future indebtedness secured by a junior priority lien (if any) and unsecured senior debt and other obligations that are not, by their terms, subordinated in right of payment to the PIK Notes to the extent of the value of the assets securing the PIK Notes. However, the indenture that governs the PIK Notes permits the release of all of the collateral with the consent of a majority in aggregate principal amount of the then-outstanding PIK 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 PIK Notes issued under the PIK Notes Indenture to the release of all of the collateral securing the PIK Notes, then the PIK Notes 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 PIK Notes. See "*Risk Factors - Holders of the PIK Notes will not control certain decisions regarding collateral*" for other circumstances in which the collateral securing the PIK Notes may be released.

The PIK Notes Indenture allows a significant amount of other indebtedness and other obligations to be secured by a senior priority lien on the collateral securing obligations under the PIK Notes Indenture or secured by a lien on such collateral on an equal and ratable basis with the obligations under the PIK Notes Indenture, provided that, in each case, such indebtedness or other obligation could be incurred under the debt incurrence covenant contained in the PIK Notes Indenture. Any additional obligations secured by a senior or equal priority lien on the collateral securing the obligations under the PIK Notes Indenture will adversely affect the relative position of the holders of such PIK Notes with respect to the collateral securing the obligations under the PIK Notes Indenture and may reduce the recovery of such PIK Notes in the event of a bankruptcy, liquidation, dissolution, reorganisation or similar proceeding against us.

No appraisals of the fair market value of any collateral have been prepared in connection with the offering of the New PIK Notes or in connection with the previous issuance of the Existing PIK Notes. 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 31 December 2014, we had property, plant and equipment with a book value of €181 million, intangible assets (excluding goodwill) with a book value of €240 million and accounts receivable with a book value of €982 million, only some of which will secure the PIK 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 PIK Notes. Accordingly, the value of the collateral for the PIK Notes could be substantially less than the aggregate principal amount of the PIK 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 PIK 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 PIK Notes in full.

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

The PIK Notes Indenture also permits us to designate one or more of our restricted subsidiaries that is a guarantor of the PIK Notes issued under the applicable indenture 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 applicable PIK 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 applicable PIK 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.

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

The provisions contained in the agreements relating to our indebtedness, including the PIK Notes 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. In addition, under the PIK Notes, we are required to pay interest in the form of PIK interest, which will increase our debt by the amount of such PIK interest.

1.4 **The PIK Notes will be structurally subordinated to all of the debt and liabilities of our non-guarantor subsidiaries, including the U.S. SPE.**

Some of our wholly owned subsidiaries, including the U.S. SPE (as defined below) and all of our wholly owned subsidiaries organized under the laws of the Republic of Italy, do not guarantee the PIK Notes. In addition, our joint ventures do not guarantee the PIK 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 PIK Notes will participate with all other holders of our indebtedness in the assets remaining and dividended or otherwise paid to CEVA 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 PIK Notes may receive less, ratably, than the holders of debt of our subsidiaries.

As of and for the year ended 31 December 2014, CEVA's subsidiaries that will guarantee the PIK Notes accounted for, in accordance with IFRS only, €66 million, or 41%, of CEVA's total EBITDA before specific items, and €66 million, or 16%, of CEVA's total Adjusted EBITDA. However, as of such date, such subsidiaries accounted for, in accordance with IFRS, (a) €4,686 million, or 83%, of CEVA's net assets before intercompany eliminations, (b) €113 million, or 67%, of CEVA's property, plant and equipment, (c) €7 million, or 70%, of CEVA's inventory, (d) €730 million, or 74%, of CEVA's accounts receivable before intercompany eliminations, (e) €2,002 million, or 91%, of CEVA's total long-term debt before intercompany eliminations and (f) €3,544 million, or 60%, of CEVA's total revenue before intercompany eliminations.

As of and for the year ended 31 December 2014, CEVA's subsidiaries that will not guarantee the Notes accounted for, in accordance with IFRS, (a) €911 million, or 17%, of CEVA's net assets before intercompany eliminations, (b) €56 million, or 33%, of CEVA's property, plant and equipment, (c) €3 million, or 30%, of CEVA's inventory, (d) €1,070 million, or 109%, of CEVA's accounts receivable before intercompany eliminations, (e) €261 million, or 12%, of CEVA's total long-term debt before intercompany eliminations, (f) €2,438, or 41%, of CEVA's total revenue before intercompany eliminations and (g) €122 million, or 65%, of CEVA's total Adjusted EBITDA, and €95 million, or 59%, of CEVA's total EBITDA before specific items.

1.5 **Indebtedness under the U.S. ABL Facility will be structurally senior to the PIK Notes, and any future accounts receivable sold or contributed to the U.S. SPE will not constitute collateral for the PIK Notes**

Certain of our U.S. subsidiaries maintain an U.S. ABL Facility (as defined below) under which we contribute or sell substantially all of our U.S. trade accounts receivable to the 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 Originators will contribute or sell all of their U.S. trade accounts receivable to the U.S. SPE as they are originated.

The U.S. SPE will not guarantee the PIK Notes. Further, the PIK Notes and related guarantees are not secured by a lien on any assets of the U.S. SPE, including, but not limited to, the receivables transferred to it. Therefore, U.S. trade accounts receivable that are contributed or sold to the U.S. SPE will not constitute collateral for the PIK Notes. Any rights to payment and claims by the holders of the PIK Notes are, therefore, effectively junior to any rights of payment or claims by our creditors under the new U.S. ABL Facility. We are not required to offer to pay or repurchase the PIK Notes with the proceeds thereof or reinvest in assets that constitute Collateral.

1.6 **Holders of the PIK 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 PIK Notes is 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 First Lien Notes, the Senior Secured Notes and the 1.5 Lien Notes) are outstanding, any actions that may be taken in respect of the collateral securing the PIK 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 PIK 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 PIK Notes, will have the ability to control or direct such actions, even if the rights of the holders of the PIK 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 First Lien Notes, the Senior Secured Notes or the 1.5 Lien Notes under certain circumstances) control substantially all matters related to the collateral securing the PIK 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 PIK Notes may disagree or that may be contrary to the interests of holders of the PIK Notes. To the extent collateral is released from securing the Senior Secured Facilities, the First Lien Notes, the Senior Secured Notes and the 1.5 Lien Notes, the liens on such assets (but not proceeds therefrom) securing the PIK Notes will also automatically be released.

In addition, the First/First-and-a-Half Lien Intercreditor Agreement provides that, so long as the Senior Secured Facilities is in effect, the lenders under the Senior Secured Facilities may change, waive, modify or vary the security documents without the consent of the holders of the PIK Notes, provided that any such change, waiver or modification does not materially adversely affect the rights of the holders of the PIK 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 First Lien Notes, the Senior Secured Notes and the 1.5 Lien Notes cease to be in effect, the liens securing the PIK Notes will also be released and the 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 PIK 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 the applicable indentures only to the extent such proceeds would otherwise constitute "collateral" securing the obligations under such indentures 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 the applicable indentures would be reduced and the obligations under such indentures 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 PIK 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 PIK Notes would otherwise have as a secured creditor. The collateral agent or representative, as applicable, may take actions that a holder of the PIK Notes disagrees with or fail to take actions that a holder of the PIK 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 PIK Notes.

Finally, the First Lien Intercreditor Agreement and the First/First-and-a-Half Lien Intercreditor Agreement provide 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.*"

1.7 **The PIK Notes will mature after a substantial portion of our other indebtedness.**

The PIK Notes will mature on 1 May 2023. A majority of our existing indebtedness will mature prior to the maturity date for the PIK Notes. In particular, all of our existing indebtedness matures before the PIK 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 PIK Notes. As a result, we may not have sufficient cash to repay all amounts owing on the PIK Notes at maturity.

1.8 **As a holding company with no independent operations, our ability to repay our debt, including the PIK 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 PIK Notes when due, depends on the performance of our subsidiaries and the ability of those entities to distribute funds to us.

Accordingly, repayment of our indebtedness, including the PIK Notes, depends on the generation of cash flow by our subsidiaries and (if they are not guarantors of the PIK Notes) their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the PIK Notes, our subsidiaries do not have any obligation to pay amounts due on the PIK 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 PIK 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 PIK 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 PIK 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.

1.9 **We may not be able to generate sufficient cash to service all of our indebtedness, including the PIK 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 PIK 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 PIK 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.

1.10 **If we default on our obligations to pay our other indebtedness, our business, results of operations and financial condition may be adversely affected and we may not be able to make payments on the PIK Notes.**

Any default under the agreements governing our indebtedness 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 PIK Notes and could substantially decrease the market value of the PIK 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, we could be in default under the terms of the agreements governing such indebtedness.

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, has 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, 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 PIK Notes.

If the indebtedness under the PIK 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*" and "*Description of the PIK Notes*".

1.11 **The value of the collateral securing the PIK 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 PIK 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 PIK Notes may be deemed to have an unsecured claim to the extent that our obligations in respect of such PIK Notes exceed the fair market value of the collateral securing such PIK Notes. As a result, holders of the PIK 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 PIK Notes on the date of the bankruptcy filing was less than the then-current principal amount of the PIK Notes. Upon a finding by a bankruptcy court that the PIK Notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the PIK 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 PIK Notes to receive post-petition interest and a lack of entitlement on the part of the unsecured portion of the PIK 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 recharacterised 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 the Exchange Offers and we therefore cannot assure the holders of PIK Notes that the value of the interest of the holders of such Notes in the collateral equals or exceeds the principal amount of such Notes. See "*Risk Factors - There may not be sufficient collateral to satisfy our obligations under all or any of the PIK Notes.*" In addition, in certain other jurisdictions, holders of PIK Notes may not be entitled to post-petition interest.

1.12 **Rights of holders of PIK 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 PIK 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 PIK 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 PIK 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 PIK Notes, the holders of such PIK 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.

1.13 **The waiver of rights of marshaling may adversely affect the recovery rates of holders of the PIK Notes in a bankruptcy or foreclosure scenario.**

The PIK Notes and the related guarantees are secured by the collateral on a junior priority basis to the Senior Secured Facilities, the First Lien Notes, the Senior Secured Notes, the 1.5 Lien Notes and other related obligations. The Lien Subordination and 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 PIK Notes, the trustee under the PIK Notes Indenture 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 PIK 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 PIK 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 PIK Notes may recover less than they would have if such proceeds were applied in the order most favorable to the holders of such notes.

1.14 **Lien searches may not identify all liens.**

As of 2 May 2013, we completed lien searches on the collateral securing the PIK 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 PIK 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 PIK Notes and could have an adverse effect on the ability of the collateral agent to realize or foreclose upon the collateral securing the PIK Notes.

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

Any pledge of collateral in favour of the collateral agent, including pursuant to security documents delivered after the date of the indenture that will govern the PIK 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 PIK 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.

1.16 **Rights of holders of PIK 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 PIK 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, or that we will inform the trustees or the collateral agents of, 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 favour of the PIK Notes against third parties.

1.17 **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 PIK Notes and related guarantees.

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

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.

1.19 **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.

1.20 **European Union Savings Directive.**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") 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 non-corporate entities, resident in that other Member State (interest payments on the PIK Notes will for these purposes be Savings Income). However, for a transitional period, Austria 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.

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 non-corporate entities, 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 non-corporate entities, 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 EU Savings Directive or the relevant law conforming with the directive in a dependent or associated territory.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. EU member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. They will also expand the circumstances in which payments that indirectly benefit an individual resident in an EU Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

The Organisation for Economic Co-operation and Development ("**OECD**") has been tasked by the G20 with undertaking the technical work needed to take forward the single global standard for automatic exchange of financial account information endorsed by the G20 in 2013. The OECD has released a full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Common Reporting Standard**"), which calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis. On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted Council Directive 2014/107/EU, revising the Directive on Administrative Cooperation 2011/16/EU (the "**ACD**") (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard. EU Member States are required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the ACD by 31 December 2015. They are required to apply these provisions from 1 January 2016 and to start the automatic exchange of information no later than end of September 2017. Austria has been allowed to start applying Council Directive 2014/107/EU up to one year later than other Member States and special transitional arrangements, taking account of this derogation, will apply to Austria.

Therefore, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and the ACD (as amended). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

On 27 May 2015 the European Union and Switzerland signed a protocol amending their existing reciprocal agreement relating to Savings Income and transforming it into an agreement on automatic exchange of financial account information based on the Common Reporting Standard. The revised agreement also takes into account the provisions of the amending Directive 2014/107/EU. The existing EU-Switzerland reciprocal agreement will continue to be operational until 31 December 2016. From 1 January 2017 financial institutions in the EU and Switzerland will be required to commence the due diligence procedures envisaged under the new agreement and information exchange will come into force by September 2018.

1.21 **Change of tax law.**

Statements in these Listing Particulars concerning the taxation of noteholders are of a general nature and are based upon tax law and published practice in the jurisdictions stated as at the date of these Listing Particulars. 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 PIK Notes and the market value of the PIK Notes.

1.22 **We may not be able to repurchase the PIK Notes upon a change of control.**

Upon a change of control as defined in the indentures that govern the PIK Notes, we will be required to make an offer to repurchase all outstanding PIK 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 PIK Notes. A change of control under the PIK Notes Indenture would also constitute a change of control under the indentures governing the Existing Notes. We may not have sufficient financial resources to purchase all PIK Notes and/or the Existing Notes that are tendered upon a change of control offer or, if then permitted under the PIK Notes Indenture and the Existing Notes, to redeem the PIK 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 PIK Notes Indenture and the Existing Notes. The occurrence of a change of control 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 is defined in the PIK Notes Indenture 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 PIK Notes Indenture. See "*Description of the PIK Notes—Change of Control*".

1.23 **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 PIK Notes 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 PIK Notes 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

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.

1.24 **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 favour 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 PIK 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 PIK 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 PIK Notes Indenture provides for the creation of "parallel debt obligations," pursuant to which the collateral agent on behalf of the holders of the PIK Notes will become the holder of a secured claim equal to each amount payable by an obligor under the PIK Notes Indenture, which is 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 PIK 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 PIK Notes Indenture, 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.

1.25 **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.

1.26 **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%.

1.27 **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. 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 on the collateral to that extent.

1.28 **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 PIK Notes will have the benefit of guarantees and security of certain of our subsidiaries. However, the guarantees are 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 PIK Notes could lose the benefit of a particular guarantee and security if it is released under certain circumstances described under "*Description of the PIK Notes —PIK 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 PIK Notes would be effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor.

Enforcement of guarantees 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 real into dollars or euro, nor that such companies would be able to remit such funds out of Brazil.

1.29 **Relevant local insolvency laws may not be as favourable to you as U.S. bankruptcy laws and may preclude holders of PIK 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, Luxembourgian and Dutch insolvency laws may not be as favourable to creditors as comparable provisions of U.S. law.

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.

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

The issuance of the PIK 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 PIK Notes, a guarantee or a security interest, and, in the case of (2) only, one of the following is also true:

(i) we or any of our guarantors were or was insolvent or rendered insolvent by reason of issuing PIK Notes or the guarantees;

(ii) 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

(iii) 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 PIK Notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the PIK Notes, the guarantees or the related security agreements or further subordinate the PIK Notes or such guarantee to existing and future indebtedness of ours or such guarantor, or require the holders of the PIK Notes to repay any amounts received with respect to the PIK Notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the PIK Notes. Further, the voidance of the PIK 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:

(iv) the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;

(v) 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

(vi) 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 PIK 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 PIK Notes.

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

CEVA is 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 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 PIK Notes. Your rights under the PIK 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 PIK Notes and the guarantees and security.

The beneficial owners of the PIK Notes will not be party to any of the security documents relating to the PIK 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 PIK Notes in favour of the holders of the PIK 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 PIK Notes plus certain other amounts for the benefit of the trustee and the holders of the PIK Notes. Accordingly, the rights of the holders of the PIK 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 collateral agent. The abstract acknowledgement of debt and parallel debt undertaking secures the PIK 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 PIK Notes that it will eliminate or mitigate the risk of unenforceability posed by German or Dutch law.

1.32 **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.

1.33 **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*".

1.34 **Investors in the PIK Notes may have limited recourse against PricewaterhouseCoopers LLP.**

See "*Independent Auditor*" for a description of the independent auditors' reports to the members of CEVA Group Plc dated 30 April 2014 and 30 April 2015. In accordance with guidance issued by The Institute of Chartered Accountants in England and

Wales, the independent auditors' reports state that the reports, including the opinion, has been prepared for and only for CEVA Group Plc's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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' reports dated 30 April 2014 and 30 April 2015 are included in CEVA Group Plc's Annual Reports for the year ended 31 December 2013 and 31 December 2014, respectively, and each is incorporated in part by reference into these Listing Particulars.

In making these statements the independent auditors assert that they do not accept or assume any liability to parties such as holders of PIK Notes with respect to the report and to the independent auditors' audit work and opinions.

1.35 **There may be no active trading market for the PIK Notes, and if one develops, it may not be liquid.**

The PIK Notes will constitute new issues of securities for which there is no established trading market. Although we will apply for admission to the ISE for trading of the PIK Notes on the GEM thereof, we cannot assure you that any market for the PIK Notes will develop or, if a market does develop, the liquidity of such market, your ability to sell your PIK Notes or the price at which you may be able to sell your PIK Notes. Future trading prices of the PIK 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 changes in the overall market for similar securities.

As a result, we cannot assure you that an active trading market will actually develop for the PIK Notes. Accordingly, you may be required to bear the financial risk of your investment in the PIK Notes to maturity. In addition, if we do not list the PIK Notes on the ISE prior to the first interest payment date, interest on the PIK Notes will be paid subject to UK withholding tax (currently 20%), although we may, under certain circumstances, be obligated to pay additional amounts under the terms of the indentures that will govern the PIK 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 PIK Notes. The market, if any, for the PIK Notes may be subject to similar disruptions. Any such disruptions may adversely affect the value of the PIK 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 PIK Notes. The market, if any, for the PIK Notes may be subject to similar disruptions. Any such disruptions may adversely affect the value of the PIK Notes.

Our financial statements are being presented on a consolidated basis, and permission is being sought from the ISE for a derogation from the ISE’s normal requirement that individual guarantor financial statements be set out in the listing particulars. We cannot assure you that we will be successful. A failure to receive such derogation could prevent our listing the PIK Notes on the ISE and adversely affect the liquidity for the PIK Notes.

1.36 **We will not offer to register the PIK Notes or exchange the PIK Notes in a registered exchange offer.**

We will not register the PIK Notes under the Securities Act or under the securities laws of any other jurisdiction. Unless so registered, the PIK Notes may not be reoffered or resold except under certain exemptions from, or in transactions not subject to, the registration requirements of the Securities Act or the securities laws of any other jurisdiction. We will not offer to exchange the PIK 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 U.S Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), including the requirements of the Sarbanes-Oxley Act of 2002, and holders of PIK Notes will only be entitled to receive the information about us specified under "*Description of the PIK Notes—Certain Covenants—Reports and Other Information*". 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.

1.37 **There are restrictions on your ability to resell your PIK Notes.**

The PIK Notes have not been, and will not be, registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States. The PIK Notes are being offered and sold pursuant to an exemption from, or in a transaction not subject to, registration under U.S. securities laws. As a result, the PIK Notes may be transferred or resold only in transactions exempt from, or not subject to, 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 "*Important Notices*".

1.38 **The consolidated financial statements of CEVA Group Plc may be of limited use in assessing the financial position of the Guarantors.**

The Issuer has requested the ISE grant a derogation under Rule 3.3(3)(c) of the ISE Global Exchange Market Listing and Admission to Trading Rules from the requirement for guarantors to include their individual financial statements in these Listing Particulars. The ISE has granted such a derogation.

The accounts of the guarantors of the PIK Notes as listed under "*Information about the Guarantors*" have been included in the consolidated accounts of CEVA Group Plc, which are incorporated by reference herein, and have not been presented separately herein. However, as the non-guarantor subsidiaries represent more than 59% of CEVA's consolidated EBITDA before specific items and more than 17% of the net assets of CEVA (before intercompany eliminations), the consolidated financial statements of CEVA Group Plc may be of limited use in assessing the financial position of the guarantors of the PIK Notes.

2. **Risks Related to Our Business**

2.1 **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 forwarding 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 could materially adversely impact our customers, which could in turn impact their demand for our services and the terms on which we provide other services to our customers. Further, slower expansion or recessionary conditions are being experienced in major economies, such as China, Europe and the U.S. In addition to weaker export business, lower domestic demand has also led to a slowing economy in these countries. These factors could adversely affect our financial condition and results of operations.

2.2 **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 Air, Ocean, and Ground transport services. Our ability to serve some of our customers depends on the availability of air, ocean, road, and rail transportation cargo space, including space on passenger and cargo airlines, ocean carriers, ground carriers, and rail operators that service the transportation lanes our customers use. Moreover our ability to serve some of our customers depends on the availability of adequate third party land transportation services, including truck drivers, which may be unavailable or insufficient to meet our needs. 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.

2.3 **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 recent global economic downturn, we have executed and are continuing to execute a number of initiatives to reduce our costs. We cannot assure you that we will achieve these cost savings and 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 slow the growth of our 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 these targeted cost savings in the amounts or in the time frames expected or at all.

2.4 **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, particularly in contract logistics. 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' products, required scope of services and expected 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. Moreover in some circumstance our rates to our customer decrease as a result of reductions in the cost of fuel more quickly than our rates decrease with carriers. 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.

2.5 **An inability to retain existing customers, expand existing customer relationships or attract new customers could materially adversely affect us.**

We may not be able to retain existing customers, renew existing customer contracts, expand existing customer contracts or attract new customers. This could have a material adverse effect on our business, results of operations and financial condition.

2.6 **We may incur liabilities as a result of providing inbound logistics services to automotive manufactures**

Several of our inbound automotive logistics contracts contain liability clauses for loss of revenue or profit and consequential damages, which may not be capped or are difficult to quantify, notably for business interruption or line stoppage. We might not be able to provide services to our customers or execute business strategies as originally anticipated or in the most effective or efficient manners. A failure to meet expected KPI's or performance targets could result in the incurrence of significant liabilities and could have a material adverse effect on our business, results of operations and financial condition.

2.7 **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 years ended 31 December 2013 and 2014, we generated net losses of €166 million and €357 million, respectively. Although we may decrease our interest payments and improve our financial results, we cannot assure you that we will not continue to report losses in future periods.

2.8 **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 labour-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.

2.9 **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 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, results of operations and financial condition.

2.10 **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 consolidation, our competitors are able to obtain more favourable 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.

2.11 **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.**

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, 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 requires 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 a number of restrictive covenants that imposes significant operating and financial restrictions on us. See "*Description of Other Indebtedness*" and "*Description of the PIK 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: (1) it may limit our flexibility in planning for, or reacting to, changes in our operations or business or developments in market conditions; (2) it may make us more vulnerable to downturns in our business or the economy; (3) a substantial portion of our cash flows from operations is dedicated to the repayment of our indebtedness and is not available for other purposes; (4) it may restrict us from making strategic acquisitions, introducing new technologies, or exploiting business opportunities; and (5) it may materially adversely affect terms under which suppliers provide material and services to us. or customers are willing to renew or extend additional business to us. See "*Description of Other Indebtedness*".

2.12 **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 31 December 2014 we had €318 million in cash. In addition to this cash, we had headroom of $270 million under our central credit facilities at 31 December 2014. Accordingly, at 31 December 2014 we had total cash and available central credit facilities of $656 million. In the event we require additional external financing, 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.

2.13 **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. 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 information technology systems compatible with their own information technology environment. In addition, from time to time we are required to implement upgrades to our information technology systems. 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 fully implement and employ technology that meets industry standards and customer demands across multiple territories, and to continue to maintain and upgrade our systems. 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.

2.14 **A significant privacy breach could adversely affect our business and we may be required to increase our spending on data and system security.**

In connection with services offered to our customers, we often retain significant amounts of data from and in respect of our customers. In addition, our information technology systems are often directly integrated with our customers' systems. As a result, we may be subject to cybersecurity attacks, either targeted against us or our customers. The techniques used by cyber criminals to obtain unauthorized access change frequently, may be difficult to detect and often are not recognized until a security breach. Any failure to identify, prevent and address such attacks could result in service interruptions, operational difficulties, loss of revenues or market share, liability to customers or others, diversion of resources, injury to our reputation and increased service and maintenance costs.

2.15 **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 2014 and our largest customer representing approximately 4% 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 largest sector is automotive, which accounted for approximately 24% of our revenues in 2014, with Consumer and Retail accounting for a further 23%. Other sectors to which we have substantial exposure include technology and industrial. Trends in these industries that can affect their supply chains (e.g. near-shoring) or regulatory constraints in these industries as well as 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.

2.16 **The calculation of Covenant 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 Covenant EBITDA is derived in part from our financial statements, the calculation of Pro Forma Adjusted EBITDA pursuant to the PIK Notes Indenture permits 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 and costs for certain non-recurring significant costs, such as costs associated with restructurings and certain litigation. Although our management believes these estimates and assumptions are reasonable, investors should not place undue reliance upon the calculation of Covenant 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 Covenant 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, 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 PIK Notes Indenture permits 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 PIK Notes Indenture 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.

2.17 **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 Issuer to cause the board of directors of the Issuer to be identical to the board of managers of Holdings; therefore the boards of both Holdings and the Issuer 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.

In addition, the change of control provisions in the indentures governing the PIK Notes 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. Upon the occurrence of the Sunset Date, the members of the board of managers of Holdings and of the Issuer’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.

2.18 **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.

2.19 **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 labour and employment litigation.**

Some of our employees reside in countries with stringent labour and employment laws that provide significant bargaining or other rights, for example laws relating to maximum working hours and minimum wage requirements, 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 labour 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 quasigovernmental investigations of our labour practices and in Brazil supervision of our labour 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.

2.20 **If we fail to extend or renegotiate our collective bargaining agreements with our labour 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 31 December 2013, approximately half of our employees were unionised 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 favourable to us, or if disputes with our unions arise or our unionised workers engage in a strike or other work stoppage, we could incur higher labour costs or experience a significant disruption of operations, which could have a material adverse effect on our business, results of operations and financial condition. Similarly, labor disruptions within the businesses of our customers, subcontractors, suppliers or governmental bodies that regulate transportation services (e.g. air traffic control, airlines, etc.) could have a material adverse effect on our business, results of operations and financial condition.

2.21 **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 authorisations 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. Several jurisdictions have also implemented or proposed legislation designed to reduce carbon emissions, restrict working hours and increase minimum wages.

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 UK 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 Controls 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, 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, including agents, (or their subcontractors) with respect to our business, which may be outside our direct control or knowledge.

2.22 **We operate through third party agents in approximately 90 countries and could be subject to liability or losses as a result of the actions of these third party agents.**

We are represented by independent agents in approximately 90 countries throughout the world. These independent agents perform freight management activities on our behalf. Although we carefully screen, select and review independent agents, they may not be subject to internal standards and controls that are as rigorous as those employed within CEVA. In addition, agents may conduct other business activities, unrelated to our business activities, and we have no control over such activities or whether independent agents will conduct their business activities in compliance with applicable laws and regulations. In addition, local agents may not be routinely subjected to or operate in compliance with the same regulations as we are subject to or that we voluntarily comply with. For example, sanctions policies, anti-bribery laws, corruption regulations and other laws. If one of our independent agents violate policies, regulations or other laws in the course of providing services to us or on our behalf we may be subject to unanticipated liability or losses, which could have a material adverse effect on our business, results of operations and financial condition.

2.23 **If regulatory authorities or courts determine that independent contractor drivers are employees, our costs related to tax, unemployment compensation and workers' compensation payments could increase significantly.**

Our ground transportation operations in many jurisdictions, particularly in the United States, rely heavily 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 claims in California, as well as a regulatory actions arising out of audits by the California's Employment Development Department and the Oregon Employment 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 or 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 ground transportation operations are conducted. In addition, adverse determinations for changes in laws and regulations could be applied retroactively, which could require us to make payments for prior periods. As a result, our operating costs could increase significantly and our business, results of operations and financial condition could be materially adversely affected

2.24 **If the Trustee in the ongoing CIL Related bankruptcy proceedings in the Bankruptcy Court for the Southern District of New York was to prevail on his claims against us, we could incur a material loss.**

CIL Limited (formerly CEVA Investments Limited), the former parent of the Issuer, is involved in a consensually filed liquidation proceeding in the Cayman Islands and an involuntary Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. In December 2014, the Trustee in the Chapter 7 proceeding filed a claim against CIL Limited's former directors, the Issuer and affiliated entities relating mostly to the Recapitalization in 2013. The Issuer cannot

provide assurances about the outcome of this matter and it is possible that if the Trustee were to prevail on his claims, the Issuer could incur a material loss in connection with this matter. However, the Issuer believes the claims are without merit and intends to vigorously defend itself. See "*Business—Litigation and Legal Proceedings—CIL-Related Proceedings.*

2.25 **We may acquire (or dispose of) businesses in the future that are difficult to integrate or separate, 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. Conversely, disposal opportunities that we may pursue in the future are subject to various risks, including (1) difficulties in carving-out the business to be disposed from our existing operations; (2) disruptions to our existing businesses and diversion of management's attention or other resources; and (3) unanticipated liabilities of the business to be disposed. In addition, both in acquisitions or disposals, the valuation is subject to estimates and assumptions that may prove wrong. The final considerations are the result of negotiations which potentially move them outside the range of valuation calculations, which could be detrimental to CEVA.

2.26 **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 natural events storms, volcano eruptions, floods, other natural and manmade disasters, changes in local economic conditions, the geopolitical situation : wars, riots, fires, sabotage, acts of terrorism, civil commotion or civil unrest, interference by civil or military authorities, sanctions and other business restrictions, expropriation or trade protectionism or other similar government actions, foreign and trade policy decisions and other conflicts or unstable political conditions. In addition, our global operations require us to comply with various laws such as anticorruption laws and economic laws, sanctions in various jurisdictions. Furthermore, freight forwarding is highly reliant on a functional global interacting network of stations, customers, authorities, contractors, etc. If the stability of such a global system is not maintained, then effects in some part of the network could cause highly disruptive consequences elsewhere. Any of these factors could materially adversely affect our business, financial condition and results of operations.

2.27 **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.

2.28 **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 and expenses 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 or calculated or the transfer pricing polices employed by us, 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.

2.29 **We are a party to 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.

2.30 **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 defence, prosecution or the ultimate outcome of claims filed by or against us. Legal claims and proceedings may relate to labour 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.

2.31 **We may face significant costs or liabilities associated with environmental, security or 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, security or 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 authorisations, all of which may materially adversely affect our business, results of operations and financial condition.

Current and future environmental, security or 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.

2.32 **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.

2.33 **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.

In addition, the IASB 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

There have been no cash proceeds to the Issuer in connection with the issuance of the New PIK Notes. The New PIK Notes are issued as payment of interest on the Existing PIK Notes in accordance with their terms.

## GUARANTORS

CEVA and certain of CEVA's operating subsidiaries located in Australia, Belgium, Brazil, Canada, the Cayman Islands, Germany, Hong Kong, Luxembourg, The Netherlands, the United Kingdom and California, Delaware, Florida and Texas in the U.S., guarantee the PIK Notes. Each of the guarantors of the PIK Notes is a wholly-owned subsidiary of the Issuer.

As of and for the year ended 31 December 2014, on a standalone basis, the Issuer accounted for, in accordance with IFRS, €1,678 million or 32% of CEVA's net assets before group eliminations. The consolidated equity of CEVA was €(617) million after intercompany eliminations. For the same year, the total Adjusted EBITDA and total EBITDA before specific items the Issuer accounted for were €(1) million, or (1)%, of CEVA's total Adjusted EBITDA, and €(1) million, or (1)%, of CEVA's total EBITDA before specific items. The issuer accounted for €1 million, or 0%, of CEVA's accounts receivable before intercompany eliminations, and €1,586 million, or 70%, of CEVA's total long-term debt before intercompany eliminations.

As of and for the year ended 31 December 2014, CEVA's subsidiaries that will guarantee the PIK Notes accounted for, in accordance with IFRS only, €67 million, or 42%, of CEVA's total EBITDA before specific items and €67 million, or 36%, of CEVA's total Adjusted EBITDA. However, as of such date, such subsidiaries accounted for, in accordance with IFRS, (a) €2,621 million, or 51%, of CEVA's net assets before intercompany eliminations, (b) €113 million, or 67%, of CEVA's property, plant and equipment, (c) €7 million, or 70%, of CEVA's inventory, (d) €729 million, or 41%, of CEVA's accounts receivable before intercompany eliminations, (e) €416 million, or 18%, of CEVA's total long-term debt before intercompany eliminations and (f) €3,544 million, or 59%, of CEVA's total revenue before intercompany eliminations.

As of and for the year ended 31 December 2014, CEVA's subsidiaries that will not guarantee the Notes accounted for, in accordance with IFRS, (a) €911 million, or 17%, of CEVA's net assets before intercompany eliminations, (b) €56 million, or 33%, of CEVA's property, plant and equipment, (c) €3 million, or 30%, of CEVA's inventory, (d) €1,070 million, or 59%, of CEVA's accounts receivable before intercompany eliminations, (e) €261 million, or 12%, of CEVA's total long-term debt before intercompany eliminations, (f) €2,438, or 41%, of CEVA's total revenue before intercompany eliminations and (g) €122 million, or 65%, of CEVA's total Adjusted EBITDA, and €95 million, or 59%, of CEVA's total EBITDA before specific items.

CEVA Logistics U.S., Inc. (formerly known as TNT Logistics North America, Inc., CTI Logistx, Inc. and Customized Transportation, Inc.), being a subsidiary guarantor, represented, $56,263,014 or 1%, of the net assets[1], $60,421,592, or 28%, of the EBITDA before specific items, and $60,421,592, or 24%, of the Adjusted EBITDA of CEVA as set out in CEVA's consolidated audited financial statements for the year ended 31 December 2014. CEVA Logistics U.S., Inc. is a corporation organized under the laws of Delaware, United States on 1 July 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., Inc. is the operating entity through which the Company conducts its contract logistics business in the United States and its principal activities relate to the Issuer's contract logistics business. Other than any risks already described in these Listing Particulars, 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.

[1] Net assets % is based on the net assets of the Guarantors and Non-guarantors accumulated and excluding group eliminations.

# BUSINESS

## *1.* Overview

We are one of the world's largest fully integrated logistics solution provider, as measured by 2014 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 950 locations, and serve customers primarily in six key industries: automotive, consumer and retail, technology, industrial, energy and healthcare. 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 24% of our 2014 revenues from high-growth geographies within Asia Pacific and have leading positions in America and 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 31 December 2014, we generated €5.9 billion of revenue, €188 million of Adjusted EBITDA and $404 million of Pro Forma Adjusted EBITDA.

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 third largest in the world, as measured by 2014 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. 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, GM, Transocean and GE. Our customer portfolio is also well balanced, with our top 10 customers representing approximately 22% of our 2014 revenues and our largest customer representing approximately 4%.

### (a) Service Offering

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.

### (b) *Freight Management*

Our Freight Management segment operates in a €129 billion market, as of 2014 according to TI, driven by an improving air freight market, but offset by a seafreight market in turmoil. 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.

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.

(c) *Contract Logistics*

Our Contract Logistics segment operates in a large and under-penetrated global market where approximately 15-20% is outsourced to Contract Logistics companies, implying a Contract Logistics market size of $175.9 billion in 2014 according to TI. 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 2014), 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. We believe this is a critical advantage in winning new business given the increasingly global nature of the industry. CEVA believes it is well positioned in emerging markets, particularly in China, which according to the TI report is thought to have grown by 9.5% in 2014. CEVA specifically has growth opportunities in China’s automotive sector, which has, according to OICA, already the largest vehicle production in the world with over 23.7 million vehicles produced per year, more than double the second placed USA at 11.7 million.

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 31 December 2014, our multi-year contracts have a weighted average duration of approximately 2.2 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.

**2. 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 around 80% of our established "Century" accounts (which consist of approximately 65 of our existing top customers) used both our Freight Management and Contract Logistics services in 2014.

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.

(d) 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 2014 revenues from our 10 largest customers, 32% from our 20 largest customers and 53% from our Century customers, who are primarily large blue-chip customers operating in our target industry sectors. 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 2014 our top 10 global customers used us on average in 20 countries each, and approximately 81% 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 4% of our revenues. Our customer base includes leading companies such as Ford, Heinz, Honda, Petrobras, Procter & Gamble, Lenovo, GM, Transocean and GE.

(e) 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 and global levels covering medium to large customers. Our global 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 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 (as of 31 December 2013) 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.

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 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.

(f) 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.

(g) 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 operate one of the largest supply chain business in the world based on 2014 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 41% and 20% of their respective global markets in 2014.

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.

(h) Employees

As of 31 December 2014, we had approximately 42,000 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.

(i) Properties

As of 31 December 2014, our global network spanned over 170 countries and we delivered services in over 950 locations, with approximately 8 million square metres 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.

(j) 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 UK 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.

(k) Litigation and Legal Proceedings

The Issuer is involved in several legal proceedings relating to the normal conduct of CEVA's business. While the outcome of these legal proceedings is uncertain, the Issuer believes that it has provided for all probable and estimable liabilities arising

from the normal course of business, and the Issuer therefore does not expect any liability arising from any of these legal proceedings to have a material impact on CEVA's 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 subject to investigations by the European Commission ("**EC**") and other governments 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, Switzerland, Brazil, and Singapore) have been resolved or discontinued.

In February 2010, CEVA received a statement of objections from the EC concerning CEVA's alleged participation in certain price-fixing cartels in the air freight forwarding business in violation of the European Union antitrust rules. CEVA 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 $4 million on EGL, Inc. and its subsidiaries, which CEVA paid, pending its appeal. CEVA cooperated with the EC throughout its investigation and received substantial reductions in its fines as a result.

*Independent Contractor-Related Proceedings*

The classification of drivers as independent contractors - which CEVA believes to be a common practice in its 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. CEVA is 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. CEVA has petitioned the EDD to review its assessment, with a potential for abating a majority of the assessed taxes.

While CEVA cannot provide assurances with respect to the outcome of these cases and it is possible that CEVA could incur a material loss in connection with any of these matters, CEVA intends to vigorously defend itself in these proceedings. In connection with this, the Issuer has accounted for a provision in its 2014 accounts.

*CIL Related Proceedings*

CIL Limited (formerly CEVA Investments Limited), the former parent of the Issuer, is involved in a consensually filed liquidation proceeding in the Cayman Islands and an involuntary Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. In December 2014, the Trustee in the Chapter 7 proceeding filed a claim against CIL Limited's former directors, the Issuer, and affiliated entities relating mostly to the Recapitalization. The Issuer cannot provide assurances about the outcome of this matter and it is possible that if the Trustee were to prevail on his claims, the Issuer could incur a material loss in connection with this matter. However, the Issuer believes the claims are without merit and intends to vigorously defend itself.

*Tax Proceedings*

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

*Other Proceedings*

From time to time, CEVA is involved in a variety of legal proceedings and disputes arising in the ordinary course of business. For example, CEVA has 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 CEVA's 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, CEVA believes that resolution of these matters and the incurrence of their related costs and expenses should not have a material adverse effect on CEVA's results of operations, liquidity, capital resources, or financial position

## MANAGEMENT

### 1. Management

#### 1.1. 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 these Listing Particulars. 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 1NU, United Kingdom

| Name | Age | Title |
|---|---|---|
| Marvin O. Schlanger | 66 | Chairman of the Board of Directors |
| Xavier Urbain | 57 | Chief Executive Officer and Director |
| Arjan Kaaks | 49 | Chief Financial Officer |
| Hakan Bicil | 43 | Chief Commercial Officer |
| Dawn Wetherall | 52 | Chief Compliance Officer |
| Pierre Girardin | 55 | Chief Human Resources Officer |
| Christophe Cachat | 46 | Chief Information Officer |
| Kenneth Burch | 43 | Chief Legal Officer |
| Brett Bissell | 48 | Chief Operating Officer, Contract Logistics |
| Helmut Kaspers | 49 | Chief Operating Officer, Global Airfreight & Ocean Freight |
| Marc Becker | 42 | Non-Executive Director |
| Michael Jupiter | 34 | Non-Executive Director |
| Alan Miller | 77 | Non-Executive Director |
| Tom White | 57 | Non-Executive Director |
| Emanuel Pearlman | 54 | Non-Executive Director |
| John Smith | 64 | Non-Executive Director |
| Thomas Stallkamp | 68 | Non-Executive Director |

**Marvin Schlanger** is our Chairman of the Board of Directors. Mr. Schlanger was our Chief Executive Officer from October 2012 through January 2014 and served as interim President of the Americas from August 2013 through March 2014. He has been the Chairman of our Board of Directors since February 2009. 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 and Interim President - Americas. 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).

**Arjan Kaaks** is our Chief Financial Officer. Mr. Kaaks joined CEVA on 24 August 2015 and has extensive experience in the fast-moving consumer goods and retail industries. Mr. Kaaks has over 24 years of finance experience across a broad spectrum of roles, in various countries. Prior to joining CEVA, Mr. Kaaks served as Chief Financial Officer of private equity owned Maxeda DIY Group from 2011 to 2015. Prior to joining Maxeda DIY Group, he served as Chief Operating Officer and Chief Financial Officer of the privately held O'Neill Group from 2008 to 2011. Prior to joining the O'Neill Group, Mr. Kaaks served as Chief Financial Officer of Royal Grolsch NV, the then listed brewer, from 2005 to 2008. Prior to joining Royal Grolsch NV, Mr. Kaaks spent 12 years of his career in different roles at Unilever including as a Finance Director Nordic Region 2003 to 2005. Mr. Kaaks holds a master's degree in economics and finance from the University of Groningen and a post-master's degree in finance and control from VU University Amsterdam. He is chairman of the advisory council to Nyenrode Business University's executive master in finance and control programme. Since early 2015 Mr. Kaaks is a non-executive director and vice-chairman of IMCD NV, a listed international specialty chemicals retailer-distributor.

**Hakan Bicil** is our Chief Commercial Officer. Mr. Bicil joined CEVA in May 2014 from Panalpina where he was Executive Vice President, Head of Strategic Business Development. Previously he served as Managing Director, EMEA for Toll Global Forwarding, and throughout his career has held increasingly senior positions within the logistics industry, including with Kuehne + Nagel, spanning both Contract Logistics and Freight Management. As CEVA's Chief Commercial Officer, he is responsible for leading the company's global sales organization.

**Dawn Wetherall** is our Chief Compliance Officer and leads our global Compliance & Ethics program. Ms. Wetheralljoined CEVA in 2008, as Regional General Counsel of Europe and became Chief Compliance Officer in January 2015. Ms Wetherall has been qualified as lawyer in the UK for over 25 years and prior to joining CEVA, worked in private practice in the City of London and as in-house counsel at Shell.

**Pierre Girardin** is our Chief Human Resources Officer. Mr. Girardin joined CEVA's predecessor, TNT Logistics, in 2001 and has served with CEVA in various international management positions since the company's inception, including Global BD and Strategy Head and Executive Vice President, CEVA in the Benelux. Prior to CEVA, Pierre held various positions at Caterpillar and was a Partner at McKinsey and Company in Amsterdam. Mr. Girardin holds an Msc in Mechanical Engineering and an MBA – INSEAD Fontainebleau.

**Christophe Cachat** is our Chief Information Officer. Mr. Cachat joined CEVA in June 2014 and brings extensive industry experience to CEVA, recently serving as Senior Vice President IT, Americas for Kuehne + Nagel. Prior to that he worked as Chief Technology Officer for ACR Logistics in the United Kingdom, with earlier roles including security, technology and engineering director roles at ALSTOM in France, Banque Indosuez (now Crédit Agricole) and CEGETEL/SFR (Vivendi group). As CEVA's Chief Information Officer, he will oversee and grow the company's technology capabilities, including its key CEVA Matrix® offering, for the benefit of its customers.

**Kenneth Burch** is our Chief Legal Officer. Mr. Burch joined CEVA in 2003 and led the Insurance and Litigation functions until 2006 when he was appointed General Counsel for the Americas region. He became Chief Legal Officer in April 2014. Prior to joining CEVA Mr. Burch worked in in-house roles for the insurance industry and in private practice.

**Brett Bissell** is our Chief Operating Officer - Contract Logistics. Mr. Bissell was appointed to this position in July 2014 and joined CEVA in January 2011, leading the company's Latin America operations, where he built a strong team that transformed CEVA's business and prospects in the region. Prior to joining CEVA he served in executive positions with Flextronics International and prior to that in operational roles at Qualcomm, Motorola and Toshiba. While at Flextronics he oversaw operations in Japan and in Latin America for over 12 years. He is a member of the Executive Board, responsible for leading strategy, process, KPIs and growing the company's key global Contract Logistics business line.

**Helmut Kaspers** is our Chief Operating Officer - Global Airfreight and Ocean Freight. Mr. Kaspers joined CEVA in May 2015. Mr. Kaspers started Kaspers Consulting + Investment (KCI) at the end of 2013 with the aim to assist international logistic growth-oriented companies with his longstanding experience. Before that he was a member of the Executive Committee and Chief Operating Officer, Air + Ocean of Logwin AG, Luxembourg from 2006 until March 2013. Prior to

Logwin, Helmut was Regional Director for Kuehne & Nagel, Germany, from 2001 to 2006. From 1996 to 2001, he was the Executive Vice President, Seafreight, at Schenker AG, Germany. After studying in Germany, Helmut worked his entire career within the logistics and transportation industry, including extensive international assignments in North America and Asia. He is a member of the Executive Board, responsible for leading CEVA's Global Airfreight and Ocean Freight business.

**Marc Becker** has been a member of our board of directors since June 2014 and previously served on our board of directors from August 2013 until January 2014. Mr. Becker is a senior partner of Apollo, where he has been employed since 1996. Prior to joining Apollo in 1996, Mr. Becker was employed by Smith Barney Inc. within its Investment Banking division. Mr. Becker graduated cum laude with a BS in Economics from the University of Pennsylvania's Wharton School of Business. Mr. Becker serves on several corporate boards of directors, including Realogy Corp., Affinion Group, Apollo Residential Mortgage, Pinnacle Holdings, and Novitex Corp. Previously, Mr. Becker has also served on the boards of directors of EVERTEC, National Financial Partners, Countrywide plc, SourceHOV, Metals USA, Pacer International, Quality Distribution, United Agri Products and Vantium Capital.

**Michael Jupiter** has been a member of our board of directors since 4 February 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.

**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.

**Tom White** has been a member of our board of directors since January 2009 and was an Operating Partner for Apollo in the distribution and transportation industries from 2007 through 2014. 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 Operating Officer of CEVA from June 2013 until June 2014 and as 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.

There are no family relationships between any of our executive officers and directors. As at the date of these Listing Particulars, there is no potential conflict or conflicts of interest existing 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.

### 1.2. 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.

### 1.3. 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 Holdings to cause the board of directors of the Issuer to be identical to the board of managers of Holdings; therefore the boards of both Holdings and the Issuer 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.

The board of Holdings 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), Pearlman and White 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), Smith and White 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. Jupiter, Schlanger (Chair) and Miller are members of our compensation committee.

Each of the non-employee managers of Holdings who is not or has not been 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 settled on 31 December 2014 and 75 common shares were issued to each of Messrs. Miller, Pearlman and Smith in respect of such restricted share units. In addition, in February 2014, Messrs. Miller, Pearlman and Smith each received an additional 75 restricted share units, which will settle on 31 December 2015. In connection with

his appointment to Holdings' board of managers, Thomas Stallkamp received 75 restricted share units, which settled on 31 March 2015 and 75 common shares were issued to Mr. Stallkamp in respect of such restricted share units. In addition, in March 2015, Mr. Stallkamp received an additional 75 restricted share units, which will settle on 15 March 2016. Mr. Schlanger held 641 restricted share units, which settled on 31 December 2014 and 641 common shares were issued to Mr. Schlanger in respect of such restricted share units. In addition, Mr. Schlanger holds 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 held 373 restricted share units, which settled on 31 December 2014 and 373 common shares were issued to Mr. White in respect of such restricted share units. In addition, Mr. White holds options to purchase 1,104 common shares of CEVA Holdings LLC at $1,000 per share, which were issued in four tranches of 662.4 (Tranche A), 55.2 (Tranche B), (Tranche C) and 331.2 (Tranche D) options.

### 1.4. 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.

### 1.5. Committees

The board of Holdings 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. Pearlman, Jupiter (chairman) and White 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. White, Jupiter (chairman) and Smith are members of our executive committee. The duties and responsibilities of the compensation committee include overseeing the compensation of our directors, officers and other employees, along with our overall compensation policies, strategies, plans and programs. Messrs. Miller, Schlanger (Chairman) and Jupiter are members of our compensation committee.

### 1.6. Corporate Governance

The Issuer complies with the corporate governance regimes of its jurisdictions of incorporation.

## PRINCIPAL SHAREHOLDERS

### 1. Principal Shareholders

As of 31 December 2014, 99.99% of the issued share capital of the Issuer is held by Holdings, 0.01% is held by CIL Limited and one ordinary share is held by Louis Cayman Second Holdco Limited, a wholly owned subsidiary of CIL Limited, on trust as bare nominee for CIL Limited.

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 31 December 2014, 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.

| Name of beneficial owner | Number of shares beneficially owned | | | Ownership percentage[2] |
|---|---|---|---|---|
| | A-1 preference shares | A-2 preference shares | Common shares | |
| Apollo | 87,428 | 12,737 | 105,010 | 21.6% |
| Franklin Advisers, Inc. | 4,126 | 169,906 | 128,500 | 27.3% |
| Capital Research and Management Company | 99,038 | 50,130 | 126,970 | 28.4% |
| Other[1] | 47,052 | 102,055 | 85,854 | 22.7% |
| Total | **237,644** | **334,828** | **446,334** | **100.0%** |

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

(2) Assuming preference shares convert to common shares.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### 1. Certain Relationships and Related Party Transactions

#### 1.1. The Restructuring and Recapitalization

On 2 May 2013 CEVA and Holdings completed the recapitalization (the "**Recapitalization**"). In connection with the Recapitalization, Apollo and CapRe agreed to backstop a portion of the Rights Offering pursuant to the terms of a Backstop Agreement. In addition, Franklin entered into the Franklin Commitment pursuant to which Franklin agreed to (i) cancel an aggregate of $304,863,114 in aggregate principal amount of CEVA's debt then held by Franklin (consisting of First Lien Notes and term loans under the Senior Secured Facilities) in exchange for the issuance by CEVA to Franklin of $304,863,114 in aggregate principal amount of Senior Secured Notes and (ii) provide access to additional liquidity of €65 million.

Following the Recapitalization, Holdings became the ultimate parent company of CEVA. In the Recapitalization, equity interests held by affiliates of Apollo in CEVA Investments Limited were eliminated, and Apollo affiliates acquired a stake of over 20% in the equity of Holdings through exchanging CEVA debt it held and through the cash purchase of equity, while Franklin acquired a stake in excess of 25%, and funds affiliated with CapRe acquired a stake in excess of 25%. Pursuant to the limited liability company agreement of Holdings, Apollo affiliates hold a majority of the voting power of Holdings and have the right to elect a majority of the respective boards of Holdings and CEVA. No other shareholder holds more than 5% of the equity of Holdings.

#### 1.2. Prior Debt Transactions

(a) Assignment of Senior Unsecured Bridge Loans

To fund the acquisition of EGL, Inc. in 2007, CEVA entered into the Senior Unsecured Bridge Loan Agreement. On 1 April 2008, the underwriting banks assigned loans (the "**Original Senior Unsecured Bridge Loans**") under the Senior Unsecured Bridge Loan Agreement with an aggregate principal amount of $509 million to affiliates of Apollo, who paid these lenders an acquisition price that reflected a discount to the par value of the loan. As a result of the assignment, we paid a fee of 1.6875% to each assigning lender in lieu of a 2.0% conversion fee outstanding at that time.

(b) July 2009 Exchange Offers

On 22 July 2009, CEVA issued €120 million aggregate principal amount of 12% Second-Priority Notes due 2014 (the "**12% Second-Priority Notes**") 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 Original Senior Unsecured Bridge Loans. We refer in these Listing Particulars to these exchange offers as the "**July 2009 Exchange Offers**". In the July 2009 Exchange Offers, Apollo privately exchanged with CEVA (1) $172 million of Original Senior Unsecured Bridge Loans 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.

(c) March 2010 Transactions

The March 2010 Transactions refer to (1) CEVA's offering of the Second Lien Notes; (2) CEVA's offer to purchase 10% Second-Priority Notes and 12% Second-Priority Notes, and related consent solicitation, pursuant to the Offer to Purchase and Consent Solicitation Statement dated 24 February 2010, as supplemented on 2 March 2010, as further supplemented on 9 March 2010; (3) the private exchange by Apollo with CEVA of 10% Second- Priority Notes and 12% Second-Priority Notes for Second Lien 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) Original Senior Unsecured Bridge Loans held by Apollo for a like principal amount of Senior Unsecured Bridge 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 Second Lien Notes. In addition, Apollo committed to privately exchange all of the 8.5% Senior Notes, Senior Subordinated Notes and Original Senior Unsecured Bridge Loans held by it in exchange for a like principal amount of Extended Senior Notes, Extended Senior Subordinated Notes and Senior Unsecured Bridge Loans. The purpose of the private exchange was to extend the maturities of the 8.5% Senior Notes, Senior Subordinated Notes and Original Senior Unsecured Bridge Loans currently held by Apollo to no earlier than 30 June 2018.

(d) Subsequent Debt Amendments

On 21 November 2011, CEVA entered into amendments to the agreements governing the Senior Unsecured Bridge 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 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.

(e) February 2012 Refinancing

On 1 February 2012, concurrently with the issuance by CEVA of $325 million of First Lien Notes and $620 million of Senior Unsecured Notes, funds affiliated with 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 Senior Unsecured Notes (the **"2012 Debt Exchange"**).

The debt exchanged in the February 2012 Refinancing consisted of all of Apollo's holdings of the Extended Senior Notes, the Extended Senior Subordinated Notes and the CIL PIK Instruments, as well as $516 million of Senior Unsecured Bridge 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, are only entitled to dividends if and when declared on the ordinary shares, and have certain other rights, including voting rights.

In the 2012 Debt Exchange, Apollo (1) exchanged €109 million principal amount of the 8½% Senior Notes and Senior Subordinated Notes for $145 million of Senior Unsecured 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, and are treated as a single class for all purposes under the indenture relating to the Senior Unsecured Notes and are fungible.

(f) 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 an affiliate of Apollo on terms which management believes compared favourably 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. Zero borrowings were outstanding pursuant to this agreement as of 31 December 2014.

(g) May 2013 Refinancing

On 2 May 2013, the Issuer issued $304,863,114 in aggregate principal amount of 4.00% first lien senior secured notes due 2018 and $688,893,689 in aggregate principal amount of 10% second lien secured PIK notes due 2023 (the "Initial PIK Notes") (the "**May 2013 Refinancing**").

(h) March 2014 Refinancing

On 13 March 2014, the Issuer issued $300,000,000 in aggregate principal amount of 7.0% First Lien Senior Secured Notes due 2021 and $325,000,000 in aggregate principal amount of 9.0% Senior Secured Notes due 2021 (the "**March 2014 Refinancing**").

### 1.3. CIL Bankruptcy Proceeding

CIL Limited (formerly CEVA Investments Limited), the former parent of the Issuer, is involved in a consensually filed liquidation proceeding in the Cayman Islands and an involuntary Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. In December 2014, the Trustee in the Chapter 7 proceeding filed a claim against CIL Limited’s former directors, the Issuer, and affiliated entities relating mostly to the Recapitalization. The Issuer cannot provide assurances about the outcome of this matter and it is possible that if the Trustee were to prevail on his claims, the

Issuer could incur a material loss in connection with this matter. However, the Issuer believes the claims are without merit and intends to vigorously defend itself.

### 1.4. 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 31 December 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.

### 1.5. Affiliated Underwriter

On 1 February 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.

### 1.6. Transactions with Joint Ventures

We also have a number of transactions with joint ventures over which we have joint control with our partners.

## DESCRIPTION OF OTHER INDEBTEDNESS

*The following is a summary of certain provisions of the instruments evidencing the outstanding indebtedness of the Issuer. 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 these Listing Particulars.*

### 1. Senior Secured Facilities

#### 1.1 Overview

On 19 March 2014, CEVA entered into amended and restated senior secured credit facilities (the "**Senior Secured Facilities**") comprised of:

- 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.

The Senior Secured Facilities 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 CEVA's request under the Senior Secured Facilities, subject to documentation requirements and other conditions.

On 31 December 2014, $1,326 million was outstanding under the Senior Secured Facilities.

#### 1.2 Interest Rate and Fees

The interest rate per annum applicable to the term loan facility is, at CEVA's 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 is, at CEVA's 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 CEVA's 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%.

CEVA shall 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, CEVA shall pay an unused commitment fee of 0.50%, subject to one step-down based on its senior secured leverage ratio. CEVA shall also pay customary letter of credit and agency fees.

#### 1.3 Prepayments

CEVA is required to prepay outstanding term loans, subject to certain exceptions, with:

(i) 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 the senior secured leverage ratio; and

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

CEVA is permitted to voluntarily repay outstanding loans under the 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.

1.1 **Amortisation**

The term loan facility provides for quarterly amortization payments totally 1% per annum of the original principal amount of the term loan facility, with the balance payable upon the final maturity date.

1.2 **Ranking; Guarantees and Security**

The obligations under the Senior Secured Facilities are CEVA's senior obligations. All obligations under the Senior Secured Facilities are unconditionally guaranteed by CEVA, each of the borrowers under the Senior Secured Facilities and certain of CEVA's and their 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), are secured on a first-priority basis by substantially all of CEVA's assets and certain assets of the other borrowers under the Senior Secured Facilities and certain other subsidiaries, subject to certain exceptions including the trade accounts receivable originated by the Originators (as defined below) that have been transferred to the U.S. SPEs under the U.S. ABL Facility and the Australian Receivables Facility, as the case may be, and other factoring arrangements and legal and tax limitations.

1.3 **Certain Covenants and Events of Default**

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

(i) incur additional indebtedness;

(ii) create liens on assets;

(iii) enter into sale and leaseback transactions;

(iv) make investments, loans, guarantees or advances;

(v) make certain acquisitions;

(vi) sell assets;

(vii) engage in mergers or acquisitions;

(viii) pay dividends and make distributions or repurchase capital stock;

(ix) repay certain other indebtedness;

(x) in the case of CEVA's restricted subsidiaries, enter into arrangements that restrict their ability to pay dividends or make other payments to CEVA; and

(xi) engage in certain transactions with affiliates.

In addition, 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 the Senior Secured Facilities) of no more than 5.35 to 1.0, tested on a quarterly basis. At 31 December 2014, we were in compliance with this covenant, with a ratio of approximately 2.4 to 1.0.

Covenant EBITDA is calculated as Adjusted EBITDA, further adjusted to remove or add certain identified amounts which are defined by the Senior Secured Facilities for the purposes of determining Covenant EBITDA. Covenant 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, Covenant 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 amortisation 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. For example, Covenant EBITDA reflects the full year impact of cost saving initiatives already undertaken by management. Although these estimated cost savings increase our Covenant 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 or at all. Although management believes these estimates and assumptions are reasonable, investors should not place undue reliance on Covenant EBITDA given how it is calculated and the possibility that the underlying estimates and assumptions may not reflect actual results. Further, no third party has compiled, reviewed or performed any assurance procedures with respect to the calculation of Covenant EBITDA or has expressed an opinion or given any other form of assurance on the calculation of Covenant EBITDA, the estimated cost savings or their achievability. The inclusion of Covenant EBITDA in this prospectus is appropriate because it provides additional information to investors about our compliance with the net secured first lien debt to Covenant EBITDA ratio under the Senior Secured Facilities. This presentation of Covenant EBITDA may not be comparable to other similarly titled measures of other companies.

The following table reconciles our Adjusted EBITDA for the period to our Covenant EBITDA for the year ended 31 December 2014.

| | Year Ended 31 December 2014 (in € millions)[2] |
|---|---|
| **Adjusted EBITDA before management fees** | **189** |
| Less Adjusted EBITDA at unrestricted subsidiaries | **0** |
| Optimisation programs (1) | **30** |
| Management savings programs (2) | **94** |
| **Covenant EBITDA** | **313** |

(1) Represents projected and forecasted cost savings as a result of restructuring initiatives relating to our contract logistics business, procurement functions and outsourcing programs. We expect these initiatives to deliver approximately €30 million in annualized savings in addition to the savings that have already been realized.

(2) Represents projected and forecasted cost savings from restructuring initiatives relating to headcount reductions, facility consolidation and relocation and other related restructurings of our business. We expect these initiatives to deliver approximately €94 million in annualized cost savings in addition to the savings that have already been realized.

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

## 2. First Lien Notes

### 2.1 Overview

On 19 March 2014, CEVA issued $300 million aggregate principal amount of 7.0% First Lien Senior Secured Notes due 2021 (the "**First Lien Notes**"). The First Lien Notes were issued under an indenture, dated as of 19 March 2014 (the "**First Lien Notes Indenture**"), by and among CEVA, the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar, paying agent and transfer agent, and Law Debenture Trust Company of New York, as collateral agent. The First Lien Notes mature on 1 March 2021.

As of 31 December 2014, $300 million in aggregate principal amount of First Lien Notes were outstanding.

### 2.2 Interest

Interest on the First Lien Notes accrues at the rate of 7.0% per annum, payable on 1 March and 1 September of each year.

### 2.3 Optional Redemption

CEVA may redeem some or all of the First Lien Notes prior to 1 March 2017 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

[2] Covenant EBITDA is calculated in USD and was converted to Euro using the exchange rate in effect as at 12 December 2014, being $1.21 to €.1.00.

or after 1 March 2017, CEVA may redeem some or all of the First Lien Notes at the redemption prices specified in the First Lien Notes Indenture, beginning at par and ½ of the coupon, declining to par on 1 March 2019, plus accrued and unpaid interest, if any, to the redemption date.

Additionally, at any time on or prior to 1 March 2017, CEVA may redeem up to 40% of the originally issued aggregate principal amount of the First Lien Notes with the net cash proceeds of one or more equity offerings at a price equal to 107.0% 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 First Lien Notes remains outstanding after such redemption.

Further, during any twelve-month period prior to the 1 March 2017, CEVA may redeem up to 10% of the aggregate principal amount of the First Lien Notes at a redemption price equal to 103.000% of the aggregate principal amount of the First Lien Notes redeemed, plus accrued and unpaid interest thereon.

2.4 **Change of Control**

Upon a change of control, as defined in the First Lien Notes Indenture, CEVA will be required to offer to repurchase the First Lien 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 First Lien Notes.

2.5 **Ranking; Guarantees and Security**

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

2.6 **Covenants**

The First Lien Notes Indenture contains covenants that, among other things, restrict, subject to certain exceptions, CEVA's ability and the ability of its subsidiaries to:

(i) incur additional indebtedness;

(ii) make restricted payments, including dividends or other distributions;

(iii) in the case of CEVA's restricted subsidiaries, enter into arrangements that restrict their ability to pay dividends or make other payments to CEVA;

(iv) engage in transactions with affiliates;

(v) sell assets;

(vi) create certain liens;

(vii) guarantee or secure debt;

(viii) create unrestricted subsidiaries; and

(ix) 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 First Lien Notes at all times after the First Lien Notes have investment grade ratings from both Moody's and S&P.

2.7 **Events of Default**

The First Lien Notes Indenture 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 $35.0 million, (4) bankruptcy events, (5) failure to pay certain final judgments in excess of $35.0 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.

## 3. Senior Secured Notes

### 3.1 Overview

On 2 May 2013, CEVA issued $304,863,114 aggregate principal amount of 4.00% First Lien Senior Secured Notes due 2018 (the "**Initial Senior Secured Notes**"), and on 18 July 2013, CEVA issued an additional $85,107,750 aggregate principal amount of 4.00% First Lien Senior Secured Notes due 2018 (together with the Initial Senior Secured Notes, the "**Senior Secured Notes**"). The Senior Secured Notes were issued under an indenture, dated as of 2 May 2013 (the "**Senior Secured Notes Indenture**"), by and among CEVA, the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar, paying agent and transfer agent, and Law Debenture Trust Company of New York, as collateral agent. The 4.0% First Lien Notes mature on 1 May 2018.

As of 31 December 2014, $390 million in aggregate principal amount of Senior Secured Notes were outstanding.

### 3.2 Interest

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

### 3.3 Optional Redemption

At any time, CEVA may redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date.

### 3.4 Change of Control

Upon a change of control, as defined in the Senior Secured Notes Indenture, CEVA will be required to offer to repurchase the 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 Senior Secured Notes.

### 3.5 Ranking; Guarantees and Security

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

### 3.6 Covenants

The Senior Secured Notes contain covenants that are substantially similar to those contained in the First Lien Notes Indenture described above.

### 3.7 Events of Default

The Senior Secured Notes Indenture 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.

## 4. 1.5 Lien Notes

### 4.1 Overview

On 19 March 2014, CEVA issued $325 million aggregate principal amount of 9.0% Senior Secured Notes due 2021 (the "**1.5 Lien Notes**"). The 1.5 Lien Notes were issued under an indenture, dated as of 19 March 2014 (the "**1.5 Lien Notes Indenture**"), by and among CEVA, the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar, paying agent and transfer agent, and Law Debenture Trust Company of New York, as collateral agent. The 1.5 Lien Notes mature on 1 September 2021.

As of 31 December 2014, $325.0 million in aggregate principal amount of 1.5 Lien Notes were outstanding.

### 4.2 Interest

Interest on the 1.5 Lien Notes accrues at the rate of 9.0% per annum, payable on 1 June and 1 December of each year, and at maturity.

### 4.3 Optional Redemption

CEVA may redeem some or all of the 1.5 Lien Notes prior to 1 March 2017 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 1 March 2017, CEVA may redeem some or all of the 1.5 Lien Notes at the redemption prices specified in the 1.5 Lien Notes Indenture, beginning at par and ½ of the coupon, declining to par on 1 March 2019, plus accrued and unpaid interest, if any, to the redemption date.

Additionally, at any time on or prior to 1 March 2017, CEVA may redeem up to 40% of the originally issued aggregate principal amount of the 1.5 Lien Notes with the net cash proceeds of one or more equity offerings at a price equal to 109.0% 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 9.0% 1.5 Lien Notes remains outstanding after such redemption. In addition, at any time prior to 1 September 2015, CEVA may redeem all (but not less than all) of the 1.5 Lien Notes with the net cash proceeds of one more equity offerings at a price equal to 106.75% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date.

### 4.4 Change of Control

Upon a change of control, as defined in the 1.5 Lien Notes Indenture, CEVA will be required to offer to repurchase the 1.5 Lien 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 1.5 Lien Notes.

### 4.5 Ranking; Guarantees and Security

The 1.5 Lien Notes are CEVA's senior obligations. The 1.5 Lien 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 1.5 Lien Notes and the related guarantees are (i) effectively junior in priority to CEVA’s existing and future secured debt on a first priority basis, including the First Lien Notes, Senior Secured Notes and the Senior Secured Facilities, in each case to the extent of the value of the assets securing such debt and (ii) effectively senior to all of CEVA’s existing and future debt secured by a junior priority lien and existing and future unsecured debt and other unsecured obligations (including the PIK Notes and Senior Unsecured Notes), in each case, to the extent of the value of the assets securing the 1.5 Lien Notes. The 1.5 Lien Notes are secured by substantially all of CEVA's assets and certain assets of the other borrowers under the Senior Secured Facilities and certain other subsidiaries, subject to certain exceptions including the trade accounts receivable originated by the Originators (as defined below) that have been transferred to the SPEs under the U.S. ABL Facility and the Australian Receivables Facility, as the case may be, and other factoring arrangements and legal and tax limitations.

### 4.6 Covenants and Events of Default

The 1.5 Lien Notes contain covenants and events of default that are substantially similar to those contained in the First Lien Notes.

## 5. Senior Unsecured Notes

### 5.1 Overview

On 1 February 2012, CEVA issued an aggregate principal amount of approximately $620 million of 12.75% Senior Notes due 2020 (the "**Senior Unsecured Notes**"). The Senior Unsecured Notes were issued under an indenture dated as of 1 February 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 Senior Unsecured Notes mature on 31 March 2020.

In connection with the May 2013 Refinancing, CEVA received consents to adopt amendments to the indenture governing the Senior Unsecured Notes to eliminate substantially all of the restrictive covenants and certain events of default and related provisions contained in such indenture. Approximately $577.1 million of Senior Unsecured Notes were cancelled in connection with the May 2013 Refinancing. As of 31 December 2014, $43 million in aggregate principal amount of Senior Unsecured Notes were outstanding.

### 5.2 Interest

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

### 5.3 Optional Redemption

At any time on or after 31 March 2015, CEVA may redeem some or all of the Senior Unsecured Notes at the redemption prices specified in the indenture, beginning at par and ¾ of the coupon, declining to par on 31 March 2018, plus accrued and unpaid interest, if any, to the redemption date.

### 5.4 Ranking; Guarantees

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

### 5.5 Events of Default

The indenture governing the Senior Unsecured 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) bankruptcy events, and (4) failure of guarantees of significant subsidiaries to remain in full force and effect.

## 6. U.S. ABL Facility

### 6.1 Overview

On 19 November 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 "**U.S. Originators**")—entered into agreements establishing an Asset Backed Loan Facility (the "**U.S. ABL Facility**") with an initial commitment of $200 million. On 30 November 2010, the committed amount of the U.S. ABL Facility was increased to $250 million. Under the terms of the Receivables Transfer Agreement, the U.S. 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 Notes, the 1.5 Lien Notes, the Second Lien Notes, the Senior Unsecured Notes and the Unexchanged Notes and as an unrestricted subsidiary under the 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 U.S. 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 31 December 2013, to, among other things, extend the maturity to 31 December 2018 and on 8 June 2015, to amend certain terms related to the calculation of the available borrowing base and minimize any temporary adverse impact on the borrowing base of the implementation by CEVA of a new international brokerage operating system.

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 31 December 2014, the total of outstanding borrowings under the U.S. ABL Facility was $191 million, and the committed amount was $250 million.

6.2 **Interest Rate and Fees**

The interest rate per annum applicable to the U.S. ABL Facility is, at the U.S. SPE's option, either at (x) an alternate base rate plus an applicable margin ranging between 2% to 2½% 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 3% to 3½% 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 U.S. SPE is required to pay a commitment fee on the daily undrawn portion of the U.S. ABL Facility at a rate ranging between 0.50% to 0.75% per annum depending on availability under the U.S. ABL Facility.

6.3 **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 1.1 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 SPE will be required to immediately repay outstanding loans in an aggregate amount equal to such excess. The 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.

6.4 **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 U.S. Originators under the Receivables Transfer Agreement, but does not guarantee the collectability of the receivables or any obligations of the SPE as borrower under the U.S. ABL Facility. The obligations of the SPE under the U.S. ABL Facility are secured on a first-priority basis by all currently owned and subsequently acquired assets of the SPE, including, but not limited to, all of the accounts receivable transferred to it by the U.S. Originators.

6.5 **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 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 organisational documents; and

change its ownership.

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

### 6.6 Australian Receivables Facility

On 1 October 2012, certain of the Issuer'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**"). On or about 22 May 2015, the Australian Receivables Facilities was renewed to, among other things, extend the maturity to 30 April 2020, establish a new buyer counterparty and amend certain terms of the Australian Receivables Facility, including, but not limited to, the facility margin and other economic terms. Pursuant to the Australian Receivables Facility, the Issuer's Australian subsidiaries party to such agreements transfer certain receivables to the Australian SPE, and the Australian SPE transfers such receivables to the buyer counterparty under the Australian Receivables Facility. As of 31 December 2014, the outstanding drawn amount under the Australian Receivables Facility was A$35 million.

## 7. Intercreditor Agreements

### 7.1 *First Lien* Intercreditor *Agreement*

The trustee and collateral agent under the First Lien Notes Indenture, 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 Senior Secured Notes (so long as they remain secured), the indenture governing the First Lien Notes and the Senior Secured Facilities. The First Lien Intercreditor Agreement was entered into on 14 December 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 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 Senior Secured Notes (so long as they remain secured) and the First Lien Notes 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 Senior Secured Notes (so long as they remain secured) and the First Lien Notes 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 Senior Secured Notes (so long as they remain secured) and the indenture governing the First Lien Notes, 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 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 Senior Secured Notes (so long as they remain secured) and the First Lien Notes, as representative of the holders of the Senior Secured Notes (so long as they remain secured) and the First Lien 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 CEVA's 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.

7.2 ***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 First Lien Notes, the Senior Secured Notes, the 1.5 Lien Notes, the PIK Notes, the Senior Unsecured Notes and certain other notes no longer outstanding (collectively, the "**Senior 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 or otherwise acceded to 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 Senior Notes and Credit Suisse, as intercreditor agent thereunder. 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 First Lien Notes and the 1.5 Lien Notes will vote as a single class with the lenders under the Senior Secured Facilities, 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 the Senior Secured Notes. 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 First Lien Notes, the Senior Secured Notes, the 1.5 Lien Notes, the 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, such notes (the "**Secured Senior Debt**");
- unpaid and outstanding indebtedness under the Senior 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 such 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 Secured Senior Debt and Unsecured Senior Debt (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 CEVA 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*" below.

*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 Senior Notes and each Agent to release in any manner whatsoever any lien or encumbrance and any guarantee 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 trustees of the Senior Notes to hold a meeting of holders or pass any resolution at such meeting or give any consent pursuant to the terms of the applicable Senior 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 any indenture governing Subordinated Debt 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 Senior 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.

7.3 ***First/First-and-a-Half Lien Intercreditor Agreement***

The trustee and the collateral agent under the indentures that govern the First Lien Notes and Senior Secured Notes are parties to a Lien Subordination and Intercreditor Agreement (the "**First/First-and-a-Half Lien Intercreditor Agreement**") with the trustee and collateral agents for the 1.5 Lien Notes and Credit Suisse, as intercreditor agent thereunder, which establishes the relative rights of the creditors under the Senior Secured Facilities, Senior Secured Notes and the First Lien Notes, on one hand, and the holders of the 1.5 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 First Lien Notes and Senior Secured Notes, 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 1.5 Lien Notes will not be permitted to enforce the security interests even if an event of default under the indenture governing the 1.5 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 First Lien Notes and Senior Secured Notes, have been discharged in full, if an event of default under the indenture governing the 1.5 Lien Notes has occurred and the obligations have been accelerated, the trustee and collateral agent for the 1.5 Lien 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 1.5 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 First Lien Notes and Senior Secured Notes, 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 1.5 Lien Notes, (2) CEVA 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 1.5 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 1.5 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.

7.4 ***First/Junior Lien Intercreditor Agreement***

The trustee and collateral agent under the indentures that govern the First Lien Notes and 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 1.5 Lien Notes and PIK Notes and Credit Suisse, as intercreditor agent thereunder, which establishes the relative rights of the creditors under the Senior Secured Facilities, the First Lien Notes and Senior Secured Notes, and the 1.5 Lien Notes, on one hand, and the PIK Notes, on the other hand.

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 1.5 Lien Notes, Senior Secured Notes and the First Lien Notes, 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 PIK 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 1.5 Lien Notes, the Senior Secured Notes and the First Lien Notes, have been discharged in full, if an event of default under the indenture governing the PIK Notes has occurred and the obligations have been accelerated, the trustee and collateral agent for the PIK Notes in accordance with the provisions of the indenture and the security documents governing the PIK 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 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 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 1.5 Lien Notes, the Senior Secured Notes, the First Lien Notes or the 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 PIK Notes, provided that any such change, waiver or modification does not materially adversely affect the rights of the holders of the PIK Notes and not the other secured creditors in a like or similar manner.

## DESCRIPTION OF THE PIK NOTES

Unless the context requires otherwise, all definitions contained in this section "*Description of the PIK Notes*" are for the purposes of this section only and all references in this section to the "**PIK Notes**" are to the PIK Notes, including the New PIK Notes and the Existing PIK Notes.

### 1. General

CEVA Group Plc, a public limited company incorporated under the laws of England and Wales (the "**Issuer**"), issued the PIK Notes under an indenture dated 2 May 2013 (the "**PIK Notes Indenture**"), by and among itself, Wilmington Trust, National Association (a national banking association as trustee, paying agent, transfer agent and registrar (the "**Trustee**")), the Guarantors and the persons identified as holders on the signature pages thereto and the other holders of the PIK Notes from time to time party thereto.

The following summary of certain provisions of the PIK Notes Indenture and the PIK Notes 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 PIK Notes Indenture. This "*Description of the PIK Notes*" section should be read together with the sections entitled "*Certain Relationships and Related Party Transactions*" and "*Description of Other Indebtedness*", respectively starting at pages 51 and 54 above. Capitalised terms used in this "*Description of the PIK Notes*" section and not otherwise defined have the meanings set forth in the section "*Defined Terms in the Descriptions of the PIK Notes*". As used in this "*Description of the PIK Notes*" section, "we," "us" and "our" mean the Issuer and its Subsidiaries. Terms defined in the PIK Notes Indenture and not defined herein have the meanings ascribed thereto in the PIK Notes Indenture. The PIK Notes are subject to all the terms and provisions of the PIK Notes Indenture, and the Holders (as defined therein) are referred to the PIK Notes Indenture for a statement of such terms and conditions.

The Issuer issued the Initial PIK Notes with an initial aggregate principal amount of $688,893,689. In connection with the March 2014 Refinancing, $83,889,325 in aggregate principal amount of the PIK Notes were redeemed. As of 31 December 2014, $708,349,346 in aggregate principal amount of PIK Notes were outstanding.

The PIK Notes have been issued only in fully registered form without interest coupons in minimum denominations of $75,000 (except in the case of PIK Securities) and integral multiples of $1.00 in excess thereof. The Issuer may require payment of a sum sufficient to cover all taxes, assessments or other governmental charges payable in connection with any transfer.

### 2. Terms of the PIK Notes

The PIK Notes will mature on 1 May 2023. Each PIK Note bears interest at 10.00% per annum from 2 May 2013 or from the most recent date to which interest has been paid or provided for, payable quarterly on 1 August, 1 November, 1 February and 1 May of each year, commencing 1 August 2013. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months. The Issuer shall pay interest on overdue installments of interest at the same rate to the extent lawful.

To guarantee the due and punctual payment of the principal and interest on the PIK Notes and all other amounts payable by the Issuer under the PIK Notes Indenture and the PIK Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the PIK Notes and the PIK Notes Indenture, the Guarantors have, jointly and severally, unconditionally guaranteed the Guaranteed Obligations on a second lien secured basis pursuant to the terms of the PIK Notes Indenture.

### 3. Paying Agent and Registrar for the PIK Notes

The Trustee shall act as paying agent (the "**Paying Agent**") for the PIK Notes.

Prior to each due date of the interest or principal on any PIK Note, if the Issuer elects to pay interest in cash or at maturity, the Issuer shall deposit with the Paying Agent a sum sufficient to pay such interest or principal when so becoming due. The Paying Agent shall hold in trust for the benefit of the Holder all money held by the Paying Agent for the payment of interest or principal of the PIK Notes.

### 4. Status of the PIK Notes

The PIK Notes are second lien secured obligations of the Issuer. The PIK Notes are secured by the Collateral on the terms and subject to the conditions set forth in the PIK Notes Indenture, the Intercreditor Agreements and the other Security

Documents. Such security interests are to be equal in priority to security interests granted for the benefit of holders of Second Priority Lien Obligations and junior in priority to security interests granted for the benefit of holders of Indebtedness that constitutes First Priority Lien Obligations.

5. **PIK Securities as Interest**

The Issuer shall be entitled to issue PIK Securities as interest on the PIK Notes. The PIK Notes issued on the Initial Issue Date and any such PIK Securities and any other PIK Notes issued under the PIK Notes Indenture shall be treated as single class for all purposes under the PIK Notes Indenture.

6. **Optional Redemption**

The PIK Notes shall be redeemable at the option of the Issuer, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice delivered electronically or mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of the PIK Notes redeemed, plus accrued and unpaid interest, if any, to the applicable redemption date.

7. **Selection**

If less than all of the PIK Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select PIK Notes for redemption or repurchase on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion deems fair and appropriate.

8. **Mandatory Redemption; Offers to Purchase**

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the PIK Notes. However, under certain circumstances, the Issuer may be required to offer to purchase PIK Notes as described under the captions "*Description of the PIK Notes—Change of Control*" and "*Description of the PIK Notes——Asset Sales*".

9. **Redemption for Taxation Reasons**

The Issuer may redeem the PIK Notes, at its option, in whole, but not in part, at any time 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**") and all Additional Amounts (as defined under paragraph 8 on the reverse side of the PIK Notes), 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:

(i) 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 paragraph 8 on the reverse side of the PIK Notes) affecting taxation; or

(ii) 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 (i) and (ii), a "**Change in Tax Law**"), the Issuer, with respect to the PIK Notes, or any Guarantor, with respect to a Guarantee, as the case may be, is, or on the next interest payment date in respect of the PIK 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 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 Guarantor).

In the case of the Issuer or any Guarantor as of the Initial Issue Date, the Change in Tax Law must become effective on or after the date of the Offering Circular (as defined in the PIK Notes Indenture). In the case of any Person becoming a Guarantor after the Initial 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 Guarantor or such a successor. Notice of redemption for taxation reasons will be published in accordance with the procedures set out in Section 3.03 ("*Notices to Trustee*") of the PIK Notes Indenture. 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 in paragraph 8 on the reverse side of any PIK Note) 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 PIK 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 setting forth a statement of facts showing 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 Holder.

10. **Withholding Taxes**

Except as otherwise provided in Section 4.15 (*Withholding Taxes*) of the PIK Notes Indenture, all payments made by the Issuer, any Guarantor or a successor of any of the foregoing (each, a "**Payor**") on the PIK Notes or the 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 will at any time be required from any payments made with respect to the PIK Notes or the Guarantees, 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 Holder 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 PIK Notes in the absence of such withholding or deduction, provided, however, that no such Additional Amounts will be payable for or on account of the exceptions listed on the reverse side of any PIK Note.

11. **PIK Note Guarantees**

(a) Each Guarantor fully, unconditionally, jointly and severally guarantees on a secured senior basis, as a primary obligor and not merely as a surety, to each Holder and to the Trustee and its successors and assigns:

(i) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuer under the PIK Notes Indenture (including obligations to the Trustee) and the PIK Notes, whether for payment of principal of, premium, if any, or interest on the PIK Notes and all other monetary obligations of the Issuer under the PIK Notes Indenture and the PIK Notes; and

(ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under the PIK Notes Indenture and the PIK Notes (all the foregoing being hereinafter collectively called the "**Guaranteed Obligations**").

Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor, and that each such Guarantor shall remain bound notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Guarantee is made subject to the provisions of the PIK Notes Indenture and the Intercreditor Agreements.

12. **Change of Control**

Upon the occurrence of a Change of Control, the Holder shall have the right, subject to certain conditions specified in the PIK Notes Indenture, to cause the Issuer to repurchase all or any part of the Holder's PIK 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 the Holder on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the PIK Notes Indenture.

13. **Certain Covenants**

The PIK Notes Indenture imposes certain limitations on the ability of the Issuer and the Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens and make Asset Sales. The PIK Notes Indenture also imposes limitations on the ability of the Issuer and each Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property. The PIK Notes Indenture also imposes limitations on the ability of the Issuer to undertake certain activities and own certain assets.

13.1 **Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock**

(a) The PIK Notes Indenture provides that:

(i) The Issuer shall not, and shall 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

(ii) the Issuer shall not permit any of its Restricted Subsidiaries (other than a Guarantor) to issue any shares of Preferred Stock; provided, however, that the Issue 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 issues 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 provided (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 Guarantors shall not exceed €150.0 million at any one time outstanding (the "**Non-Guarantor Exception**").

(b) The foregoing limitations shall not apply to permitted debt, as defined in the PIK Notes Indenture ("**Permitted Debt**").

13.2 **Limitation on Restricted Payments**

(a) Except as set out in the PIK Notes Indenture, the Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) 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;

(ii) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(iii) 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, any Subordinated Shareholder Funding or any Subordinated Indebtedness of the Issuer or any of its Restricted Subsidiaries; or

(iv) make any Restricted Investment,

(b) As of the Initial Issue Date, all of the Issuer's Subsidiaries, other than CEVA US Receivables, LLC, shall be Restricted Subsidiaries. The Issuer shall 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 shall be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation shall 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.

13.3 **Dividend and Other Payment Restrictions Affecting Subsidiaries**

Except as otherwise provided in the PIK Notes Indenture, the Issuer shall not, and shall 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:

(i) (1) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (A) on its Capital Stock; or (B) with respect to any other interest or participation in, or measured by, its profits; or (2) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(ii) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(iii) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.

The foregoing shall not apply to, *inter alia*, any encumbrance or restriction existing under or by reason of the PIK Notes Indenture, the PIK Notes (and Guarantees thereof), the Intercreditor Agreements, the Security Documents, any Currency Agreement and any Additional Intercreditor Agreement.

13.4 **Asset Sales**

(a) Except as otherwise provided in the PIK Notes Indenture, the Issuer shall not, and shall 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:

(i) 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 PIK Notes or any Guarantee) that are assumed by the transferee of any such assets;

(ii) 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

(iii) 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 (iii) that is at that time outstanding, not to exceed the greater of 1.5% of Total Assets and €35.0 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 the restrictions on Asset Sales.

(b) 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 30 but not more than 60 days before the purchase date to each Holder of PIK Notes at such Holder's registered address. If any PIK Note is to be purchased in part only, any notice of purchase that relates to such PIK Note shall state the portion of the principal amount thereof that has been or is to be purchased.

13.5 **Transactions with Affiliates**

(a) Except as otherwise provided in the PIK Notes Indenture, the Issuer shall not, and shall 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 €10.0 million, unless:

(i) such Affiliate Transaction is on terms that are not materially less favourable 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

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €20.0 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 (i) above.

13.6 **Liens**

The Issuer shall not, and shall 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 pari passu with or junior in priority to the Liens on such assets or property securing the PIK Notes and Guarantees and securing Indebtedness Incurred pursuant to the Fixed Charge Coverage Ratio test set forth under the caption "*Description of the PIK Notes—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.*"

13.7 **Reports and Other Information**

(a) For so long as any PIK Notes are outstanding, the Issuer will provide to the Trustee the following reports:

(i) within 120 days after the end of each of the Issuer's fiscal years beginning with the fiscal year ending 31 December 2013, annual reports containing the following information in a level of detail that is comparable in all material respect to the 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 recapitalisations 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 (ii) or (iii) of this section;

(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 amortisation;

(G) capital expenditures;

(H) depreciation and amortisation; and

(I) income (loss) from operations.

(ii) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Issuer all quarterly financial statements of the Issuer containing the following information: (1) 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; (2) 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 (ii) or (iii) of this section; (3) 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 (4) 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 (ii) with respect to such item; and

(iii) 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 Issuer or any other material event that the Issuer or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

(b) All financial statements shall be for the Issuer and/or the Issuer's 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 PIK Notes are listed; provided, however, that the reports set out 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 PIK Notes Indenture. Except as provided for above, no report need include separate financial statements for 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 the Offering Circular.

(c) 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.

13.8 **Future PIK Note Guarantors**

(a) The Issuer shall not permit any of its Restricted Subsidiaries (unless such Subsidiary is a Receivables Subsidiary) that is not a Guarantor to guarantee, assume or in any other manner become liable with respect to (i) any Credit Agreement of the Issuer or any Guarantor or (ii) any Public Debt of the Issuer or any Guarantor, unless such Subsidiary executes and delivers to the Trustee a supplemental indenture in the form attached as Exhibit B to the PIK Notes Indenture (including such changes as may be required by the laws of the Subsidiary's jurisdiction, as certified in an Officer's Certificate) pursuant to which such Subsidiary will Guarantee payment of the PIK Notes.

(b) Notwithstanding the foregoing:

(i) no 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;

(ii) such Guarantee need not be secured unless required;

(iii) if such Indebtedness is by its terms expressly subordinated to the PIK Notes or any 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 Guarantee of the PIK Notes at least to the same extent as such Indebtedness is subordinated to the PIK Notes or any other senior guarantee;

(iv) no 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 PIK Notes 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;

(v) no Guarantee shall be required if such 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 Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary; and

(vi) each such Guarantee will be limited as necessary to recognise certain defences 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 defences affecting the rights of creditors generally) or other considerations under applicable law.

Each Guarantee shall be released in accordance with the provisions of Section 10.02(b) ("*Limitations on Liability; Release*") of the PIK Notes Indenture and the Intercreditor Agreements.

13.9 **Limitation on Issuer**

The Issuer shall not

(a) 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

(b) 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 PIK Notes Indenture). The Issuer shall not Incur any material liabilities or obligations other than its obligations pursuant to, or as permitted by, the PIK Notes, the PIK Notes Indenture, the Security Documents, the Existing Notes, the indentures governing the Existing Notes and related security documents, the Credit Agreement, the Senior Unsecured Facility and other Indebtedness permitted to be Incurred by the Issuer and liabilities and obligations pursuant to business activities permitted by this section (including without limitation pursuant to agreements relating to investments in Subsidiaries and joint ventures permitted under the PIK Notes Indenture).

13.10 **Covenant Suspension / Fall-Away**

(a) If, on any date following the Initial Issue Date, (i) the PIK 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 PIK Notes Indenture then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the PIK Notes, the Issuer and the Restricted Subsidiaries will cease to be subject to Sections 4.03 (*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*), 4.04 (*Limitation on Restricted Payments*), 4.05 (*Dividend and Other Payment Restrictions Affecting Subsidiaries*), 4.06 (*Asset Sales*), 4.07 (*Transactions with Affiliates*), 4.11 (*Future Guarantors*), 4.19 (*Impairment of Security Interest*), 4.20 (*After Acquired Property*), 5.01(a)(iv) (*When Company May Merge or Transfer Assets*) and Article XI (*Security Documents*) of the PIK Notes Indenture.

(b) During any period of time that (i) the PIK Notes have Investment Grade Ratings from both Rating Agencies, and the Issuer has delivered written notice of such Investment Grade Ratings to the Holder, and (ii) no Default has occurred and is continuing under the PIK Notes 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 Section 4.08 ("*Change of Control*") of the PIK Notes Indenture (the "**Suspended Covenant**"). In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenant with respect to the PIK Notes under the PIK Notes Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (1) withdraw their Investment Grade Rating or downgrade the rating assigned to the PIK Notes below an Investment Grade Rating and/or (2) 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 recapitalisation or refinancing transactions) would cause such Rating Agency to withdraw its Investment Grade Rating or downgrade the ratings assigned to the PIK Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries shall thereafter again be subject to the Suspended Covenant with respect to the PIK Notes under the PIK Notes Indenture with respect to future events, including, without limitation, a proposed transaction described in clause (2) of this clause (b). Any Change of Control that shall have occurred during such period shall be treated as if a Change of Control Offer shall have been made with respect to such period.

(c) The Trustee shall 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.

14. **Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets**

Except as otherwise provided in the PIK Notes Indenture,

(a) the Issuer shall 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; and

(b) each Guarantor shall not, and the Issuer shall not permit any Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such 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.

Except as otherwise provided in the PIK Notes Indenture, the Successor Guarantor (if other than such Guarantor) will succeed to, and be substituted for, such Guarantor under the PIK Notes Indenture and such Guarantor's Guarantee, and such Guarantor will automatically be released and discharged from its obligations under the PIK Notes Indenture and such Guarantor's Guarantee.

15. **Defaults**

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganisation of the Issuer) and is continuing, the Trustee or the Holder in each case, by notice to the Issuer, may declare the principal of, premium, if any, and accrued but unpaid interest on all the PIK 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. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganisation of the Issuer occurs, the principal of, premium, if any, and interest on all the PIK Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or the Holder. Under certain circumstances, the Holder may rescind any such acceleration with respect to the PIK Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the PIK Notes Indenture at the request or direction of the Holder unless the Holder has offered to the Trustee reasonable indemnity or security against any loss, liability or expense and certain other conditions are complied with.

Prior to taking any action under the PIK Notes Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. **Amendments and Waivers**

Subject to certain exceptions set forth in the PIK Notes Indenture, (i) the PIK Notes Indenture or the PIK Notes may be amended with the written consent of the Holder and (ii) any past default or compliance with any provisions may be waived with the written consent of the Holder. Subject to certain exceptions set forth in the PIK Notes Indenture, without the consent of the Holder, the Issuer and the Trustee may amend the PIK Notes Indenture, the Security Documents or the Securities: (i) to cure any ambiguity, omission, mistake, defect or inconsistency; (ii) to effect any provision of the PIK Notes Indenture (including the release of any Guarantees in accordance with the terms of the PIK Notes Indenture, including Section 10.02(b) ("*Limitation on Liability; Release*") thereof); (iii) to provide for the assumption by a Successor Company of the obligations of the Issuer under the PIK Notes Indenture and the PIK Notes; (iv) to provide for the assumption by a Successor Guarantor of the obligations of a Guarantor under the PIK Notes Indenture and its Guarantee; (v) to comply with Article V of the PIK Notes Indenture; (vi) to provide for uncertificated PIK Notes in addition to or in place of certificated PIK Notes; (vii) to add additional Guarantees with respect to the PIK Notes or to secure the PIK Notes; (viii) to add assets as collateral, to release collateral from any Lien pursuant to the PIK Notes Indenture, any Security Document and the Intercreditor Agreements, when permitted or required by the PIK Notes Indenture; (ix) 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 PIK Notes Indenture; (x) to add to the covenants of the Issuer or any Guarantor for the benefit of the Holder or to surrender any right or power conferred upon the Issuer; (xi) to evidence and process for the acceptance and appointment under the PIK Notes Indenture and/or any Intercreditor Agreement of a successor Trustee; (xii) to provide for the accession of the Trustee to any instrument in connection with the PIK Notes; (xiii) at the Issuer's election, to comply with any requirement of the SEC in connection with the qualification of the PIK Notes Indenture under the Trust Indenture Act, if such qualification is required; or (xiv) to make any change that does not adversely affect the rights of the Holder.

17. **No Personal Liability of Directors, Officers, Employees, Managers and Stockholders**

No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or of any Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Guarantors

under the PIK Notes or the PIK Notes Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of PIK Notes by accepting a PIK Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the PIK Notes.

18. **Satisfaction and Discharge**

The PIK Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of PIK Notes, as expressly provided for in the PIK Notes Indenture) as to all outstanding PIK Notes when either all the PIK Notes theretofore authenticated and delivered (except lost, stolen or destroyed PIK Notes which have been replaced or paid and PIK 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 and the Issuer and/or the Guarantors have paid all other sums payable under the PIK Notes Indenture.

19. **Notices**

Any notice or communication delivered to a Holder shall be delivered electronically or mailed, first class mail, to the Holder at the Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so delivered within the time prescribed.

Failure to deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is delivered in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee are effective only if received.

20. **Currency Indemnity and Calculation of Euro-denominated Restrictions**

The dollar is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under or in connection with the PIK 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 Guarantor or otherwise by the Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or any Guarantor will only constitute a discharge to the Issuer or any Guarantor to the extent of the dollar amount that 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 PIK Note, the Issuer and any Guarantor will indemnify such recipient against any loss sustained by it as a result. In any event, the Issuer and any 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 PIK 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 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 PIK 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 PIK Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated or U.S. dollar-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency, or 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-euro amount or non-dollar amount, as the case may be, is Incurred or made, as the case may be.

21. **Consent to Jurisdiction and Service**

The Issuer and the Guarantors irrevocably and unconditionally (i) agree that any legal suit, action or proceeding against the Issuer or any Guarantor arising out of or based upon the PIK Notes Indenture, the PIK Notes or any Guarantee or the transactions contemplated hereby may be instituted in any U.S. Federal or state court in the Borough of Manhattan, The City of New York, and courts of its own corporate domicile to the extent it is a defendant and (ii) waive, to the fullest extent they may effectively do so, any objection which they may now or hereafter have to the laying of venue of any such proceeding.

Notwithstanding the foregoing, the Trustee may submit to the courts of Sao Paulo, Brazil, and any appellate jurisdiction thereof in any action or proceeding arising out or relating to the PIK Notes Indenture, or for recognition or enforcement of any judgment. The Issuer and each of the Guarantors have appointed CT Corporation System at 111 Eighth Avenue, New York, New York 10011, USA as their authorised agent (the "**Authorised Agent**") upon whom process may be served in any such action arising out of or based on the PIK Notes Indenture, the PIK Notes or the transactions contemplated hereby which may be instituted in any New York court, expressly consent to the jurisdiction of any such court in respect of any such action, and waive any other requirements of or objections to personal jurisdiction with respect thereto. Such appointment shall be irrevocable.

The Issuer and each of the Guarantors represents and warrants that the Authorised Agent has agreed to act as such agent for service of process and agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorised Agent and written notice of such service to the Issuer and each of the Guarantors shall be deemed, in every respect, effective service of process upon the Issuer and each of the Guarantors.

22. **Enforceability of Judgments**

Since many of the assets of the Issuer and the PIK Note Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any PIK 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 PIK Notes, may not be collectable within the United States.

23. **Governing Law**

The PIK Notes Indenture provides that it and the PIK Notes will be governed by, and construed in accordance with, the laws of the State of New York, without regard to principals of conflicts of laws.

## DEFINED TERMS IN THE DESCRIPTIONS OF THE PIK NOTES

Unless the context requires otherwise, all definitions contained in this section "*Defined Terms in the Description of the PIK Notes*" are for the purposes of the Description of the PIK Notes section only and all references in this section to the "PIK Notes" are to the PIK Notes, including the New PIK Notes and the Existing PIK Notes.

In this section, unless otherwise expressly provided, references to "**Securities**" or "**Notes**" mean to the PIK Notes where the terms are used in "*Description of the PIK Notes*."

"**ABL Facility**" means the asset-based revolving credit facility entered into by CEVA US Receivables, LLC on 19 November 2010, and amended on 31 December 2014 and 8 June 2015, that is secured by trade accounts receivable originated by CEVA Freight, LLC, CEVA International Inc. and CEVA Logistics U.S., Inc. that have been transferred to CEVA US Receivables, LLC;

"**Acquired Indebtedness**" means, with respect to any specified Person:

(a) 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

(b) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**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 13 August 2007 or thereafter (so long as any amendment, supplement or modification after 13 August 2007, together with all other amendments, supplements and modifications after the Initial Issue Date, taken as a whole, is not more disadvantageous to the Holders of the Securities in any material respect than the Acquisition Documents as in effect on 13 August 2007).

"**Additional Securities**" means any Senior Secured Notes issued subsequent to the Initial Issue Date.

"**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.

"**Agent**" means, in the case of the Senior Secured Notes, any Registrar, Paying Agent, Collateral Agent or Transfer Agent and, in the case of the PIK Notes, any Paying Agent or Collateral Agent.

"**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 23August 2006, by and between TNT N.V. and UK Bidco.

"**Asset Sale**" means:

(a) 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

(b) 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:

(i) a disposition of Cash Equivalents or Investment Grade Securities or obsolete, surplus or worn-out property or equipment in the ordinary course of business;

(ii) transactions permitted pursuant to Section 5.01 ("*When Company May Merge or Transfer Assets*") of the PIK Notes Indenture or any disposition that constitutes a Change of Control;

(iii) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under Section 4.04 ("*Limitation on Restricted Payments*") of the PIK Notes Indenture;

(iv) 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 €7.5 million;

(v) 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;

(vi) 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;

(vii) foreclosure or any similar action with respect to any property or any other asset of the Issuer or any of its Restricted Subsidiaries;

(viii) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(ix) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(x) any sale of inventory, trading stock or other assets in the ordinary course of business;

(xi) any grant in the ordinary course of business of any licence of patents, trademarks, know-how or any other intellectual property;

(xii) an issuance of Capital Stock pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(xiii) dispositions consisting of the granting of Permitted Liens;

(xiv) 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;

(xv) 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;

(xvi) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(xvii) 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;

(xviii) the sale of any property in a Sale/Leaseback Transaction within six months of the acquisition of such property; and

(xix) 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 Section 4.06 ("*Asset Sales*") of the PIK Notes Indenture.

"**Authorised Person**" means any person who is designated in writing by the Issuer from time to time to give Instructions to the Trustee or an Agent under the PIK Notes Indenture.

"**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 reorganisation 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.

"**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 authorised committee thereof.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions are authorised or required by law to close in New York City and London.

"**Capital Stock**" means:

(a) in the case of a corporation, corporate stock or shares;

(b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(d) 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.

"**Capitalised 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 capitalised and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"**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.

"**Cash Equivalents**" means:

(a) 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;

(b) 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;

(c) 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);

(d) repurchase obligations for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above;

(e) 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;

(f) 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;

(g) 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;

(h) 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;

(i) interest in investment funds investing at least 95% of their assets in securities of the types described in clauses (a) through (g) above; and

(j) instruments equivalent to those referred to in clauses (a) through (h) 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.

"**Change of Control**" means the occurrence of any of the following events:

(a) 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

(b) 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.

"**Collateral**" means all property subject or purported to be subject, from time to time, to a Lien under any Security Document.

"**Collateral Agent**" means Law Debenture Trust Company of New York in its capacity under the Indenture and under the Security Documents and any successor thereto in such capacity.

"**Consolidated Interest Expense**" means, with respect to any Person for any period, the sum, without duplication, of:

(a) 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 amortisation of original issue discount, the interest component of Capitalised Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations and excluding amortisation of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); plus

(b) consolidated capitalised interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (but excluding any capitalising interest on Subordinated Shareholder Funding); plus

(c) 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

(d) 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:

(a) 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 PIK Notes 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;

(b) any increase in amortisation 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;

(c) the Net Profit for such period shall not include the cumulative effect of a change in accounting principles during such period;

(d) 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;

(e) 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;

(f) 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;

(g) 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;

(h) solely for the purpose of determining the amount available for Restricted Payments under clause (a) of the definition of "Cumulative Credit", the Net Profit for such period of any Restricted Subsidiary (other than any 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;

(i) 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 Section 4.04(b)(12) ("*Limitation on Restricted Payments*") of the PIK Notes Indenture shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(j) any non-cash impairment charges or asset write-offs, and the amortisation of intangibles arising in each case pursuant to GAAP or the pronouncements of the IASB shall be excluded;

(k) 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;

(l) 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;

(m) 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;

(n) 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 (g) above shall be included;

(o) (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;

(p) 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;

(q) 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

(r) 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 Section 4.04 ("*Limitation on Restricted Payments*") of the PIK Notes Indenture 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 (d) and (e) of the definition of "Cumulative Credit" contained therein.

"**Consolidated Non-cash Charges**" means, with respect to any Person for any period, the aggregate depreciation, amortisation 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:

(a) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(b) to advance or supply funds:

(i) for the purchase or payment of any such primary obligation; or

(ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Agreement**" means (i) the credit agreement entered into on 4 November 2006, as amended and restated in connection with, and on or prior to, the consummation of the EGL Acquisition, 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 Section 4.03(b)(i) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture, 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.

"**Cumulative Credit**" means the sum of (without duplication):

(a) 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

(b) 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 (xxii) of Section 4.03(b) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture) from the issue or sale of Equity Interests of the Issuer or Subordinated Shareholder Funding to the Issuer (excluding Refunding Capital Stock, 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

(c) 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 (xxii) of Section 4.03(b) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture); plus

(d) 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

(e) 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:

(i) 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 Section 4.04(b) ("*Limitation on Restricted Payments*") of the PIK Notes Indenture),

(ii) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary, or

(iii) a distribution or dividend from an Unrestricted Subsidiary; plus

(f) 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 €20.0 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 Section 4.04(b) ("*Limitation on Restricted Payments*") of the PIK Notes Indenture or constituted a Permitted Investment).

"**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:

(a) 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 Holder than is customary in comparable transactions (as determined in good faith by the Issuer));

(b) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person; or

(c) 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 Securities or the date the Securities 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 authorises 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, 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.

"**DTC**" means The Depository Trust Company.

"**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:

(a) Consolidated Taxes; plus

(b) Consolidated Interest Expense; plus

(c) Consolidated Non-cash Charges; plus

(d) business optimisation expenses and other restructuring charges or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory or service optimisation programs, site closures, retention, systems establishment costs and excess pension charges); provided that with respect to each business optimisation 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 optimisation expense or other restructuring charge, as the case may be; plus

(e) 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 the Offering Circular and was in effect on the Reference Date;

less, without duplication,

(f) 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 24 May 2007, among the Issuer, CEVA Texas Holdco Inc., and EGL, Inc., as amended, supplemented or modified from time to time on or prior to 13 August 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 Initial 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:

(a) public offerings with respect to the Issuer's or such direct or indirect parent's common stock registered on Form S-8; and

(b) any such public or private sale that constitutes an Excluded Contribution.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro 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.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**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:

(a) contributions to its common equity capital; and

(b) 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.

"**Existing First Lien Notes**" means the outstanding $562,326,000 aggregate principal amount of 8.375% Senior Secured Notes due 2017 of the Issuer on the Initial Issue Date after giving effect to the Restructuring Transactions.

"**Existing Notes**" means the Issuer's Existing First Lien Notes, First-and-a-Half Priority Notes, the Old Second Priority Notes, the Unexchanged Notes, the Senior Unsecured Notes and the New First Lien 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 Priority Lien Obligations**" means in relation to the PIK Notes, all Secured Bank Indebtedness secured by a Lien that is senior to the Lien securing the Securities, (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, (iv) all other Bank Indebtedness that is

secured by a Permitted Lien (other than a Permitted Lien Incurred or deemed Incurred pursuant to clause (f)(ii) of the definition of Permitted Lien) that is pari passu or senior to the Lien securing the Securities, (v) the Existing First Lien Notes, the New First Lien Notes and the guarantees thereto, (vi) all other Obligations (not constituting Indebtedness) of the Issuer and its Restricted Subsidiaries under the agreements governing the Existing First Lien Notes, the New First Lien Notes, and the guarantees thereto 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.

"**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 6 October 2009.

"**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 and Pro Forma Consolidated Financial Data—Pro Forma Financial Information and Ratios" in the 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 Capitalised 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 Capitalised 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:

(a) Consolidated Interest Expense of such Person for such period; and

(b) 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 Commitment**" means the Financing Commitment Agreement dated as of 3 April 2013, as amended on the Initial Issue Date, among the Issuer, CEVA Holdings LLC and certain funds and accounts managed by Franklin Advisers, Inc and Franklin Templeton Investments Corp. set forth on Schedule A thereto.

"**Franklin Parties**" means certain funds and accounts advised by Franklin Advisors, Inc. and Franklin Templeton Investments Corp. that from time to time hold the Notes.

"**GAAP**" means the International Financial Reporting Standards ("**IFRS**") as in effect (except as otherwise provided in the PIK Notes Indenture) on the Reference Date. Except as otherwise expressly provided in the PIK Notes Indenture, all ratios and calculations based on GAAP contained in the PIK Notes 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 PIK Notes 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 Holder. For the purposes of the PIK Notes Indenture, the term "consolidated" with respect to any Person shall mean such Person consolidated with its Restricted Subsidiaries, and shall not include any Unrestricted Subsidiary, but the interest of such Person in an Unrestricted Subsidiary shall be accounted for as an Investment.

"**Guarantee**" means any guarantee of the obligations of the Issuer under the PIK Notes Indenture and the PIK Notes by any Person in accordance with the provisions of the PIK Notes Indenture.

"**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.

"**Guarantor**" means the guarantors listed in the section headed "*Information About the Guarantors*" in these Listing Particulars and any other Person that Incurs a Guarantee; provided that upon the release or discharge of each such Person from its Guarantee in accordance with the PIK Notes Indenture, such Person ceases to be a Guarantor.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under:

(a) 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

(b) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"**Holder**" means the party named as such in the Preamble to the PIK Notes Indenture until a successor replaces it and, thereafter, means the successor.

"**IASB**" means the International Accounting Standards Board and any other organisation 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):

(a) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent:

(i) in respect of borrowed money;

(ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(iii) 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);

(iv) in respect of Capitalised Lease Obligations; or

(v) 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;

(b) 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 (a) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business);

(c) 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: (i) the Fair Market Value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Person; and

(d) 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: (i) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed money; (ii) deferred or prepaid revenues; (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (iv) Obligations under or in respect of Qualified Receivables Financing; (v) obligations under the Acquisition Documents; or (vi) Subordinated Shareholder Funding.

Notwithstanding anything in the PIK Notes 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 PIK Notes 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 PIK Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the PIK Notes Indenture.

"**Indenture**" means the PIK Notes Indenture as amended or supplemented from time to time.

"**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.

"**Initial Issue Date**" means 2 May 2013.

"**Instructions**" means any written notices, written directions or written instructions received by the Trustee or any of the Agents in accordance with the provisions of the PIK Notes Indenture from an Authorised Person or from a person reasonably believed by the Trustee or any of the Agents to be an Authorised Person.

"**Intercreditor Agreements**" means in relation to the PIK Notes, the Senior/Subordinated Intercreditor Agreement and the First/Junior 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:

(a) 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);

(b) 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;

(c) 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

(d) corresponding instruments in countries other than the United States customarily utilised 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 Section 4.04 ("*Limitation on Restricted Payments*") of the PIK Notes Indenture:

(a) "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:

  (i) the Issuer's "Investment" in such Subsidiary at the time of such redesignation; less

  (ii) 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

(b) 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 1 August 2015, the date on which the New PIK Notes were 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.

"**Moody's**" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"**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.

"**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 Securities shall not include fees or indemnifications in favour of the Trustee and other third parties other than the Holder.

"**Offering Circular**" means the final offering circular dated 9 December 2010 relating to the offering of the First 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 PIK Notes Indenture.

"**Other Pari Passu Lien Obligations**" means other Indebtedness of the Issuer and the Restricted Subsidiaries that is equally and rateably secured with the Securities and is designated by the Issuer as an Other Pari Passu Lien Obligation.

"**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 L.P. 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 PIK Notes Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

Notes Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Liens**" means, with respect to any Person:

(a) 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;

(b) 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;

(c) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;

(d) Liens in favour 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;

(e) 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;

(f) The following:

(i) Liens on assets of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Restricted Subsidiary permitted to be Incurred pursuant to Section 4.03 ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture;

(ii) Liens securing an aggregate principal amount of Bank Indebtedness and other Obligations of the type specified in clauses (ii), (iii), (vi) and (vii) of the definition of First Priority Lien Obligations not to exceed the greater of (x) the aggregate amount of Indebtedness permitted to be Incurred (and so Incurred) pursuant to Section 4.03(b)(i) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture and (y) the maximum principal amount of Indebtedness that, 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, would not cause the Secured Indebtedness Leverage Ratio of the Issuer to exceed 3.00 to 1.00; provided, however, that

such Indebtedness is Incurred pursuant to Section 4.03(b)(i) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture; and

(iii) Liens securing Indebtedness Incurred pursuant to Section 4.03(b)(iv), 4.03(b)(xviii) or 4.03(b)(xxv) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture; provided, however, that the amount of Indebtedness Incurred or deemed Incurred after 13 August 2007 pursuant to Section 4.03(b)(iv) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture that is secured by a Permitted Lien (excluding the amount of the Indebtedness described in the following proviso and excluding Capitalised Lease Obligations) shall not exceed (x) €400 million at any one time outstanding if after giving effect to the incurrence of such Secured Indebtedness and the application of the proceeds therefrom the Senior Secured Indebtedness Leverage Ratio of the Issuer is no greater than 3.00 to 1.00 or (y) otherwise, €50.0 million at any one time outstanding (the "PM Lien Amount"), which PM Lien Amount shall be reduced by the amount of any Secured Indebtedness outstanding that is secured pursuant to clause (20)(z); provided further, however, the foregoing proviso shall not prohibit the Incurrence of a Permitted Lien under this clause (f)(iii) as a result of a reclassification of $425.0 million principal amount of Bank Indebtedness outstanding on 13 August 2007 from Section 4.03(b)(i) to 4.03(b)(iv) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture, which reclassification of $425 million was done prior to the Issue Date in connection with the transactions described in clause (2) of the definition of "Transactions"; provided further, however, that if the use of proceeds of any Indebtedness secured by a Lien Incurred pursuant to this clause (f) is to refinance, refund, extend, renew or replace (or successively refinance, refund, renew, extend, renew or replace), as a whole, or in part, any unsecured Indebtedness or any Indebtedness secured by a Lien that is pari passu or junior to the Lien securing the Securities, then such new Lien Incurred pursuant to this clause (f) shall not be permitted to have priority over, or rank ahead of, or otherwise be senior to the Lien securing the Securities;

(g) Liens existing on the Issue Date, including Liens securing the Securities, the Existing First Lien Notes, the First-and-a-Half Priority Notes and the New First Lien Notes (other than Liens described in clause (f));

(h) 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;

(i) 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;

(j) 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 Section 4.03 ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture;

(k) Liens securing Hedging Obligations not Incurred in violation of the PIK Notes Indenture; provided that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(l) 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;

(m) 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;

(n) 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;

(o) Liens in favour of the Issuer or any Guarantor;

(p) Liens on accounts receivable and related assets of the type specified in the definition of "Receivables Financing" Incurred in connection with a Qualified Receivables Financing, including any Liens incurred in connection with a Qualified Receivables Financing under this clause (p), 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);

(q) deposits made in the ordinary course of business to secure liability to insurance carriers;

(r) Liens on the Equity Interests of Unrestricted Subsidiaries;

(s) grants of software and other technology licenses in the ordinary course of business;

(t) 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 (f), (g), (h), (i), (j), (k), (o) and (t); 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 (f), (g), (h), (i), (j), (k), (o) and (t) at the time the original Lien became a Permitted Lien under the PIK Notes 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) such new Lien shall not rank pari passu with, or have priority over, or rank ahead of, or otherwise be senior pursuant to the Intercreditor Agreements or any other intercreditor agreement to the Lien securing the Securities (but may have priority over, or rank ahead of, or otherwise be senior pursuant to the Intercreditor Agreements or any other intercreditor agreement to the original Lien securing the Indebtedness being refinanced, refunded, extended, renewed or replaced) unless (A) the new Lien being created, Incurred or existing pursuant to this clause (t) is being created, Incurred or existing to secure Indebtedness being Incurred to refinance, refund, extend, renew or replace Indebtedness that is secured by a Lien that has priority over, or ranks ahead of, or otherwise is senior pursuant to the Intercreditor Agreements or any other intercreditor agreement to the Lien securing the Securities, in which case such new Lien may have priority over, or rank ahead of, or otherwise be senior pursuant to the Intercreditor Agreements or any other intercreditor agreement to the original Lien securing the Securities, (B) the new Lien being created, Incurred or existing pursuant to this clause (t) is being created, Incurred or existing to secure Indebtedness being Incurred to refinance, refund, extend, renew or replace Indebtedness that is secured by a Lien that ranks pari passu pursuant to the Intercreditor Agreements or any other intercreditor agreement to the Lien securing the Securities, in which case such new Lien may rank pari passu pursuant to the Intercreditor Agreements or any other intercreditor agreement to the original Lien securing the Securities, or (C) the new Lien being created, Incurred or existing pursuant to this clause (t) ranks pari passu pursuant to the Intercreditor Agreements or any other intercreditor agreement to the original Lien securing the Securities and (A) after giving effect to the Incurrence of such Secured Indebtedness and the application of the proceeds therefrom the Senior Secured Indebtedness Leverage Ratio of the Issuer would be no greater than 3.00 to 1.00 or (B) the amount of Indebtedness (excluding Capitalised Lease Obligations) secured by such new Lien, together with the PM Lien Amount, does not exceed €50.0 million at any one time outstanding; 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 (f), the principal amount of any Indebtedness Incurred for such refinancing, refunding, extension or renewal shall be deemed secured by a Lien under clause (f) and not this clause (t) for purposes of determining the principal amount of Indebtedness outstanding under clause (f), and for purposes of the definition of Secured Bank Indebtedness;

(u) 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;

(v) 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;

(w) 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;

(x) 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;

(y) any interest or title of a lessor under any Capitalised Lease Obligation;

(z) 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;

(aa) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(bb) other Liens securing obligations Incurred in the ordinary course of business which obligations do not exceed €20.0 million at any one time outstanding;

(cc) Liens securing the Additional Securities issued pursuant to the Franklin Commitment; and

(dd) 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 organisation, 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 Securities (or, in the case of the Senior Secured Notes, any Additional Securities) 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, Capitalised 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."

"**Qualified Receivables Financing**" means any Receivables Financing that meets the following conditions:

(a) the Board of Directors of 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;

(b) all sales of accounts receivable and related assets are made at Fair Market Value (as determined in good faith by the Issuer); and

(c) 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 Securitisation 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 Securities or any Refinancing Indebtedness with respect to the Securities shall not be deemed a Qualified Receivables Financing. As of the Issue Date, the ABL Facility shall constitute a Qualified Receivables Financing (and shall continue to constitute a Qualified Receivables Financing so long as it continues to satisfy the conditions set forth in clauses (a) through (c) above).

"**Rating Agency**" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the Securities for reasons outside of the Issuer's control, a "nationally recognized statistical rating organisation" 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 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 securitisation 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 defence, 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 (including CEVA US Receivables, LLC 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 Securitisation 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 Securitisation 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 Securitisation 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 favourable 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 CEVA US Receivables, LLC, 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 6 December 2006.

"**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 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 the PIK Notes Indenture, 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.

"**Secured Bank Indebtedness**" means any Bank Indebtedness that is secured by a Permitted Lien Incurred or deemed Incurred pursuant to clause (f)(ii) of the definition of Permitted Lien.

"**Secured Indebtedness**" means any Indebtedness secured by a Lien.

"**Secured Indebtedness 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 Secured Bank Indebtedness 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 Secured Indebtedness Leverage Ratio is being calculated but prior to the event for which the calculation of the Secured Indebtedness Leverage Ratio is made (the "**Secured Leverage Calculation Date**"), then the Secured Indebtedness 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 Secured 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 Secured Indebtedness 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 and Pro Forma Consolidated Financial Data—Pro Forma Financial Information and Ratios*" in the Offering Circular to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

"**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 herein or any of the foregoing.

"**Senior Secured Indebtedness**" means any Indebtedness (other than Capitalised Lease Obligations) that is secured by a Permitted Lien on any Collateral that ranks pari passu or senior in priority to the Lien securing the Securities pursuant to the Intercreditor Agreements or any other intercreditor agreement, including the Securities and any Other Pari Passu Lien Obligations. In accordance with the definition of "Indebtedness", Obligations under or in respect of a Qualified Receivables Financing shall not constitute Indebtedness and shall not constitute Senior Secured Indebtedness.

"**Senior Secured Indebtedness Leverage Ratio**" means, with respect to any Person, at any date the ratio of (i) Senior Secured Indebtedness of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) 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 Senior Secured Indebtedness Leverage Ratio is being calculated but prior to the event for which the calculation of the Senior Secured Indebtedness Leverage Ratio is made (the "Senior Secured Leverage Calculation Date"), then the Senior Secured Indebtedness 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 Senior Secured 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 Senior Secured Indebtedness 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 and Pro Forma Consolidated Financial Data Pro Forma Financial Information and Ratios*" in the Offering Circular to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

"**Senior/Subordinated Intercreditor Agreement"** " means the intercreditor agreement dated 4 November 2006, as amended and restated on 6 December 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 PIK Notes Indenture and as parties may accede to it from time to time.

"**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.

"**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 Securitisation 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 Securitisation 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 Securities and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to its Guarantee.

"**Subordinated Shareholder Funding**" means, collectively, any funds provided to the Issuer by any direct or indirect parent, any Affiliate of any direct or indirect 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:

(a) does not mature or require any amortisation, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Securities (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 Securities is restricted by the Intercreditor Agreements, an Additional Intercreditor Agreement or another intercreditor agreement;

(b) does not require, prior to the first anniversary of the Stated Maturity of the Securities, 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 Securities is restricted by the Intercreditor Agreements or an Additional Intercreditor Agreement;

(c) 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 Securities) 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 Securities) is restricted by the Intercreditor Agreements or an Additional Intercreditor Agreement;

(d) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(e) 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 Securities pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favourable in any material respect to Holder 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.

"**Tax Distributions**" means any distributions described in Section 4.04(b)(12) ("*Limitation on Restricted Payments*") of the PIK Notes Indenture.

"**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.

"**Trustee**" means the party named as such in the PIK Notes 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 company organized under the laws of England and Wales.

"**Unrestricted Subsidiary**" means:

(a) (x) CEVA US Receivables, LLC 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

(b) 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:

(i) the Subsidiary to be so designated has total consolidated assets of €1,000 or less; or

(ii) if such Subsidiary has consolidated assets greater than €1,000, then such designation would be permitted under Section 4.04 ("*Limitation on Restricted Payments*") of the PIK Notes Indenture.

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 set forth in Section 4.03(a) ("*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*") of the PIK Notes Indenture 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.

"**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.

"**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.

## UNITED KINGDOM TAXATION

The following is a summary of certain United Kingdom tax considerations relating to the United Kingdom withholding tax treatment of payments of interest and principal in respect of the PIK Notes. The comments are not exhaustive, and do not deal with other United Kingdom tax aspects of acquiring, holding, disposing of, abandoning or dealing in the PIK Notes. The comments below are of a general nature, relating only to the position of persons who are absolute beneficial owners of the PIK Notes and are based on United Kingdom law and what is understood to be the current practice of Her Majesty's Revenue & Customs ("**HMRC**"), in each case at the date of these Listing Particulars, which may change at any time, possibly with retrospective effect. They do not constitute legal or tax advice. Holders who are in any doubt as to their tax position should consult their professional advisers.

Holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the PIK 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 PIK Notes. In particular, Holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the PIK 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.

**Interest payments**

The United Kingdom potentially imposes withholding tax on payments of interest, but not principal. However, the obligation to withhold or deduct United Kingdom income tax from payments of interest is subject to certain exemptions.

Any payment of interest may be made without withholding or deduction for or on account of United Kingdom income if the PIK Notes are and continue to be "quoted Eurobonds" as defined in section 987 of the Income Tax Act 2007 (the "**Quoted Eurobond Exemption**"). The PIK Notes will constitute "quoted Eurobonds" if they carry a right to interest and are and continue to be listed on a recognized stock exchange within the meaning of section 1005 of the Income Tax Act 2007. PIK Notes admitted to trading on a recognized stock exchange outside the United Kingdom will be treated as "listed" on a recognized stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed in accordance with provisions corresponding to those generally applicable in European Economic Area states in a country outside the United Kingdom in which there is a recognized stock exchange. The ISE is a recognized stock exchange and securities listed on the Official List and admitted to trading on the GEM meet the definition of "listed" for these purposes.

Application has been made to the ISE for admission of the PIK Notes to the Official List and to trading on the GEM. 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.

Irrespective of the availability of the Quoted Eurobond Exemption, there will be generally no United Kingdom 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 mentioned 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 circumstances set out in (a) to (c) above, interest on the PIK 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.

The references to a payment of "interest" above mean a payment of "interest" as understood in United Kingdom tax law and in particular any premium element of the redemption amount of any PIK Notes redeemable at a premium and, in certain cases, discount may constitute a payment of interest subject to the withholding tax provisions discussed above. The statements above do not take any account of any different definitions of a payment of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the PIK Notes or any related documentation.

Payments of interest under any guarantee may attract withholding at the basic rate (currently 20%) though the exemptions outlined above (particularly the Quoted Eurobond Exemption) may not apply to any such guarantee payment.

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.

**European Union Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **"EU Savings Directive"**) 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 non-corporate entities, resident in that other Member State (interest payments on the PIK Notes will for these purposes be Savings Income). However, for a transitional period, Austria 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.

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 non-corporate entities, 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 non-corporate entities, 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 EU Savings Directive or the relevant law conforming with the directive in a dependent or associated territory.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **"Amending Directive"**) amending and broadening the scope of the requirements described above. EU member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. They will also expand the circumstances in which payments that indirectly benefit an individual resident in an EU Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

The Organisation for Economic Co-operation and Development (**"OECD"**) has been tasked by the G20 with undertaking the technical work needed to take forward the single global standard for automatic exchange of financial account information endorsed by the G20 in 2013. The OECD has released a full version of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **"Common Reporting Standard"**), which calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis. On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted Council Directive 2014/107/EU, revising the Directive on Administrative Cooperation 2011/16/EU (the **"ACD"**) (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard. EU Member States are required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the ACD by 31 December 2015. They are required to apply these provisions from 1 January 2016 and to start the automatic exchange of information no later than end of September 2017. Austria has been allowed to start applying Council Directive 2014/107/EU up to one year later than other Member States and special transitional arrangements, taking account of this derogation, will apply to Austria.

Therefore, the European Commission has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and the ACD (as amended). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

On 27 May 2015 the European Union and Switzerland signed a protocol amending their existing reciprocal agreement relating to Savings Income and transforming it into an agreement on automatic exchange of financial account information based on the Common Reporting Standard. The revised agreement also takes into account the provisions of the amending Directive 2014/107/EU. The existing EU-Switzerland reciprocal agreement will continue to be operational until 31 December 2016. From 1 January 2017 financial institutions in the EU and Switzerland will be required to commence the due diligence procedures envisaged under the new agreement and information exchange will come into force by September 2018.

**FTT**

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.

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation, for which no firm date has yet been set. Additional Member States may also decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## TRANSFER RESTRICTIONS

The PIK Notes and the Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, therefore, 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, a "**U.S. Person**") 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 PIK Notes are only being offered and sold outside the United States to purchasers who are not U.S. Persons in reliance upon Regulation S under the Securities Act ("**Regulation S**"). The terms "offshore transaction" and "United States" have the meanings given to them in Regulation S.

If you purchase or hold any PIK Notes or any beneficial interests therein, whether on their initial issuance or pursuant to a resale prior to the expiration of the distribution compliance period (as described below), you will be deemed to have acknowledged, represented and agreed as follows:

a) You understand and acknowledge that the PIK Notes and the Guarantees have not been, and will not be, registered under the Securities Act or any other applicable securities laws and that the PIK Notes are being offered and sold in transactions exempt from, or not subject to, registration under the Securities Act or any other securities laws, and may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws and in any case in compliance with the conditions for transfer set forth in paragraph (e) below.

b) You (i) are not a U.S. Person or acting for the account or benefit of a U.S. Person (other than a distributor), (ii) are not located in the United States (as defined in Regulation S) and are purchasing the PIK Notes in an offshore transaction in accordance with Regulation S and (iii) are not our "affiliate" (as defined in Rule 144 under the Securities Act) and are not acting on our behalf or on the behalf of one of our affiliates.

c) You acknowledge that each PIK 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 "SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. 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."

d) You acknowledge and agree that until the expiration of the "distribution compliance period" (as defined below), you will not make any offer or sale of the PIK Notes to, or to or for the account or benefit of, a U.S. Person. The "distribution compliance period" means the 40-day period following the issue date for the PIK Notes.

e) You acknowledge that the registrar will not be required to accept for registration of transfer any PIK 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.

f) You agree that you will give to each person to whom you transfer the PIK Notes notice of any restrictions on the transfer of the PIK Notes.

g) You acknowledge that:

(i) we 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 promptly in writing; and

(ii) if you are acquiring any PIK Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(A) you have sole investment discretion; and

(B) you have full power to make, and do make, the foregoing acknowledgements, representations and agreements.

Transfer Restrictions

Each purchaser and subsequent transferee of any PIK Notes 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 PIK 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) or 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), (iii) or (iv) the purchase and holding of the PIK 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.

## INDEPENDENT AUDITOR

The consolidated financial statements of CEVA Group Plc prepared in accordance with IFRS as adopted by the E.U., as of and for the years ended 31 December 2013 and 2014 incorporated by reference into these Listing Particulars, have been audited by PricewaterhouseCoopers LLP, independent auditors, as set forth in their report thereon. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

In accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, the independent auditors' report states that: the report, including the opinion, has been prepared for and only for CEVA Group Plc's members as a body in accordance with Section 235 of the Companies Act 1985 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.

In making these statements the independent auditors assert that they do not accept or assume any liability to parties such as holders of the PIK Notes with respect to the report and to the independent auditors' audit work and opinions.

## ADMISSION TO TRADING AND GENERAL INFORMATION

### 1. Admission to Trading

Application has been made to the ISE for the approval of this document as Listing Particulars. Application has been made to the ISE for the PIK Notes to be admitted to the Official List and to trading on the GEM which is the exchange regulated market of the ISE. The GEM is not a regulated market for the purposes of Directive 2004/39/EC.

As long as the PIK Notes are admitted to trading on the GEM of the ISE and the guidelines of that 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 Issuer's website. The issuance of the PIK Notes has been authorised by resolutions of the Board of Directors of CEVA Group Plc, dated 1 April 2013 and resolutions of the Special Committee of the Board of Directors of CEVA Group Plc, dated 29 April 2013. The giving of the guarantees of the PIK Notes has been authorised, pursuant to applicable corporate formalities, prior to the issuance of the PIK Notes.

We estimate the expense relating to admission of the PIK Notes to trading on the GEM of the ISE to be approximately €4,540.

CEVA Group Plc accepts responsibility for the statements 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.

Each of the Guarantors accepts responsibility for the information in respect of themselves and the Guarantee contained in these Listing Particulars. To the best of the knowledge of each of the Guarantors (each having taken reasonable care to ensure that such is the case), the information with respect to itself and the Guarantee contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Form of Notes

The PIK Notes were issued to the holders in certificated form on the Issue Date.

### 3. Legal Information

CEVA Group Plc (registered number 5900853), with its registered office at 20-22 Bedford Row, London, WC1R 4JS, United Kingdom, was incorporated as a public company with limited liability, under the laws of England and Wales, on 9 August 2006 with the name Louis No. 1 Plc. The Issuer can be contacted by calling +44 330 587 7000.

As of the date of these Listing Particulars, the authorised share capital of £699,965 is divided into 3,500,000,000 ordinary shares with a par value of £0.0001 each and 350,000 deferred shares with a par value of £0.9999 each. As of 31 December 2014, 3,499,650,000 ordinary shares of a par value of £0.0001 each in the Issuer were held by Holdings and 349,999 ordinary shares of a par value of £0.0001 each and 349,999 deferred shares of a par value of £0.9999 each were held by CIL Limited. Louis Cayman Second Holdco Limited (a wholly owned subsidiary of CIL Limited) held 1 ordinary share of a par value of £0.0001 on trust as bare nominee for CIL Limited and 1 deferred share of a par value of £0.9999. Accordingly, Holdings holds 99.99% of the Issuer and CIL Limited and Louis Cayman Second Holdco Limited together hold 0.01%.

The rights of the holders of the ordinary shares and deferred 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.

Since 30 June 2015 there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole. Since 31 December 2014 there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.

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, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering the last 12 months, which may have, or have had in the recent past, significant effects on our financial position or profitability.

4. **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 Issuer to cause the board of directors of the Issuer 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.

5. **Prescription**

Subject to any applicable abandoned property law, the Trustee and each Paying Agent shall pay to the Issuer upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter Holders entitled to the money must look to the Issuer for payment as general creditors, and the Trustee and each Paying Agent shall have no further liability with respect to such monies.

## 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 24 August 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 16 December 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 14 January 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 11 October 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 17 August 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 19 November 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 27 April 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 16 May 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 21 June 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 31 October 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 26 November 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 5 December 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 1 January 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 28 December 2003 and discontinued under the laws of Ontario and continued under the laws of Alberta, Canada on 19 October 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 5 November 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 11 June 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, incorporated on 25 January 1990. 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, incorporated on 13 June 1979. 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 limited company organized under the laws of Germany, incorporated on 8 March 2006. 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.

Information about the Guarantors

EXPORTA Gesellschaft für Exportberatung m.b.H. is a limited liability company organized under the laws of Germany, incorporated on 5 July 1966. 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 21 November 1980. It is registered with the Hong Kong Companies Registry under number 89584 and the address of its registered office is 3701, 09-12, 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 25 September 1998. It is registered with the Hong Kong Companies Registry under number 655608 and the address of its registered office is 3701, 09-12, 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 16 June 1988. It is registered with the Hong Kong Companies Registry under number 218542 and the address of its registered office is 3701, 09-12, 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 16 September 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 29 June 1984. It is registered with the Hong Kong Companies Registry under number 138405 and the address of its registered office is 3701, 09-12, 37/F Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Hong Kong.

Ozonic Limited is a private limited company, organized under the laws of Hong Kong, incorporated on 31 January 1978. It is registered with the Hong Kong Companies Registry under number 58256 and the address of its registered office is 3701, 09-12, 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 12 November 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 29 December 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 25 January 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 24 June 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 17 October 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 8 November 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 12 June 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 7 September 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 28 April 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 19 July 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 19 July 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 20 March 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 5 August 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 24 October 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 (UK) Limited) is a limited liability company incorporated under the laws of England and Wales registered on 19 November 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.

Information about the Guarantors

CEVA Limited (formerly known as Louis No. 3 Limited) is a limited liability company incorporated under the laws of England and Wales on 9 August 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 17 December 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 25 February 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 14 November 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 16 May 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 1 October 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 17 April 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 28 October 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 3 February 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 7 July 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 7 October 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 11 May 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 4 February 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 17 February 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 22 August 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 1 July 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 28 June 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 23 October 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 21 April 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 5 October 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 23 June 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 14 April 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 23 October 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 24 March 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 2 March 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.

Information about the Guarantors

EGL Eagle Global Logistics, LP is a limited partnership organized under the laws of Delaware, United States registered on 26 October 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 7 October 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.

## DOCUMENTS ON DISPLAY

Investors can access, in physical form and during the life of these Listing Particulars, PIK Notes Indenture, the Original Listing Particulars, the First Supplementary Listing Particulars, the Second Supplementary Listing Particulars, the Third Supplementary Listing Particulars, the Fourth Supplementary Listing Particulars, the Fifth Supplementary Listing Particulars, the Sixth Supplementary Listing Particulars, the Seventh Supplementary Listing Particulars, the July 2015 Listing Particulars, the Guarantees, the Memorandum and Articles of Association of the Issuer, the Annual Reports, the constitutional documents of the guarantors and all other documents referred to within these Listing Particulars at the registered office of the Issuer.

## ADDITIONAL INFORMATION

The rights of holders of the common shares in the guarantors are contained in the constitutional documents of the guarantors, and the guarantors will be managed by their respective directors or management in accordance with those constitutional documents and in accordance with the laws of their respective jurisdiction of incorporation.

The ISIN of the PIK Notes is GB00BCRYKQ49.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the PIK Notes and is not itself seeking admission to trading of the Notes to the GEM of the ISE for the purposes of the GEM Rules.

## CERTAIN DEFINED TERMS

## THE ISSUER

**CEVA Group Plc**
20-22 Bedford Row
London WC1R 4JS
United Kingdom

## IRISH LISTING AGENT

**Arthur Cox Listing Services Limited**
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

## LEGAL ADVISERS

*To the Issuer as to US law*

**Akin Gump Strauss Hauer & Feld LLP**
One Bryant Park
New York, NY 10036
United States of America

*To the Issuer as to English law*

**Akin Gump LLP**
10 Bishops Square
London E1 6EG
United Kingdom

## TRUSTEE, AGENTS AND REGISTRAR

*As Trustee, Registrar and Paying Agent of the PIK Notes*

**Wilmington Trust, National Association**
50 S. 6th Street, Suite 1290,
Minneapolis, MN 55402
United States of America

*As Collateral Agent for the PIK Notes*

**Law Debenture Trust Company of New York**
400 Madison Avenue,
New York, NY 10017
United States of America

## AUDITORS TO THE ISSUER

**PricewaterhouseCoopers LLP**
1 Embankment Place
London WC2N 6RH
United Kingdom